



Currency conundrum

Boosting local currency trade in BRICS is not a simple choice for India

The BRICS New Delhi Declaration shows that progress in enhancing local currency trade has been incremental. The paragraph pertaining to local currency trade acknowledges the efforts of various task forces and committees but falls short of offering any concrete proposals. Recently, the Commerce Ministry indicated that India's rupee trade with its BRICS partners was limited, with only the UAE and Russia engaged in it. Even those volumes are relatively small. Until recently, Russia had struggled to dispose of the rupees it was accumulating from its exports to India. Some avenues have now opened, with Russia being forced to import petroleum products from India due to Ukraine's attacks. But that is a trickle. Another option is to treat any BRICS currency as 'local'. India has already been using the UAE Dirham to pay for Russian oil. However, the latest Declaration's mention of promoting BRICS local currency trade "while respecting national priorities and acknowledging that there is no one-size-fits-all approach" is telling. Clearly, there are some intra-BRICS issues that need to be addressed. The deliberations are not public, but it would not be surprising if it was India that had emphasised national priorities and raised problems with a "one-size-fits-all" approach. Local currency trade involves several strategic considerations for India.

On the one hand, India would prefer to continue being paid for its exports in dollars. A depreciating rupee ensures that every dollar paid to India results in a higher amount of rupees. As a country looking to boost exports, India would want to retain this advantage. On the other hand, India is also a major importer and would like to pay in relatively cheaper local currencies. It will eventually have to choose. Then there is the fact that China accounts for about two-thirds of all BRICS exports. BRICS local currency trade will largely be trade in the yuan. Relations with China might be thawing now, but India would still be loath to conduct its business in the yuan. It is also important to distinguish between local currency trade and a BRICS currency. While India has so far been cautiously supportive of the former, it has been vocal in opposing a BRICS currency, largely because of China's likely dominance of such a currency. Then there is U.S. President Donald Trump's threat of 100% tariffs on countries adopting a BRICS currency. India has displayed a pragmatic attitude to dealing with Mr. Trump, and it will not court such tariff threats lightly. Countries such as Iran and Russia have pressing reasons to move away from the dollar. So far, India does not have a convincing enough one, and the New Delhi Declaration reflects that.

Hog in the limelight

The survival of the pygmy hog depends on a thriving ecosystem

The decline of the pygmy hog – the sole surviving species of the genus *Porcula* and the world's smallest wild suid – is a narrative about the decline of India's alluvial floodplains. The pygmy hog depends significantly on dense grasslands to feed, conceal itself, and reproduce, so distress among these animals is an indicator of the floodplain suffering degradation. Protecting the pygmy hog can also extend protections to threatened species such as the Bengal florican, hispid hare, hog deer, and greater one-horned rhinoceros. The Assam government was recently right to laud the efforts of a captive breeding programme that increased the pygmy hog population in the State 32-fold in the last three decades. Breeding from a small founder stock while preventing diseases – suids are highly susceptible to swine diseases – and inbreeding requires conservationists to track pedigree, follow biosafety protocols, and condition individuals before release. That said, the species' survival in the wild depends on the survival of specific ecosystems, and the latter remains a work in progress. The pygmy hog was believed to be extinct by the mid-20th century as floodplains were converted for farms, tea plantations, and flood control infrastructure and were degraded by invasive plants and altered flood cycles, with the unscientific burning of grasslands further fragmenting habitats. A few individuals were rediscovered in 1971, prompting one conservation effort. The current efforts are due to the Pygmy Hog Conservation Programme from 1995.

Even now, the difficulty of spotting and counting these animals means that it is hard to say how many exist in the wild: per the Durrell Wildlife Conservation Trust, there were some 250 individuals in early 2025, with the last surviving natural population in the Panbari grasslands area of the Manas National Park. Since they continue to be threatened, the captive individuals form the insurance group, but even so, the group's long-term evolutionary fitness is still not guaranteed. Researchers are also alert to the accumulation of harmful gene variants in the population and low genetic diversity, and thus look forward to the pygmy hog's natural habitats being restored. Alluvial floodplains are dynamic ecosystems; in addition to threats such as land conversion, efforts to 'save' them, such as widespread dry-season fires, can still destroy the dense cover the pygmy hog needs. On the other hand, suppressing ecological processes can leave trees and shrubs to turn grassland into woodland. Given the plan to increase the wild pygmy hog population to 300 by 2040, Assam needs to revert the fragmentation of its protected grasslands, especially in Rupahi and Kanchanbari, and to restore buffer zones around the Manas and Orang National Parks and the Sonai Rupai Wildlife Sanctuary.

A section of Hindu nationalists in India has long questioned the national loyalty of its religious minorities. Under attack, Muslims and Christians have often sought to affirm their loyalty to the nation. But in a curious turn of history, the Rashtriya Swamsevaka Sangh (RSS), a key pillar of Hindu nationalism, is now explaining to the world that loyalty to a nation is not determined by the faith traditions of its citizens.

"There is no conflict in being Indian and being a citizen of another country for its loyalty," RSS chief Mohan Bhagwat said. At an event titled Celebrate Oneness/Celebration of Oneness in London, on September 6, 2026, Mr. Bhagwat said: "If British Hindus are good, committed, and true Hindus, there will never be a conflict between British and Bharat interests. If at all that happens, it is obvious that British Hindus will go with Britain. Exceptions may happen, but Hindutva is clear on this. Your *Karmabhoomi* is where your loyalties lie. Your *Jannabhoomi*, or land of your origin or your birthplace, *Punyabhoomi* or *Jannabhoomi*, is where you get your values, and you have to live those values in your *Karmabhoomi*, serving the *Karmabhoomi*. So, Hindutva never asks you to betray your *Karmabhoomi*. You are living there, you are earning there, you are living there," he said.

Two forms of nationalism

Nationalism is a shared sense among a group of people that they are a group. Broadly, there are two types of nationalism: territorial and cultural. Territorial nationalism supposes that all people who are in a particular place are one. Whether one is Hindu, Christian, or Muslim, everyone who lives in India is Indian, according to this conception. Cultural nationalism, on the other hand, assumes that all people who share a culture are one, regardless of where they live. For instance, it could hold that all Christians, Muslims, or Hindus form one nation, wherever they live.

In real life, it is impossible to enforce such clear notions, because people and ideas move across national borders, which are themselves subject to change over time. Concepts and practices often get mixed up. In the Indian context, the territorial nationalism depicted in Jawaharlal Nehru's *The Discovery of India* draws upon culture too.

The cultural nationalism that the RSS represents considers all Hindus around the world as one nation, but it also holds strident views about the territory of India. The RSS anthem is the Sanskrit hymn *Namaste Sada Vatsale Matribhume*, underscoring the primacy of territory even while claiming Hindu universalism. Secularists, on the other hand, also draw upon



Varghese K. George

the cultural iconography of *Bharat Mata*.

The link between culture and territory in the conceptualisation of the nation has never been simple, but it has been further complicated by globalisation and anti-globalisation politics around the world in recent decades. It is this complication that Mr. Bhagwat has been trying to grapple with through his global outreach tour to mark the Sangh's centenary. On average, around 1.5 lakh Indians give up their Indian citizenship each year to become citizens of another country.

They may find themselves caught in the political equivalent of what clinical psychologists term dissociative identity disorder, or split personality disorder. After giving up their Indian passports, they attend meetings such as those addressed by Mr. Bhagwat and those organised by Prime Minister Narendra Modi in various parts of the world, where they chant "*Bharat Mata Ki Jai*". In Australia and the United Kingdom, some of them support India when it plays cricket against their newly adopted motherlands. Not only are they caught between two mothers in terms of their loyalties, but they have also transported their fraternal conflicts from the subcontinent to the new territories. They carry their old battles over sects, castes and religions to their new motherlands.

The 'internal enemy' theme

Hindutva's foundational author, V.D. Savarkar, framed this concern about the split loyalties of those residing in the territory. In *Hindutva: Who Is a Hindu?*, he distinguished between those who are in the territory of India by the accident of birth and those who consider it their sacred land.

The true Hindu, in his formulation, is one who has India as both *pitrubhumi* and *punyabhumi*, a state that excludes Muslims and Christians who may have their sacred lands elsewhere. This fear of the resident alien, or even the enemy within, continues to persist in Hindutva thinking. Mr. Bhagwat himself has spoken of this. "This war is not against an enemy without, but against an enemy within. So there is a war to defend Hindu society, Hindu Dharma and Hindu culture. Foreign invaders are no longer there, but foreign influence and foreign conspiracies continue..." he told *Organiser* in an interview in 2023. This theme of the internal enemy continues to animate Hindutva nationalism, at any rate, a weak section of it.

When the RSS says it is spreading the message of the oneness of the world, how does this sit with its notions of territory and people? Is the RSS an organisation meant for all Hindus, wherever they may be in the world, or is it about uniting all Indians?

Rather than an easy answer, what one might encounter in the Sangh's stated principles and

practices are contradictions, and perhaps a struggle to come to terms with a changing world. The Sangh has become a global actor, partly by accident and partly by design. Mr. Bhagwat also maintains that all people who are in India and share the same ancestry are all Hindus.

If all people who share the same ancestry are Hindus and part of the nation, there is no reason why the RSS should be anxious about the movement of people from anywhere in the subcontinent. But that is not the RSS's position, which calls for the stringent protection of Indian borders and the removal of so-called infiltrators by all possible measures.

Migrations linked to colonialism dispersed Indians across distant shores. Wherever Indians settled, the anti-colonial movement also took root. Intellectual and organisational strands of the Indian national movement were present in many parts of the world in the early 20th century. In fact, both Mohandas Karamchand Gandhi and Vinayak Damodar Savarkar developed their ideas while living in the United Kingdom.

Diaspora dilemma

The visible emergence of Hindus in the West as a political community in recent decades has been a double-edged sword for Hindutva. The U.K. has had a Prime Minister of Hindu faith, Rishi Sunak.

The RSS and the Bharatiya Janata Party introduced a new vocabulary of the *jannabhoomi-karmabhoomi* duet when they launched their diaspora politics under Atal Bihari Vajpayee's government. This worked quite well in reaching out to western audiences until native nationalists in the West began to view migrants with suspicion. It so happened that the RSS's intensive diaspora politics, which became part of India's state policy under Mr. Modi, coincided with the rise of nativism in the West. Mr. Bhagwat's London speech sought to address this concern: Can a person of an allegedly foreign faith be a loyal citizen of the country?

If this mission is truly one of self-reflection and marks an evolutionary milestone for the RSS in its 100th year, it must apply the same standard everywhere, across the entire *bhumi*. What is true in London must be equally true in Lucknow: loyalty to the nation is not determined by the faith one follows, but by one's residency and the modern concept of citizenship. Mr. Bhagwat has done well in stating that people of Indian origin must choose their adopted country over India in all situations, echoing Jawaharlal Nehru's position on this question. However, Mr. Bhagwat's words will be tested equally in the Indian context if they are to be accepted as a marker of the RSS's evolution.

varghese.g@thehindu.co.in

China's strategy amid West Asia's security realignment

Chinese President Xi Jinping's visit to Egypt (September 1-2, 2026) marked a shift in Beijing's engagement with West Asia. In talks with Egyptian President Abdel Fattah el-Sisi, Mr. Xi set out a four-point formula for a new regional security architecture. Beijing has long talked about the need to rethink regional security, but this is the first time it has elaborated what such an architecture should look like.

Among the four points, the first is the need to "unleash the internal momentum of regional common security". The core component of this is to reduce the "interference by external forces" while supporting regional countries to strengthen dialogue on peace and security. Second, Mr. Xi called for the issues in the region to be discussed comprehensively, while prioritising the goal of a two-state solution for the Palestinian question. Third, he stressed that "lasting stability and security in West Asia relies fundamentally on development". In doing so, he articulated Beijing's opposition to the weaponisation of international watersways, while positioning economic diplomacy and development cooperation as the preferred instrument for Chinese engagement. Finally, Mr. Xi insisted that all these efforts must happen through the United Nations framework.

A shifting security order

The announcement comes at an interesting moment in the evolution of West Asian geopolitics. The United States-Israeli war against Iran, the fracturing of Gulf security assumptions, disrupted energy flows and the closure of the Strait of Hormuz, and rising Türkiye-Israel tensions have all pressed on Chinese interests. Pakistan's brokering of a U.S.-Iran understanding, which Beijing supported, offered a template for extending influence without exposure. Then came the Mecca Joint Defence Agreement on August 7, 2026 between Pakistan, Saudi Arabia and Türkiye.

In theory, a North Atlantic Treaty Organization (NATO)-style mutual defence agreement would



Manoj Kewalramani

Chairperson, Geostategy Programme, Takshashila Institution

not be welcome in Beijing. Over the years, the Chinese leadership has repeatedly pushed back against what it says is Cold War mentality and bloc politics. But in this case, it has been extremely cautious. There has been no formal commitment, no direct leadership statement, and no word from its ambassadors. That, however, does not mean that there has not been an internal debate.

Mecca pact, Chinese views

For instance, Long Chen of Renmin University's Chongyang Institute has argued that the Mecca pact might actually serve American purposes. Every administration since (then) U.S. President Barack Obama has sought to shed direct security costs, the 2025 National Security Strategy says as much explicitly, and regional states arming themselves is precisely what offshore balancing requires. He noted that all three signatories remain dependent on American weapons and intelligence. Of course, what all of this ignores is the difficult security relationship that Mecca pact members have with Israel, a key American ally in the region.

Others such as Zhou Li, a former Vice-Minister of the International Department of the Central Committee of the Communist Party of China has argued that the pact is an exercise of regional strategic autonomy, produced by the erosion of American hegemony, and consonant with China's Global Security Initiative. Mr. Zhou has contended that comparing this agreement to a NATO-style treaty is foolhardy, as there is no published text, no joint command, no cost-sharing, and no binding obligation.

Essentially, Mr. Zhou concludes that such a pact dilutes American primacy without creating a rival bloc that Beijing would have to position itself against. Mr. Zhou also suggested that the next member to join the agreement could be Egypt, which is where Mr. Xi's statement and the choice of venue for it are significant. In calling to "unleash the internal momentum of regional common security", Mr. Xi seems to have weighed

in on the domestic debate, leaning in favour of Mr. Zhou's argument.

What likely prompted him to do so is the belief that while Washington remains the preponderant military power in the region, its ability to defend allies against Iranian strikes, to enforce its will in the Strait, and to sustain commitment as its dependence on Gulf energy declines are all now open questions. Gulf states are, therefore, hedging, buying insurance from Pakistan and others. In other words, the American credibility problem has become an opportunity too juicy to miss out on. This is a moment during which Beijing can throw cautious support behind attempts among regional actors to pursue autonomy, with little practical cost to itself.

Beijing's interests

China has significant economic and energy stakes in West Asia. If regional states are building their own architecture, Beijing can support the process economically and remain militarily disengaged. It already has substantial defence and technology trade with Pakistan, growing ties with Saudi Arabia, and openings in Türkiye and Egypt. Saudi Arabia and Egypt together absorbed roughly a third of China's combat drone deliveries in the decade to 2023, according to Stockholm International Peace Research Institute (SIPRI) data. Riyadh has also built domestic solid-fuelled ballistic missile capacity with Chinese technical assistance and is increasingly attracting Chinese technology investment. So there could be money to be made and influence to be cemented in terms of defence and technological engagement.

In essence, the formula announced by Mr. Xi in Cairo is a significant position being articulated with regard to the emerging security framework in West Asia. Whether this framework will demand certain guarantees that China remains reluctant to offer is something that must be noted going forward. More interestingly, it seems that despite all the friction, Beijing and Washington might be able to find some common ground in West Asia.

The Chinese President's visit to Egypt has outlined Beijing's approach

LETTERS TO THE EDITOR

The Pygmy charge

It is strange that at a time when India's UPI has gained wide acceptance both at home and abroad, a 0.4% charge is being introduced on merchant transactions above ₹2,000. The government says about 96% of merchant transactions will remain free, leaving only 4% to bear the new charge. This

raises a simple question: what sizeable amount is expected to be gained from this measure? The answers are not clear. There is also a risk that some merchants may find ways around the charge. They could ask customers to pay into their personal accounts, which remain free, instead of their business accounts, or ask

them to split a large payment into smaller amounts of ₹2,000 or less. Others may simply pass the cost on to customers by raising their prices. UPI has made everyday payments simple for millions. There is little sense in complicating a system that has worked so well. V. Nagarajan, Chennai

Weaponised space

The disclosure by the United States that it possesses counter-space capabilities, although it has not revealed their nature, could open the floodgates to the weaponisation of space. While orbital bombardment has so far remained largely within the realm of science fiction, the deployment of kinetic or

non-kinetic conventional weapons in space could make it a reality. This could trigger an arms race, with space powers deploying their weapons in orbit. At a time when the global space industry is seeking cheaper and more affordable technologies for conducting space missions, an arms race in space could hinder progress towards reducing

satellite-launch costs. It could also undermine scientific missions, including exploration and research, as countries divert resources towards weapons rather than scientific advancement.

Kunal Anand, Bhubaneswar, Odisha

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Mining amendment is unfair to States

India's mineral wealth is not evenly spread across the country. States such as Odisha, Jharkhand, Chhattisgarh, and Karnataka possess enormous reserves of coal, iron ore, and other minerals that feed industries across India. While mining brings in investment and employment, it also leaves the host State to deal with challenges such as the resettlement of displaced groups; environmental damage; pressure on public infrastructure; and the long-term consequences of extracting minerals that can never be replaced.

That is why the Mines and Minerals (Development and Regulation) Amendment Act (MMDR), 2026 deserves closer attention. At the heart of the amendment is Section 9D which restricts State Governments from imposing taxes, cesses or other levies on mineral rights or mineral-bearing land except in accordance with conditions prescribed by the Central government. The Centre says the measure is intended to create a predictable tax environment, prevent excessive levies, and to encourage long-term investment in mining. There is an understandable economic argument behind that objective. Mining projects involve enormous investments and operate over decades; investors need to know that the financial rules will not change unpredictably from one year to another.

However, this logic has been contested by the States. The real question is not merely whether States will continue receiving the royalty, the auction premium and other



Ashok Kumar Panda
Senior Advocate



Aniruddha Purushotham
Advocate

revenues they receive today. The Centre claims that 90% of mining sector revenue accrues to the States and that this will continue. The larger concern is about what States may be prevented from earning tomorrow.

A mineral-rich State possesses a natural economic advantage. Ordinarily, one would expect it to have some ability to use that advantage to raise resources for its own development. Section 9D substantially reduces that freedom by making future State levies related to minerals dependent upon a framework controlled by the Centre. This matters enormously for States whose budgets are closely connected with mining. NITI Aayog's Fiscal Health Index has highlighted the strong performance of Odisha and Chhattisgarh in mobilising revenue and has specifically recognised the role played by mining receipts. In Odisha, mining has accounted for a large proportion of the State's non-tax revenue. Mineral producing districts often require greater public expenditure because they bear the costs of mining.

The federal problem
The constitutional issue is equally significant. The Constitution gives States the power to tax mineral rights under Entry 50 of the State List, although Parliament can impose limitations on that power through laws relating to mineral development. States also possess a separate constitutional power to tax lands and buildings under Entry 49 of the State List. In 2024, a nine-judge Bench of the Supreme Court in *Mineral Area Development Authority vs. Steel Authority*

of India held, among other things, that royalty payable on minerals is not a tax. It also recognised the States' legislative power to tax mineral rights and held that mineral-bearing land can fall within the States' taxation power over land. The 2026 Amendment risks rendering the impact of this judgment nugatory.

While Entry 50 permits Parliament to place limitations upon State taxation on mineral rights, Section 9D of the amending statute goes further by extending its restriction to taxes or levies on mineral-bearing lands. That is likely to raise an important debate: how far can a Central law dealing with mineral development restrict a State's exclusive power to tax land? The issue is larger than mining policy alone. It concerns the relationship between the Union and the States.

India's federal system cannot function effectively if States have responsibilities without financial capacity. A State that bears the infrastructural and social consequences of mineral extraction must retain a meaningful stake in the economic value generated from its natural resources. Uniformity may make taxation more predictable, but predictability should not come at the cost of narrowing the fiscal choices available to States.

The debate over the MMDR Amendment should therefore not be reduced to a contest between promoting investment and imposing taxes. The minerals beneath a State's soil may serve the entire country, but the costs of extracting them are felt most directly by the people who live above them.

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What India's growth really means

India's 7.8% real GDP growth in April to June 2026 is an extension of a strong economic journey — real GDP grew 7.2% in 2023-24, 7.1% in 2024-25, and 7.7% in 2025-26. The latest rate exceeds the RBI's 7% forecast despite the West Asian conflict, high energy prices, and uncertain trade. Its real significance, however, lies in the breadth of production and demand.

Real GDP, which is the value of goods and services after adjusting for inflation, rose to ₹81.36 lakh crore, while real GVA, the value added by farms, factories and services before adjusting for product taxes and subsidies, grew by 8.2% to ₹73.82 lakh crore. Manufacturing rose by 9.2%, utilities 8.9% and the construction 7.7%, lifting the secondary sector by 8.6%. Services grew by 10%, led by finance, real estate, IT and professional services at 12.1%. Agriculture grew by 3.6%, although mining contracted by 2.4%. This is broad-based growth with identifiable weak spots.

This strength is reinforced by demand. Gross fixed capital formation grew by 11.9%, private consumption by 7.1% and real exports 12%. Using the same gross fixed capital formation measure for 2023-24, investments by private corporations were 10.3% of GDP. While the general government invested 4.2%, total public sector investment was 7.8% when added in investments by public corporations. Moreover, when adding in household investments, mainly housing and unincorporated businesses, total non-public investment was 24.1% of GDP. That is, while public capital



Gourav Vallabh
Professor of Finance, XLRI and Part Time Member, Economic Advisory Council to the Prime Minister. Views are personal

expenditure has built the platform, the next acceleration requires more private investment.

Fast growing economy
The base year change is simple. A base year removes inflation and reflects the economy's structure. Updating it from 2011-12 to 2022-23 replaces an outdated market basket with today's products, services and prices. Some estimates may rise and others fall, but changing the ruler does not shrink the economy. On comparable year-on-year data, India's 7.8% exceeded Malaysia's 6%, Singapore's 5.9%, Indonesia's 5.29%, and China's 4.3%.

India is therefore among the fastest growing major economies. Its expanding market supports global demand for energy, technology, machinery and services, while offering a trusted location for diversified supply chains. This advances India's path to becoming the world's third largest economy in nominal terms. Since rankings also reflect prices and exchange rates, the milestone will endure only if real growth leads to higher productivity, stronger firms, and better household incomes. Employment is the decisive test. India added 17.19 crore jobs between 2014-15 and 2023-24, according to RBI

KLEMS-based data. The next employment revolution must improve job quality through productivity, wages, formalisation, social security and skilling. While women's labour force participation reached 41.7% in 2023-24, safe transport, affordable childcare, flexible work, credit and market access are essential to bring many more women into

productive employment.

Manufacturing must move from assembly to design, components, machinery, electronics and clean technology, while services must spread beyond metros into tourism, health, education, logistics, finance and Indian language digital businesses. AI preparedness must move from adoption to original capability through domestic compute, Indian language data, research talent, and trusted applications. India must also make proper use of Free Trade Agreements (FTAs). An FTA utilisation mission should guide firms on rules of tariffs and markets. MSMEs need hand-holding on non-tariff barriers through shared testing, affordable certification, standards, customs support and buyer discovery. Moreover, external ambition requires domestic resilience. India should counter energy risks through diversified suppliers, long term contracts, strategic reserves, renewables, domestic exploration and efficiency. Timely infrastructure, predictable regulation, easier credit, and stable taxation can crowd in private investment.

The 7.8% quarter warrants confidence, not complacency. India must convert public capital expenditure into private investment, job numbers into quality employment, and FTAs into opportunities for MSMEs. If energy and macroeconomic stability accompany inclusion, productivity, and transparent measurement, becoming the third largest economy will be more than a statistical milestone. It will become a foundation for broad-based prosperity.

India should counter energy risks through diversified suppliers, long term contracts, strategic reserves, renewables, domestic exploration and efficiency

SIR deletions: elector numbers in 1/3 of Delhi below poll turnout

The number of electors left in the roll — 94.9 lakh — is 97% of the total number of actual voters who turned up to vote in the 2025 elections

DATA POINT

**Pon Vasanth B.A.,
Devyanshi Bihani,
Srinivasan Raman**

In more than one third of the 70 constituencies in Delhi, the number of deletions following the Special Intensive Revision (SIR) process has been so high that the draft roll in these seats have been left with fewer electors than the actual number of those who voted in the February 2025 Assembly elections.

If one were to trust that the Election Commission (EC) process has been fair, one should believe in the following astounding possibilities: that everyone who has been deemed to be an "ordinary resident" in these 24 constituencies had voted; a significant chunk who voted are no longer there; and that those who did not vote during the 2025 polls were not ordinarily resident then or have ceased to be so in the 17 months between the polls and the commencement of the SIR. In other words, these constituencies witnessed inward and outward migrations of enormous scale in this period alone.

However, there are no signs that any of these things happened. In such a situation, it stands to reason that in merely a year and a half since the Assembly elections, conducted by the EC itself, the changes would not be so dramatic that deletions would entail the electorate to reduce to a number lower than the turnout figures.

Since the draft enumeration process involves electors listing their EPIC numbers and their eligibility to vote in the elections, it stretches reason to assume that the recent voters deemed themselves as ineligible.

This is just the draft roll, and there is still time for electors to be added to the lists — both freshly eligible ones and others who have been erroneously deleted from the rolls. But the slapdash nature of

the SIR process is evident in the fact that the Union Territory has now been left with only 97.5 lakh electors in the draft roll.

Evidence from elections

In February 2025, the electoral rolls had 1.56 crore electors, of which 94.9 lakh electors turned out to vote.

This number in the draft rolls follows two stages of culling names — one prior to the SIR when close to 11 lakh electors were deleted and later, the draft SIR phase when nearly 47.6 lakh electors were deleted (Chart 1).

The Tughlakabad constituency is where the SIR process has made the deepest cut in these terms. In the current draft rolls, there are only 1,00,386 electors, which is 14.57 fewer than the 1,14,961 voters who actually turned out to vote in 2025.

Chart 3 lists 15 of the 24 constituencies in Delhi which have fewer electors now than the actual turnout in 2025. This oddity is most pronounced in the eastern, central and southern parts of Delhi; highest especially in seats beyond the Yamuna river on the east.

The number of electors left in the roll — 94.9 lakh — is 97% of the total number of actual voters who turned up to vote in the 2025 elections with just a "buffer" of around 2.6 lakh electors to leave room for those who were ordinary residents, but did not turn out to vote.

In other words, if all the deletions since the Assembly polls are legitimate, based on the draft rolls, now, the hypothetical turnout percentage would be an implausible 97% (Chart 2).

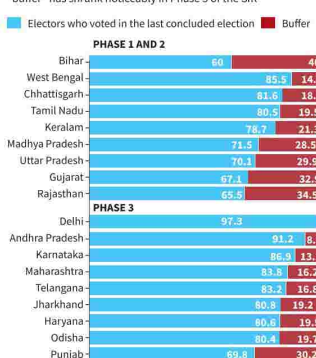
Numbers that do not add up

The data for the charts were sourced from publicly available information on the websites of the Election Commission of India. For Chart 2, turnout figures of 2024 LS polls or Assembly elections in respective States / UTs, whichever happened closer to SIR, were taken for analysis

CHART 1: Of the 1.56 crore electors who were on the rolls before the Delhi Assembly polls in February 2025, 94.9 lakh had voted. Since then, over 58.5 lakh names have been removed



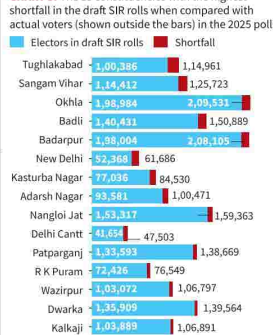
CHART 2: The share of those who voted in the elections before SIR, compared with the electors in the draft SIR rolls. The "buffer" has shrunk noticeably in Phase 3 of the SIR



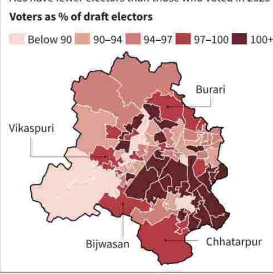
'Buffer' indicates the share of draft SIR rolls which includes eligible electors who did not vote in the last election, but continue to remain ordinary residents of the respective places. A narrow buffer of 2.6% in Delhi indicates high possibility of aggressive deletions and potential disenfranchisement of eligible voters



CHART 3: The 15 constituencies with the highest shortfall in the draft SIR rolls when compared with actual voters (shown outside the bars) in the 2025 polls



MAP 1: This shows those who voted in 2025 as a share of electors in draft SIR rolls. 100% or more means those ACs have fewer electors than those who voted in 2025



FROM THE ARCHIVES

The Hindustan

FIFTY YEARS AGO SEPTEMBER 17, 1976

Calicut customs hunt for hidden gold

Calicut, September 16: The Calicut customs are trying to unearth gold biscuits worth lakhs of rupees suspected to have been hidden in a big tank in the midst of paddy fields at Poilkavu, near Quilandy, for the last 20 years. A bund has been built across the tank and water is being pumped out to-night and the authorities hope to strike pay dirt to-morrow evening.

Mr. Dayasankar Karanth, Assistant Collector of Customs, who is in charge of the operation, said that in 1956 the customs had made a big haul of smuggled gold biscuits from the Kaapiad shore (the famous coastal point where Vasco da Gama landed) worth about Rs. 20 lakhs then. It was a big catch and came to be known as "Kaipad seizure." The gold biscuits, in cloth jackets, had been tied to rocks under seawater about a furlong from the shore. Intelligence reports since then had indicated that part of this smuggled gold had already been removed to shore before the customs men got scent of it and been dumped into the tank.

About six months ago, according to a report, a group of nearly dozen men tried to dig this gold out from the tank without the knowledge of the owner of the tank. On the first night they almost succeeded but the appearance of a snake terrified them and put them off. The next night also they made a secret attempt with the help of a "manthra" to scare the snake away but they met with no success.

A HUNDRED YEARS AGO SEPTEMBER 17, 1926

Mystery of magnetism

Calcutta, September 17: An interesting discovery, which promises to throw light on the mystery of magnetism and its relation to Chemistry has been made by Professor C.V. Raman, F.R.S., and his associates in the research in Calcutta. By using highly sensitive refined optical methods, it has been demonstrated that molecules of all common liquids, or paraffin for instance, when placed in a strong magnetic field, orientates and tend to place themselves, so that certain favoured directions are parallel to the field. Investigation shows every molecule in its liquid state to possess different magnetic properties in different directions and actually enables these differences to be measured and connected with the chemical structure of molecules.

Text & Context

THE HINDU

NEWS IN NUMBERS

Decline in Manipur's revenue amid ethnic conflict in 2023-26

1,200 Manipur Chief Minister Y. Khemchand Singh on Wednesday said the prolonged ethnic conflict in the State resulted in a decline of over ₹1,200 crore in GST revenue from 2023 to 2026. The ethnic conflict has claimed at least 306 lives, with 49 people still missing and thousands rendered homeless, officials said. ^{PTI}

Number of additional employees coming under the EPFO

51 lakh. The Union Cabinet on Wednesday approved a proposal to raise the wage ceiling for mandatory coverage under the Employees' Provident Fund Organisation (EPFO) to ₹25,000 per month from ₹15,000. The wage ceiling revision is taking place after 12 years. The decision is expected to bring more than 51 lakh additional employees within the ambit of EPFO coverage. ^{PTI}

Household listing blocks covered in Bengal Census phase 1

1.73 lakh. West Bengal has completed 100% of the fieldwork for the first phase of the Census, covering all 1,73,066 HLBs across the State ahead of the September 14 deadline, CM Suvenudh Adhikari said. Over 3.68 crore census houses have also been enumerated against a projected 3.69 crore, representing nearly 99.7% of the expected households. ^{PTI}

Number of casualties in Sudan gold mine collapse

67 The tragedy happened in the al-Zara gold mine in the town of Nuhud in West Kordofan province. The area is under the control of the paramilitary Rapid Support Forces, which have been at war with the country's military for over three years. Survivors said the collapse occurred late Tuesday, and many people remain missing at the mine. ^{PTI}

Number of vehicles to be seized from police stations in Bengaluru

11,000 Karnataka Minister Krishna Byre Gowda on Wednesday launched a drive to shift over 11,000 seized vehicles from police station premises across the city to seven designated locations, aimed at clearing the premises and easing inconvenience to the public. ^{PTI}

COMPILED BY THE HINDU DATA TEAM

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What lies beyond India's E20 push

The E20 blend's promised savings were offset by lower mileage, with consumers spending an estimated ₹88,234 cr. extra over the last three years; its benefits for emissions and forex savings are uncertain, as higher fuel consumption can raise emissions while diverting crops to ethanol can affect food security and exports

ECONOMIC NOTES

Rohit Azad
Shouvik Chakraborty
Indranil Chowdhury

A litre of E20 petrol consists of 80% motor gasoline and 20% anhydrous ethanol. According to a press release by the Ministry of Petroleum and Natural Gas, India first introduced it on February 6, 2023, when public sector oil marketing companies (OMCs) began selling it at select outlets across the country.

E20 promise
E20 has been scaled up this year because of rising crude prices resulting from unilateral American aggression against Iran and the closure of the Strait of Hormuz in response. The government has made three broad claims in favour of using the E20 blend – savings for the consumer, lower carbon emissions, and forex savings. However, if the E20 blend reduces mileage, these claims may not hold. That the loss in mileage is real was accepted in a written reply to the Lok Sabha by Road Transport and Highways Minister Nitin Gadkari, who stated that "E20 reduces fuel economy by '2% to 6% depending on vehicle category and vintage,' citing a joint ARAI-SIAM-IOCL study. There is also anecdotal evidence from many car users, especially those using cars of vintage 2022 or earlier, that E20 has brought mileage down, perhaps by far more than 6%, as well as caused damage to their engines and oil tanks. It is difficult to quantify the possible engine damage this blend may cause, but these three claims are empirically verifiable.

Has it saved Indians some cash?
The first claim is that since the E20 blend uses less crude, which is expensive, and more ethanol, which is cheaper, a higher share of ethanol will save Indians money. This, it is claimed, would also help keep inflation in check. But what this claim does not take into account is the loss in mileage (km/litre) that a higher ethanol blend leads to. Since ethanol releases less energy per litre burnt than pure gasoline, there is a consequent loss of mileage per litre, especially in engines that are not compatible with the E20 blend.

Let us say E10 blend petrol used to cost ₹100, and E20 was introduced while keeping prices the same, which is what happened. Consider an average mileage of 15 km/litre for a standard car running on the E10 blend. If there is a 6% loss in mileage with E20, the car would now need 1.06 litres to travel those 15 km. This means shelling out ₹106 instead of ₹100 for the same distance travelled. Aggregate this over many customers and many kilometres, and you get the loss that households have to bear. The greater the loss in mileage, the greater the cost to the household would be.

An extensive report prepared by The Reporters Collective and authored by Ayushi Kar shows that, instead of savings, the households had to spend extra as a result of this loss in mileage. **Chart 1** shows that over the last three years, Indian consumers had to shell out an additional ₹88,234 crore, with the burden rising every year. If the defence is that prices would have been much higher had the E10 blend continued, there are other ways in which prices could be kept under check, at least in the short run.

The question of emissions
On the face of it, E20 is definitely a

India's changing fuel mix



***Note:** 1. Emissions data has been taken from the Federal Register EPA, which reports E10 emissions to be 8.78 kgCO₂/gallon and pure ethanol's 5.75 kgCO₂/gallon. 1 gallon = 3.79 ltr
2. We calculate the implicit emissions from 100% gasoline, which is 9.12 kgCO₂/gallon, and use that to generate E20 emissions.

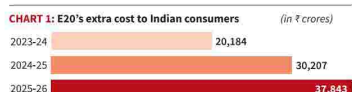
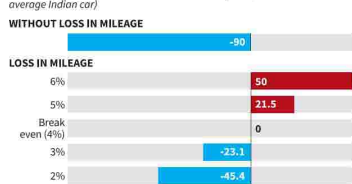


Chart: Ayushi Kar (2027) "In 3 years, Indian motorists paid ₹88,234 crore extra fuel Modi gov't's Great Ethanol Experiment"; Reporters Collective

Chart 2: Do the CO₂ emissions decline with E20?
(Difference in emissions between E20 and E10 in gCO₂ per 15 km of an average Indian car)



See box 1 for details
Chart: Authors' calculations | **Source:** Federal Register, EPA

cleaner fuel simply because less carbon is embodied per litre of ethanol (**Box 1**). But, as we saw above, with a loss in mileage, the same 15 km now requires 1.06 litres of petrol, which means emissions could be higher for the same distance travelled. Box 1 shows the difference in emissions if there is such a loss in mileage.

In **Chart 2**, we present the rise or fall in emissions using this calculation for the entire range of mileage losses given by the Minister. The calculations show that emissions would rise (red bars), rather than fall, if the loss in mileage is in the range of 4% to 6%. Emissions fall only if the loss in mileage is less than 4%.

To be sure, overall emissions per km would depend on the mix of cars of different vintages running on Indian roads. For newer cars compatible with E20, emissions are likely to decline. For older cars, on the other hand, emissions would be greater, depending on the extent of the loss in mileage. Thus, average emissions per km would depend on the weights of different vintage cars.

E20 and foreign exchange

Any substitution away from crude will indeed save India foreign exchange since oil constitutes a significant part of the import bill.

However, the position needs to be more nuanced. First, a fall in mileage may

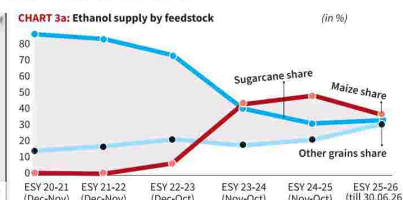
at least partially cancel out the advantage of the blend as far as forex savings are concerned. Second, the ethanol required for E20 blending needs diversion of crops and grains in favour of ethanol production. The diversion of food grains for fuel has serious implications for food security. Since E20 blending is here to stay, this is more of a long-term adjustment in the supply of such crops and grains.

A demand-production mismatch for an agricultural commodity will either be met by rising prices, cross-border trade management, or both. The resulting fall in exports, or increase in imports, or both, represents a loss of foreign exchange, undermining the very purpose that initiated the policy shift. It might be too early to ascertain the long-term impact of this policy on forex earnings, but some preliminary evidence may give us a sense of where this is headed.

The two main sources of ethanol production are sugarcane and maize (**Chart 3(a)**).

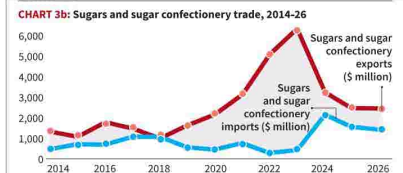
While India has gradually shifted away from sugarcane to maize, both crops have been affected by this policy. In the case of sugar, the government had to ban exports in 2023 as well as this year, amid rising domestic demand because of ethanol diversion. This led to a drastic fall in India's dollar earnings from sugar exports (**Chart 3(b)**). As for maize, with a rising

E20 promises savings and lower emissions, but mileage losses and crop diversion could offset some of its gains



ESY is Ethanol Supply Year. ESY definitions change over time: Dec-Nov for ESY20-21 and ESY21-22; Dec-Oct for ESY22-23; and Nov-Oct for ESY23-24 onward. The ESY25-26 column is a part-year figure, up to 30.06.2026

Source: Authors' calculations. Ministry of Petroleum and Natural Gas, Government of India, *Rajya Sabha Unstarred Question no - 1729, Answered on - 03/08/2026*



Data for HS Code 17 - Sugars and sugar confectionery - have been used for this chart
Source: Authors' calculations. Ministry of Commerce and Industry, Government of India. Frequency is Annual, ending in "March" of each year



Chart: Authors' calculations. The 8-digit HS code for maize until 2020 was 100591000 and for maize seed was 10051000, respectively. Since 2021, the codes for different maize product categories have been 10059011, 10059019, 10059020, 10059030, and 10059090. The code for maize seed remains the same. Frequency is Annual, ending in "March" of each year.
Source: Ministry of Commerce and Industry, GoI

share as a source of ethanol production, export earnings have similarly plummeted over the last couple of years (**Chart 3(c)**). India was a net importer last year.

So, even in the narrow sense of improving forex earnings, the E20 policy may not have been entirely successful.

The cost beyond the pump
To keep prices under control when crude prices rise, a countercyclical indirect tax policy could be introduced to insulate consumers, something that the government itself was doing until the Bengal elections were over.

As the Chief Economic Adviser (CEA) himself has argued, consumers should, at the very least, be given a choice between E10 and E20 instead of forcing a fleet of vehicles – cars and motorcycles – that are not ready for E20 to use it.

The government should also develop reliable and subsidised public transport with last-mile connectivity, along with cycling and walking options. All of these would reduce the need for cars and motorcycles, and hence emissions and pollution.

(The authors are a part of the DevMak (Development Macroeconomics) network, which seeks pluralism in Economics; Additionally, Shouvik Chakraborty is Research Associate Professor at the Political Economy Research Institute, Amherst, U.S.)

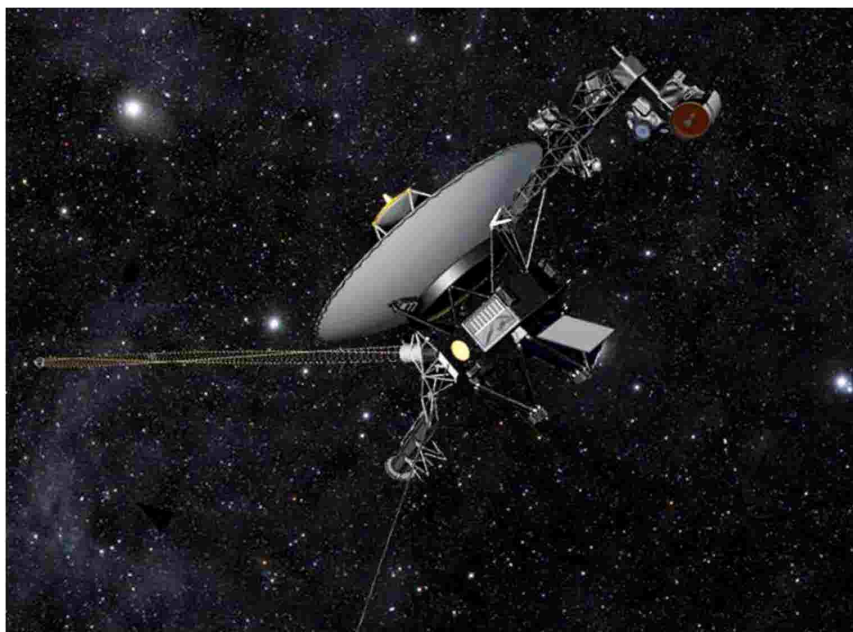
THE GIST

▼ E20 was introduced to reduce dependence on crude, but its lower energy content can reduce fuel economy, increasing the cost of running vehicles

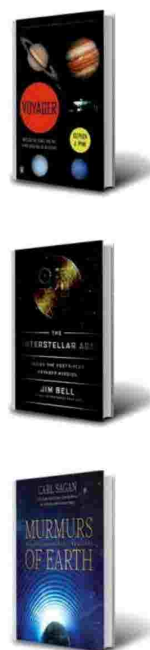
▼ The emissions impact depends on the extent of mileage loss and the vehicle's vintage, while diverting sugarcane and maize to ethanol production has implications for food security and trade

▼ The government can use countercyclical fuel taxes, offer consumers a choice between E10 and E20, and strengthen public transport, cycling and walking infrastructure to reduce fuel use and pollution

BIBLIOGRAPHY



An artist rendering released by NASA shows NASA's Voyager 1 spacecraft barreling through space.. FILE PHOTO



What Voyager's journey tells us about the purpose of exploration

Three books revisit the journey of humanity's longest-running spacecraft through the solar system to ask what drives our curiosity, to what end, and what it tells us about our place in the universe

Vasudevan Mukunth

Come November, Voyager 1 will be around one light-day away from the earth. That means light will take one day to travel from our home planet to the spacecraft.

The Voyager missions are two identical spacecraft NASA launched in 1977 to explore the outer planets. Voyager 1 and Voyager 2 made historic flybys of Jupiter and Saturn; Voyager 2 also visited Uranus and Neptune. Both spacecraft later became humankind's most distant operating probes. Today, Voyager 1 is at the outer limits of the solar system, and has been for a few years.

The spacecraft had to travel at 17 km/s on average for roughly 17,900 days just to get to the picket fence at the end of its little neighbourhood – a day's journey for light. On the other hand, our telescopes have captured breathtaking visuals of distant celestial wonders, from the Pillars of Creation to the Orion Nebula, from the Sombrero Galaxy to Hoag's Object, thousands to millions of lightyears away. It is entirely possible humans may never see them up close firsthand, but who knows what the future will bring?

Looking back

In his 2010 book *Voyager: Exploration, Space, and the Third Great Age of Discovery*, historian Stephen Pyne divides writers on exploration into "lumpers" (who look for grand, unifying patterns across history) and "splitters" (who focus on the unique, specific characteristics of

individual expeditions, nations, or eras). The proto-lumpers, he says, hold that humans' urge to explore lies somewhere in the genome itself; that it is providential. But where Pyne's book really shines is when it takes a closer look at those who elected to not explore, unearthing how history shaped the ways in which we think about exploration today.

Ming China launched seven magnificent fleets before curtailing oceangoing. He writes, "Medieval Islam sponsored great travellers before shrinking into the ritual pilgrimage of the haj. The Norse spanned the Atlantic, then withered on the fjords of Greenland." According to Pyne, exploration is not some kind of anthropological necessity but an institution sustained by certain rivalries. Like the Aborigines of Oceania, he went on, "Plenty of peoples... felt little urgency to search beyond the daunting seas or looming peaks."

It can be a dispiriting notion. Exploration is what we do when we rise above the squalor and the misery. Or is it? Pyne guides readers to a more special, and somehow more comforting, thought: that exploration could be all that it has been purported to be if it provides a journey into a wider moral universe that helps us understand who a people are and how they should behave. And you can have this experience as much on the shores of Neptune's rings as with, to borrow from Rainer Maria Rilke, the "great wide sounds" of the sea crashing down over you at the beach.

The Interstellar Age, by planetary

scientist Jim Bell, recounts a kindred example: the story of how Voyager 1 nearly did not take the Pale Blue Dot image. The picture, for which Voyager 1 had to turn back towards the sun while risking damage to its cameras so it could photograph the earth, had no scientific content – yet it is arguably the mission's most consequential yield. The astronomer Carl Sagan, upon beholding it, came to his famous conclusion about how we should treat each other.

Our place in the universe

Scarcity is an important part of how we have come to understand exploration: we are told the mind can afford to rise above squalor only after there is no squalor at all, that we must choose between bread or roses.

But Bell explains how Voyager 1 itself cost only around one dime per American person per year over its lifetime. Almost always, there is enough for bread as well as roses. This goes for India, too, where necessitous spending by the government on the space programme has become something of a bogeyman.

In fact, as the Pale Blue Dot image, among many others, illustrated, the mission delivered to humans an inestimable gain: a sense of place in the universe. As if extending that sense, *Murmurs of Earth: The Voyager Interstellar Record* is pointed in its assertion that the Voyagers' Golden Records were designed to "join a commonwealth of space-faring societies".

Each Golden Record was a copper disc

plated with gold, containing sounds, music, images, and greetings from the earth in 55 languages (including Tamil and Telugu), plus instructions to locate the planet.

For being co-written by Sagan, who also chaired the committee that selected the Records' contents, *Murmurs* remains a relatively obscure book, in part because it went out of print two decades ago. Its text recounts how the Golden Records were made and why they contain the information they do, written by the people who built them. And it says that this team agreed to exclude mentions of war, disease, crime, and poverty.

As the American science journalist Jon Lomberg (who also co-authored *Murmurs*) says in *The Interstellar Age* about what kind of influence the team wanted the Records to have: "It was like asking ourselves, 'Could we measure up to the Voyager Record?' This is us at our best, or at least not at our worst. This approach made the record aspirational..."

But if *Voyager* is any guide, the aspiration is also paradoxical: if rivalry is the most reliable engine of a great age of exploration, a pacified, egalitarian world simply may not explore. In the end, nothing can implicitly justify the impulse to explore because it is never just an impulse. It is always purposeful, and thus needs to be collectively owned, internationally authored, unenclosed, and answerable to the people paying for it, even if – or especially if – it inspires them.



FROM THE ARCHIVES

Know your English

S. Upendran

"Hi, come on in. Did you get a cake from your neighbour this morning?"

"Why should she give me a cake?"

"Today is Christmas; that's why!"

Doesn't she usually give you a big cake?"

"Yeah, she does. But this year, she's celebrating Christmas in Goa."

"That's nice. But is that the reason you're looking so grumpy? The fact that you didn't get a Christmas cake?"

"No, I am not angry about that. I am angry with your friend Sujatha. We had another one of our fights."

"You and Sujatha fighting again! Was it about some silly movie?"

"No, it was about the word 'handsome'."

"The word 'handsome', eh? Did she insult you by calling you 'handsome'?"

"Even if I were the last man on earth she would never call me that and you know it. No, the argument was over whether a woman could be called 'handsome'. I said that the word handsome could be used only with men. She argued that a woman could be called handsome as well. So, tell me. Is she right? Or am I right?"

"She is, actually."

"What? You mean I can tell someone that Shanti is a handsome woman?"

"Well, I wouldn't use the word handsome with a young girl like Shanti. You see, mature women can be called 'handsome', not young girls."

"So when you call a woman handsome, are you implying that she is manly?"

"No, no! Handsome does not mean manly. When you refer to a woman as being handsome, what you are implying is that her features are fairly large and regular rather than pretty and delicate."

"... in other words, she is not much to look at."

"On the contrary, she is very pleasant to look at. The famous Swedish actress Greta Garbo was often referred to as being 'breathtakingly handsome'."

"So a woman who is fairly well-built, has big eyes and a big nose is more likely to be called 'handsome' rather than pretty?"

"You know what they say, beauty lies in the eye of the beholder."

"The next time I see Sujatha I have to tell her that she was right. I hate doing that. Tell me, what have you been up to?"

"Oh, nothing much actually. I have been trying to psych my new boss out."

"Psych your new boss out?"

"The expression has several meanings. One of the meanings of 'psych someone out' is to try and figure the person out."

"In other words, you try and understand the person. How his mind works. Is that what you are saying?"

"Exactly! Here's an example. No matter how hard I tried, I just couldn't psych Janaki out. She's a bit..."

"...I don't think anyone can psych her out. Anyway, tell me what are the other meanings of psych out?"

"When you psych out about something, you become very excited about it. You may even lose control over your ability to think."

"When the students came to know that Sachin was to be the chief guest at the Annual Sports Day event, they all psych'd out."

"But later when the students came to know that it was going to be the Chief Minister and not Sachin who was going to be the chief guest, everyone was disappointed. No one psych'd out."

"That is to be expected, I guess."

Published in *The Hindu* on December 25, 2001

THE DAILY QUIZ

Hashim Thaçi, the former president of Kosovo, has been sentenced to 25 years in prison for war crimes by a tribunal in The Hague. A quiz on other such leaders

Joan Sony Cherian

QUESTION 1

Thaçi was convicted by the Kosovo Specialist Chambers of The Hague. What is the mandate of these Chambers?

QUESTION 2

Which sitting Prime Minister currently has an arrest warrant against him issued by the International Criminal Court (ICC) in 2024?

QUESTION 3

This British supermodel once testified in a trial against this former Liberian president at the Special Court for Sierra Leone in The Hague. Name the

supermodel and the Liberian leader.

QUESTION 4

In 2023, the ICC issued an arrest warrant against Russian President Vladimir Putin for war crimes in Ukraine. Along with Putin, it also issued a warrant for another Russian official. Name the individual.

QUESTION 5

In 2016, this leader was convicted by the ICC to 18 years' imprisonment for war crimes and crimes against humanity committed in the Central African Republic. However, the leader was ultimately acquitted by the court after an appeal. Name the leader and his current position.



Visual question:

This leader became the first ex-head of state to stand trial before an international court since World War II. However, he died before judgment could be delivered. Name him. AFP

Questions and Answers to the previous day's daily quiz: 1.

Name the British Antarctic Survey scientists whose 1985 paper reported the Antarctic "ozone hole". Ans: Joe Farman, Brian Gardiner and Jon Shanklin

2. What 1985 international treaty, signed by 20 countries and the European Economic Community, established the framework for later ozone regulations? Ans: The Vienna Convention for the Protection of the Ozone Layer

3. When did the Montreal Protocol enter into force? Ans: January 1, 1989

4. Who is often called the "father of the Montreal Protocol" for his role as UNEP's head in brokering the deal? Ans: Mostafa Kamal Tolba

5. What 2016 amendment added a phase-down of hydrofluorocarbons under the Protocol? Ans: The Kigali Amendment

Visual: Identify this French physicist. Ans: Charles Fabry

Early Birds: K.N. Viswanathan | Prem Raj P. | Aanchal Lakra | Lalchand Bhutani | Sunil Madhavan

Correction: The answer to Question 4 in the Ganesha quiz is Siddhi and Riddhi and not as published. The error is regretted.

Word of the day

Nugatory:

having no purpose or value

Synonyms: empty, worthless, vain, futile, useless

Usage: The criticism was nugatory and was quickly forgotten.

Pronunciation: newsth.live/nugatory

International Phonetic Alphabet: [njuːɡətəri]

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The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA
IN 1932

BECAUSE THE TRUTH
INVOLVES US ALL

Students need a safe home. That's DU's duty

THE SATYA NIKETAN tragedy has brought much-needed attention to accommodation for Delhi University (DU) students. The figures underline the scale of the problem: Around 70,000 students are enrolled in DU's undergraduate programme every year, and its PG courses have more than 10,000 seats. While the university's hostels have 3,422 seats, the colleges affiliated to it have 3,788 seats. Many of these students come from outside the city, and it's clear that DU's hostel network cannot accommodate them. The result is a vast dependence on private paying-guest facilities and rented accommodation, often in densely packed neighbourhoods with unsafe conditions close to university campuses. For outstation students, the soaring accommodation costs offset DU's affordable tuition fees. Seven months after assuaging office, the university's vice chancellor announced plans to build two 1,000-bed hostels near North Campus. But as an investigation in this paper shows, as the VC begins a second term next month, the projects remain held up by funding constraints, space crunch, land-use restrictions and administrative hurdles.

The immediate priority must be to expand safe and affordable hostel accommodation, while also recognising that the gap is too large to be bridged by construction projects initiated by the university alone. In the past, the Delhi government, DU and its colleges have rarely come up with solutions that treat student housing as part of the university's essential infrastructure. Delhi's master plans have allowed private owners to adapt their houses to provide student accommodation, provided they adhere to safety norms. In practice, these caveats were flouted. At the same time, DU hasn't shown much initiative to engage with the private accommodation market around its campuses. Options such as a university-maintained database of accommodation, with information on rents, occupancy, and compliance with basic safety standards, were never explored.

After the Satya Niketan tragedy, Delhi's Chief Minister has called for a survey to identify colleges with sufficient space for hostel construction. These units will be built via public-private partnership, and the Delhi CM has promised that the government will ensure students' safety. These are steps in the right direction, but the government needs to do more. For starters, it needs to nudge the colleges to look at out-of-the-box solutions — drawing in entrepreneurs by pooling the colleges' unused parcels of land into hostel sites could be an option. A student life in Delhi helps many youngsters spread their wings. As the brother of one of the victims of the Satya Niketan incident told this paper, "He loved the city." The best tribute to those who lost their lives last week would be to end the lack of imagination and political will that denies people like them a safe home in the city.

A small fee, a stronger UPI

THE NATIONAL Payments Corporation of India (NPCI) has announced that UPI transactions over Rs 2,000 will attract a fee of 0.4 per cent from October 15. Called the Merchant Discount Rate (MDR), the fee, capped at Rs 300 per transaction, applies only to person-to-merchant (P2M) transactions. The Union Ministry of Finance has stated that banks have been "advised" to ensure merchants — e-commerce websites, grocery shops or shopkeepers, receiving more than Rs 1 lakh per month from customers paying through UPI — do not pass on the cost to customers. It has also been clarified that for certain categories of transactions — such as UPI payments received for rail tickets, fuel and agricultural inputs, credit card dues, telecom or utility bills, insurance premiums, and tax payments — a flat merchant fee of Rs 5 will be charged from merchants. There are several reasons why this decision should be welcomed.

These changes follow the passage of the Taxation and Other Laws (Amendment) Act, 2026 last month, which built on the recommendations of the 32nd report of the Standing Committee on Finance. The report had noted that "the absence of MDR makes the UPI ecosystem financially unsustainable". The MDR is the fee paid to the bank or payment service provider for processing digital transactions, and crores of transactions take place each year. In 2025-26, for instance, there were more than 24,000 crore UPI transactions, and their total value was Rs 34.4 lakh crore. UPI was introduced in 2016 with an MDR. The zero-MDR policy was adopted in 2020 to expand the adoption of digital transactions. The balanced approach in the latest shift will ensure a sustainable revenue flow to invest, while also enabling seamless digital payments for a large section of people — this could lead to greater reach.

The decision has attracted some criticism. The main Opposition party, for instance, has claimed the move will hurt consumers, especially the poor ones. Such criticism is unfounded. More than 95 per cent of UPI transactions are below the Rs 2,000 threshold. These changes do not apply to person-to-person transactions, and critical public services will have a flat fee. There is an MDR on credit cards as well. Allowing these changes will ensure more competition in the marketplace and better service delivery.

A gambit for Gukesh, and for India

A DAY before India began its Chess Olympiad campaign in Samarkand, captain Sinath Narayanan played his biggest gambit: Gukesh D would play on board 4, the final board. It's unprecedented for a reigning world champion to play on board 4. At the previous two Olympiads, Gukesh was on board 1, where he had delivered individual goals. The board order is more than a matter of prestige at the Olympiad: Board 1 is usually reserved for a country's top players, which ensures they play the cream of the crop. Does Narayanan's choice indicate that the team management lacks faith in the 20-year-old after his slump since becoming the world champion? He has gone from being the World No. 5 in December 2024 with a rating of 2783 to currently being the World No. 31, rated 2703. In his last tournament, the Chennai Grandmasters, he did not win a single match. By his own admission, his Achilles' heel is going for risky moves which, when a player is low on confidence, can backfire.

India not playing Gukesh on the top boards might actually work in the reigning world champion's favour. Getting to face weaker players over 11 rounds at the Olympiad could be the best way for him to gain back confidence in time for his world crown defence. He can take risks, like his style demands, and not be made to pay by opponents — the equivalent of an Indian cricketer going back to play the Ranji Trophy to get some runs under his belt. It just might be a gambit that helps India retain the gold.

The Editorial Page



THE PARADOX of Indian civilisation has always been the contradiction between our intellectual radicalism and our social orthodoxy. For millennia, the Subcontinent was a laboratory of boundless metaphysical inquiry, where the foundational texts of the Indic tradition openly questioned the origins of the universe, and where heterodox sceptics, materialists, and spiritual iconoclasts debated without fear of a Spanish-style Inquisition. Hindus have no concept of heresy because we did not fear the destabilising power of an idea. Yet, in modern India, this heritage of intellectual fearlessness is being systematically stifled by the misuse of a legal relic that elevates the fragile feelings of the mob over the fundamental rights of the individual. This is Section 295A of the Indian Penal Code, now re-codified as Section 299 of the Bharatiya Nyaya Sanhita (BNS).

Introduced by the British in 1927 in the turbulence of the "Rangela Rasool" controversy (a provocative Urdu pamphlet satirising the Prophet Muhammad's personal life had sparked widespread communal riots), Section 295A was ostensibly designed to preserve public order by penalising deliberate and malicious acts intended to outrage religious feelings. It was born out of a colonial urge to police Indian subjects deemed too volatile to handle the friction of free and provocative speech. The British

have abolished their own blasphemy law, but we not only retain this colonial instrument under Article 19(2) of our Constitution, which permits speech restrictions in the interests of public order, but have allowed it to metastasise into the single most potent weapon against creative and intellectual freedom in our democracy.

By translating the deeply subjective and volatile concept of "emotional hurt" into a cognisable, non-bailable criminal offence, Section 299 of the BNS effectively grants a permanent "heckler's veto" to the most intolerant, reactionary segments of our society. It creates a perverse incentive for outrage by elevating "the right to be offended" above the right to free speech. Political entrepreneurs, religious zealots, and competitive vigilante groups quickly realise that the easiest path to public relevance is to claim that their sentiments have been wounded. All it takes is one aggrieved individual to file a First Information Report (FIR) in a remote corner of the country, and the machinery of the state is instantly triggered against a writer, a filmmaker, a stand-up comedian, or a publisher — for speech that a court will often find, years later, was never malicious at all.

The alarming phenomenon of cultural self-censorship in India is starkly illustrated by the corporate capitulation of major publishers, fearful of falling foul of BNS 299. This trend was dramatically underscored when Penguin Books India chose to withdraw distribution of Joe Sacco's graphic novel on the Muzaffargarh riots, echoing its earlier decision to pulp copies of Wendy Doniger's *The Hindus*, and then anxiously asked for cuts to Sonia Gandhi's memoirs that its global arm had not considered necessary in the international edition. Because none of these texts was legally proscribed, these were pre-emptive surrenders.

Those who weaponise BNS 299 to defend faith are, in reality, insulting the very traditions they claim to protect. The great Indic philosophies were forged through intense, unsparring contestation

normalising a cowardly calculus where commercial risk aversion replaces constitutional principle, leaving the Indian reader culturally deprived.

The tragedy of BNS 299 lies in the gutting, punitive nature of the legal process itself. The law allows arrest before a trial can even establish whether malice existed. For an artist or an author, being dragged through a labyrinth of multi-city court appearances, facing jail time and enduring financial ruin, is a punishment designed to break the spirit. The inevitable consequence is a pervasive, suffocating culture of fear. When the cost of creative expression is the potential loss of personal liberty, the vast majority of creators naturally choose to pull their punches. Publishers refuse or trim sensitive manuscripts, galleries pull provocative paintings, studios quietly cancel scripts, and academics choose safer, sterile research topics. We are left with a public square sanitised of radical honesty, reduced to a bland conformity that is entirely unworthy of India's intellectual lineage.

In his landmark 2008 Delhi High Court judgment quashing criminal proceedings against the self-exiled maestro M F Husain, Justice Sanjay Kishan Kaul delivered a magnificent, definitive defence of artistic liberty against the creeping tides of intolerance. Opening the ruling with a quote from Pablo Picasso ("Art is never chaste... Where it is chaste, it is not art"), Justice Kaul meticulously dismantled the obscenity and blasphemy charges by contextualising Husain's abstract, nude depiction of Bharat Mata within India's rich, four-millennia-old heritage of sacred, pluralistic, and erotic iconography, from Khajuraho to Konark. Sternly critiquing the "new puritanism" being waged by self-appointed guardians of cultural purity, the judgment warned that

allowing a closed mind to restrict our open society would push India backward. By affirming that one disapproving viewer cannot hold the right to restrict free expression, Justice Kaul established a vital constitutional shield for creative dissent and intellectual fearlessness.

This constitutional scrutiny should move to the front of the process. Prior government sanction should be required before an FIR under BNS 299 is even registered, not after the accused has already endured an investigation and a charge-sheet. Equally, multiple FIRs on the same subject, lodged in different states, should immediately be consolidated into a single proceeding. BNS 299 cases should be fast-tracked to quasi-judicial proceedings. And vexatious complainants should face costs or other punitive consequences, so that the incentive structure of BNS 299 is reversed, rather than reinforced.

Those who weaponise BNS 299 to defend faith are, in reality, insulting the very traditions they claim to protect. The great Indic philosophies were forged through intense, unsparring contestation. Our texts are filled with purvapakkas, the meticulous formulation of an opponent's viewpoint, followed by rigorous logical refutation. The gods and sages of Indian antiquity were argued and bargained with, and frequently satisfied. To suggest that an ancient, resilient civilisation is damaged by an artist painting a provocative image, or a novelist writing a satirical line, is an act of shameful civilisational self-doubt.

If we seek a Vileit Bharat confident in reason and genuinely open to the future, our proud civilisation does not require the protective custody of a police inspector. It is time to curb the misuse of BNS 299.

The writer is a fourth-term Congress MP from Thiruvananthapuram

Thorny inter-state disputes are giving way to dialogue, progress



As Gujarat's longest-serving chief minister, most of it under a Congress-led Centre, he saw firsthand how inter-state and Centre-state disagreements can stall welfare works

A S NARENDRA MODI completes 25 years as the head of a government — first as Chief Minister of Gujarat and for over a decade as Prime Minister of India — one conviction has remained constant. "India cannot advance without all its states advancing in tandem. States and the Centre must work together to forge a model of cooperative federalism, resolve differences, and chart a common course to progress and prosperity," PM Modi said at the first meeting of the NITI Aayog Governing Council in February 2015. It is a vision he has carried since his days as Gujarat CM, and one he has entrusted, as PM, to Union Home Minister Amit Shah to translate into reality. Over the last few months, the Union Home Ministry has formalised memoranda of understanding that resolve some of India's oldest inter-state disputes.

The first was the tripartite MoU between the Centre, my state of Assam, and Nagaland, signed on June 11. The second, among Himachal Pradesh, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh and Delhi, revived the long-stalled Kishau Multipurpose Dam Project after an eight-year deadlock. The third, between Rajasthan and Haryana, ended a 32-year wait to operationalise the 1994 Upper Yamuna Basin agreement. The fourth, among Maharashtra, Gujarat, Madhya Pradesh and Rajasthan, was a one-time settlement of decades-pending dues under the Narmada Award. Most recently, Bihar and Jharkhand signed a pact ending a 25-year dispute over the Sone River. Within the same framework, Andhra Pradesh and Telangana have agreed to finally resolve their pending division of assets and liabilities. As Gujarat's longest-serving chief minister, most of it under a Congress-led Union government, he saw firsthand how inter-state and Centre-state disagreements can stall welfare works and become the genesis of societal disturbance. These agreements, touching some 15 states, are, I believe, part of the biggest rejuvenation of India's federal structure.

A case in point is the Assam, Nagaland

and Union government tripartite MoU. This agreement had eluded three governments over three decades. At stake was a belt of more than 1,000 square km straddling the Assam-Nagaland border, where domestic oil exploration had been effectively frozen because of a poorly demarcated, ambiguous boundary finalised in 1963. Committed to the PM's agenda of an *atmanirbhar* Bharat, Amit Shah ji reframed the issue. Under his guidance, Assam and Nagaland agreed on a 50:50 split of hydrocarbon revenue, irrespective of who the ongoing boundary resolution efforts conclude.

This is not an isolated agreement: The Bodo Peace Accord, the Karbi Anglong settlement, the Assam-Meghalaya boundary agreement, the Assam-Arunachal Pradesh border resolution, and the Frontier Nagaland arrangement addressing the decades-old Eastern Naga demand for separate administrative recognition. This rapid succession of peace accords and MoUs in the Northeast is finally yielding dividends in building a secure *Ashtadalskimi* — a region once familiar with insurgency is now 80 per cent free of the Armed Forces (Special Powers) Act.

These agreements are a reminder of what steady, patient leadership can achieve. Disputes that outlasted governments of every hue, that were allowed to fester because resolving them seemed politically inconvenient, are today being settled not through grand gestures but through the unglamorous, persistent work of dialogue.

This is the hallmark of PM Modi's leadership: A refusal to accept that any problem is too old or too complicated to be solved, and an unwavering belief that a strong, united India is built by strengthening its states, not by centralising at their expense. As the nation looks ahead to the goal of a Vileit Bharat by 2047, it does so with the confidence that comes from 25 years of proof that when the Centre and the states work as one, even the most stubborn of disputes give way to progress. That is the true and lasting message of the Modi story.

The writer is Chief Minister of Assam

Real test for BRICS: Offer a credible alternative



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'

The New Delhi Declaration is clear about the shortcomings of the existing order but offers little indication of how these problems can be addressed

TWO RECENT editorials — "At BRICS, the value of keeping diplomatic conversations alive" (IE, September 13) and "India's role in BRICS: A win for diplomacy" (IE, September 14) — make a persuasive case for BRICS as a useful forum for dialogue and diplomacy. But they set too low a bar for judging the grouping at a time when the international order is undergoing profound change.

At the heart of their argument is the idea that, despite its internal differences and competing interests, BRICS remains a useful instrument of diplomacy in a fragmented world. Its expanded membership strengthens the Global South's voice and creates greater scope for economic cooperation. It also brings together countries with competing interests, making BRICS a useful forum for keeping diplomatic channels open on difficult geopolitical questions while making conscious efforts to avoid going so far as an explicitly anti-Western or anti-American alignment.

But this optimism should not obscure the harder realities of international politics. States use multilateral forums to advance their interests, manage vulnerabilities and respond to shifts in power. What matters is whether dialogue can help resolve disputes, moderate conflicts, produce meaningful cooperation and contribute to a more stable, rules-based international order. John Measner argues that international institutions do not transcend power politics; they largely reflect the distribution of power and the interests of the states that use them. BRICS may be less an independent force shaping international politics than a forum through which states respond to changing configurations of power and pursue converging interests.

The bonhomie between Narendra Modi and Xi Jinping, following years of border tensions and Xi's first visit to India since 2019, should not be seen simply as a triumph of BRICS diplomacy. India and China have strategic reasons to reduce tensions amid Donald Trump's attempt to weaponise tariffs. The rapprochement may give both greater room for manoeuvre in dealing with the US, without requiring either to appear confrontational.

The larger question is what BRICS seeks to achieve beyond providing its members with a forum for dialogue and diplomatic options. The New Delhi Declaration is clear about the shortcomings of the existing order — unilateral sanctions, coercive measures, protectionism, tariffs and the unequal representation of developing countries in global institutions — but offers little indication of how these can be addressed. Even its call for reform of global institutions leaves unanswered the question of how such reform can be achieved. As G John Ikenberry writes, the present moment may be less about the collapse of the US-led liberal international order than a struggle over its future shape, authority and leadership. BRICS has yet to articulate what that future might look like politically, economically and institutionally.

The writer is dean, Faculty of International Studies, AMU

40 YEARS AGO

September 17, 1986



BSF to continue combing

THE CENTRE has directed the BSF to continue its operation against intruders from Pakistan and to shoot them if they do not respond when challenged. The fresh directions were issued to remove doubts about the role of the BSF following the India-Pakistan border in Punjab guarding the killing of 10 Sikh youths who intruded in the Dera Baba Nanak sector of Gurdaspur district on August 30. The youths "failed to make their intentions clear when a BSF patrol challenged them."

Shiv Sena leader, Nihang shot

TERRORISTS in Punjab, after lying low for

a brief period, struck again, killing two persons, including a Hindu Shiv Sena leader, and injuring at least five others in separate incidents. Vijay Mohan, vice-chairman of the Phullaur unit of the Shiv Sena, was fatally wounded by scooter-borne terrorists in the morning. A call for a bandh in Phullaur has been given by the Punjab Shiv Sena president, Rama Kant Jalota, to protest against the killing.

Horror in Bombay's KEM

HIGHLY DECOMPOSED flesh and bones were fished out of a potable water tank of the King Edward Memorial (KEM) Hospital in Bombay. Hospital employees said it was difficult to say whether the flesh was

of an animal or a human baby. The police said that *prima facie* it looked like human flesh, but added that expert opinion was awaited. The team and bones were sent to the police surgeon for analysis.

Army to help control floods

TROOPS were called out in Pharenda and Maharajganj tehsils of Gorakhpur district in Uttar Pradesh and east and west Champaran districts of Bihar, to help the civil authorities cope with the worsening flood situation. According to reports received in New Delhi, scores of villages were submerged by floodwaters even as the flood situation in other parts of Uttar Pradesh showed considerable improvement.

Along the coasts and in the sea, the dawn of a sunrise sector



C.P. RADHAKRISHNAN

THE LEADERSHIP of Prime Minister Narendra Modi has ensured that Bharat's growth story is always *sabka saath, sabka vikas, sabka vishwas, sabka prayas*. In the past 25 years, he has touched the lives of crores of people, especially those belonging to the weaker and disadvantaged sections.

Referring to backward districts as "Aspirational Districts", border villages as "Vibrant and First Villages" and the Northeast as *Ash-talakshmi* reflects a transformative approach that has transformed geographical marginalisation into empowerment.

Another major step towards ensuring inclusive growth has been our focus on the Blue Economy. In the 1960s, with the Green Revolution, we tackled the problem of acute hunger. Bharat today ranks among the top global producers of rice, wheat, pulses, and millets, reinforcing its role in global food security. The White Revolution ended India's chronic milk shortage and dependence on imported dairy products. Bharat is now the world's No. 1 milk-producing country and, as a result, protein deficiency has drastically reduced, especially among children.

The Blue Revolution is set to be another success story. Nature has blessed our country with more than 11,000 km of coastline. We have a rich maritime tradition. We have an Exclusive Economic Zone (EEZ) extending over nearly 24 lakh square km. Bharat has a large amount of marine wealth. Yet much of this potential remained untapped for decades. Most of our fishing activity remained close to the shore. Today, we are ready to look beyond the horizon. The deep waters of our EEZ and the high seas present immense opportunities for sustainable harvesting of high-value fish such as tuna.

In 2019, with the creation of the Ministry of Fisheries, Animal Husbandry and Dairying, the fisheries sector got a ministry of its



ILLUSTRATION: C. SAKSHI MAHAR

own for the first time. PM Modi had said that the blue *chakra* in our national flag represents the potential of the Blue Revolution and the ocean economy.

In the past decade, India's fisheries and aquaculture sector has emerged as a sunrise sector. Bharat is now the second largest fish-producing country, contributing around 8 per cent to global fish production. The sector supports the livelihoods of nearly 3 crore fishermen and fish farmers and contributes significantly to food security and nutrition. India's fish production reached more than 195 lakh tonnes in 2024-25.

Recently attended two events organised by the Ministry of Fisheries, Animal Husbandry and Dairying. One was the national launch programme for promoting sustainable harvesting of fisheries in the high seas and providing letters of authorisation to Indian-flagged vessels in Odisha. The second was the fisheries outreach programme in Lakshadweep.

In Odisha, I was pleased to inaugurate the initiative taken by the ministry. It reflected the collective resolve of the Union government, the state government, our institutions, and our fishing communities to move towards a new era of growth, sustainability and prosperity in marine fisheries. When I

Deep-sea and high-seas fisheries can create employment not only in harvesting, but also in processing, cold chain, transportation, packaging, logistics and export services

visited Lakshadweep last month on my first official visit as Vice President, I was extremely pleased to note that many fisheries development projects have been approved for Lakshadweep under the Pradhan Mantri Matsya Sampada Yojana.

The Union Budget 2025-26 recognised the untapped potential of the deep waters of our EEZ and announced an enabling framework for sustainable harvesting of fisheries from the EEZ and the high seas. This progressive framework enables our fishermen to venture confidently into these new frontiers. I am particularly happy that the new framework places our fishermen at its centre. The Fisheries Rules for the EEZ and the Guidelines for Fisheries in the High Seas in 2025 mark a new beginning for Mother Bharat. It gives priority to issuing letters of authorisation to fisheries co-operatives, Fish Farmer Producer Organisations and Indian fishermen. Lakshadweep, with a land area of about 32 square km, has nearly 145 km of coastline, a lagoon area of about 4,200 square km, territorial waters extending over 20,000 square km and an Exclusive Economic Zone of about 4 lakh square km. It alone accounts for nearly one-sixth of India's EEZ. This is our true maritime strength, which sends out a

powerful message. When individuals work alone, they do make progress, but when they work together as a team, they create a transformation.

India's seafood today reaches more than 120 countries. During the last financial year alone, our exports touched an impressive figure of more than Rs 73,000 crore, an increase of over 140 per cent since 2013-2014. The world has developed confidence and belief in the quality of Indian seafood. Digital authorisation systems, vessel tracking, international certification, and other steps will help Indian seafood command even greater respect in premium global markets. However, as we pursue growth, we must never forget our responsibility towards nature. The sea has nourished humanity for thousands of years. It is our sacred duty to preserve it for thousands of years to come. Sustainable fishing is a moral responsibility. The new guidelines are a positive step in this direction. They rightly emphasise compliance with conservation measures and a firm stand against illegal, unreported and unregulated fisheries.

Deep-sea and high-seas fisheries can create employment not only in harvesting, but also in processing, cold chain, transportation, packaging, logistics and export services. It can create opportunities for our youth. It can provide greater participation for women in processing and value addition. It can strengthen the economic life of coastal India.

As we move towards Viksit Bharat @ 2047, we are committed to making the Blue Economy inclusive and sustainable. In this journey of the Blue Revolution, each sector has a job to do. Our fishing communities will power India's Blue Economy. I am glad that the Fisheries Ministry, under the leadership of PM Modi, is making significant strides towards a new era of growth, sustainability and prosperity.

I urge the youth to view fishing not as an inherited occupation alone but as a modern profession driven by science, technology, innovation and global opportunity. I urge our institutions to continue supporting our fishing community with knowledge, technology and finance. So let us move forward with confidence, and together build a stronger coastal Mother Bharat.

The writer is Vice President of India

The 80-20 game is making us all losers



MEHBOOBA MUFTI

THE ORDINARY Indian is increasingly becoming the casualty of collapsing governance. An ambulance cannot reach a hospital. A father cannot get his dying child to a dispensary. Students are crushed beneath the roofs of unsafe buildings. A minor is sexually assaulted inside a moving bus. A mosque is demolished. A girl's hijab is forcibly removed. The Satya Niketan tragedy in Delhi. The brutal rape and murder in 2012 shook the conscience of the entire nation. People poured onto the streets. The political establishment was brought to its knees. Today, when several rape cases are being reported every hour, the country barely stirs. That should frighten us.

The most dangerous consequence of the normalisation of violence is not merely that violence has become frequent. It seems that society somehow doesn't feel shocked by it. Deaths caused by collapsing buildings, broken roads, administrative negligence and violence against women become just another headline. Anyone who dares to speak out can be branded "anti-national" or "anti-Hindu". In some cases, dissent itself becomes a crime, and those who question authority are turned into social outcasts.

This speaks volumes about the plight of the so-called 80 per cent majority, which has been driven towards the politics of religion, identity and manufactured confrontation.

This brings us to the other 20 per cent and the recent demolition of a mosque in Saharanpur. It was not an isolated controversy. Under the Yogi Adityanath government, several mosques and Muslim religious structures have faced demolition, eviction or official scrutiny over allegations of unauthorised construction or encroachment. What is striking this time, however, is the Muslim community's response. Instead of allowing anger to spill onto the streets, prominent organisations from the community have emphasised constitutional remedies, legal recourse and communal peace. The Jamaat's position is particularly significant. Its message has been to knock on every available door of the law rather than allow the issue to become a communal confrontation.

That is a significant political shift. Muslims are beginning to understand that even peaceful protests can be turned against them, providing an opportunity for arrests, police action and communal polarisation. The experience of recent years has taught them that being reactive can carry a heavy price. From arrests linked to public prayers to the prolonged incarceration of activists such as Umar Khalid and Sharjeel Imam, the lesson being absorbed is simple. Do not provide those seeking polarisation with the confrontation they need.

The same maturity was visible in West Bengal when Muslim clerics and community organisations appealed to Muslims to avoid cow sacrifice during Eid ul Adha and opt for other animals instead. Some Muslims did opt for a boycott of cow slaughter and suggested that the cow be declared India's national animal. The irony was remarkable. Hindu cattle traders reportedly began protesting because the reduced demand was affecting their livelihoods. The political script had been reversed. Muslims were exercising restraint while Hindu traders were demanding the restoration of an economic activity.

This is being proactive — avoid unnecessary confrontation and deny communal politics the oxygen of conflict.

Muslim clerics could similarly encourage Muslims to avoid offering namaz on public roads. Prayer deserves dignity and cleanliness while public roads should remain accessible to everyone. Such voluntary restraint would remove yet another pretext for harassment and communal mobilisation.

But if Muslims are learning to respond differently, the majority, 80 per cent, is becoming so numb that it has given up on demanding accountability for the failures of governance.

Is this the road map to Viksit Bharat 2047? A developed India cannot be built by dividing citizens, rendering them deaf to suffering, blind to injustice and silent in the face of governmental failures. Nor can dissent be buried while accountability disappears. The real danger is not simply that India will remain divided into 80 and 20. It is that while the 20 per cent learns to navigate the politics of polarisation, the 80 per cent remains silent as governance itself collapses around them. And when that happens, the victims will no longer be Hindu or Muslim. They will simply be the losers of the 80-20 game.

Ultimately, the politics that promises the 80 per cent protection from the 20 per cent is not protecting anyone. It is preaching to the majority to mistake communal dominance for security while leaving the minority to survive through caution, compromise and legal endurance. The result is a devastating blow to the progress and secular fabric of our country. The politicians may win the 80-20 game, but it is making losers of us all.

The writer is former chief minister of Jammu and Kashmir

LETTERS TO THE EDITOR

Evacuation and rescue

HIMALAYAN DISASTERS do not respect political boundaries, so preparedness cannot remain confined to individual states or countries ("Don't let borders blind us to Himalayan risks", *IE*, September 16). India, Nepal, Bhutan and regional partners should share rainfall, river-flow and landslide data in real time and establish common early-warning protocols. Infrastructure projects in fragile terrain also require cumulative impact assessments. Local communities must be trained for evacuation and rescue. A coordinated regional mechanism could save lives while balancing development with the Himalayas' ecological limits.

Abhinav Barathi, Chennai

Freedom to innovate

UNIVERSITIES CANNOT build lasting academic credibility through administrative control alone ("West Bengal's wrong path to academic excellence", *IE*, September 16). Filling faculty vacancies, ensuring predictable funding and protecting institutional autonomy matter more. Recruitment should be transparent, merit-based and insulated from short-term political considerations. Universities also need stronger research support, modern laboratories and partnerships with industry and international institutions.

K Sakunthala, Coimbatore

Protect options

INDIA'S ENGAGEMENT with multiple groupings offers diplomatic room, but it also demands careful prioritisation ("After BRICS, it's time to navigate the realities of great power rivalries", *IE*, September 16). New Delhi should focus on arrangements that deliver gains in trade, technology, energy security and strategic autonomy. Dialogue with competing powers must continue, even during disagreements. A pragmatic foreign policy, based on interests rather than camps, can help India protect its options in an increasingly fragmented international order.

S.M. Jeeva, Chennai



KAUSHIK DAS GUPTA

AMONG BENGALIS, who can obsess endlessly about gastronomy, few subjects evoke as much passion as *hilsa*. The Padma loyalist swears that the fish from Bangladesh is fatter and more fragrant. The Ganga partisan will insist that the fish from the river has a sharper flavour, a more elusive aroma and a pedigree that an imported fish cannot quite match.

But an upstart seems to be complicating the argument. Over the past two months, around 500 tonnes of hilsa have crossed into Bangladesh, much of it from Gujarat. The Gujarati fish is reportedly especially attractive to Bangladeshi buyers because of its high roe content; some of the roe is being processed separately, while the remaining will be dried for domestic consumption.

The *hilsa* could perhaps be having the last laugh. It has crossed rivers, borders and culinary loyalties with much less fuss than the people who make it a cultural totem. Behind all the talk of the hilsa's pedigree, there is a rather more quotidian truth: People eat what is readily available. And trade is an enabler.

The hilsa is a fish of the wider Indian Ocean. Its range stretches from the Bay of Bengal to the coasts and estuaries of the Arabian Sea. Travel south and west from Bengal and the *hilsa* acquires other names and other cultural lives. On the Godavari it is the *pulasa*; on the Indus, the fish becomes *palla*. The fish moves between the sea and rivers, entering different river systems to spawn.

Today, the Sindhi claim on the silver-scaled fish is perhaps less written about. But the Indus hilsa too is a delicacy, a livelihood and a marker of regional identity

a footnote, a specimen behind glass. It stands in both at once, a little strange in each, and makes the reader walk to meet it.

That is not a translation strategy. It is a way of living, and she picked it early. We have a poor word for people who live this way. Between. We use it to mean not quite. Between jobs, between homes, between flights. It smells faintly of the departure lounge. For Kushi Dyson, between was not a waiting room. It was an address.

She was born in Kolkata on June 26, 1940, into a household where Buddhadasa Bose, Bishnu Dey, Ajit Dutta and Sudhinandan Dutta were Abani Mohan Kushi's friends and literature was what the adults were doing in the next room. She never had to be taught that books mattered. She saw what English was doing to the languages around it. She called it cultural politics, and she was

sharp about the Bengali version of the affliction: The accomplished English speaker proud of being bad at Bengali.

Her response was to learn Spanish. While writing *In Your Blossoming Flower Garden* she taught herself Spanish, and found that Sanskrit was unexpectedly useful for it. "The more languages you know," she said, "the more enjoyable the game becomes." Game. Not battle, not defence, not heritage preservation. Game. When languages are handled mainly as flags, that noun is nearly disused.

Cultural confidence, she demonstrated over six decades, does not require quarantine. You can know English to its bones and not lose Bengali

The writer is senior associate editor, The Indian Express. kaushik.dasgupta@expressindia.com

Ketaki Kushari Dyson and the art of living in between



BLIETRI PATHAK

IN 1958, a Presidency College student sat for an English literature paper at Calcutta University and did something slightly unusual. Writing about poetry, she reached for Bibananda Das. *Amrita surya*, she rendered: Nectar sun. She took a record mark. The essay went into Srikanth Banerjee's undergraduate textbook. And Ketaki Kushi, Dyson, 18 years old, had already assembled the method she would spend the next 67 years refining. Enter another language. Do not leave your own at the door. "Nectar sun" does not tame Bibananda into something an English reader can swallow without noticing. Nor does it strand *amrita* in italics with

sharp about the Bengali version of the affliction: The accomplished English speaker proud of being bad at Bengali.

Her response was to learn Spanish. While writing *In Your Blossoming Flower Garden* she taught herself Spanish, and found that Sanskrit was unexpectedly useful for it. "The more languages you know," she said, "the more enjoyable the game becomes." Game. Not battle, not defence, not heritage preservation. Game. When languages are handled mainly as flags, that noun is nearly disused.

The same refusal runs through her fiction. *Noton Noton Payragul* takes up the inheritance of the 1970s women's movement for independent, compromised and mutinous. Margaret Thatcher's Britain is in it, and students moving from the Middle East into Europe. The intimate and the international share a room. Her scholarship did the same by other means. *Rabindranath o Victoria Ocampo-r Sandhane* is a long look at what two cultures can do when neither is a knee to kneel. With Sushobhan Adhikari, she went into Tagore's paintings and traced how his colour changed. She was always drawn to the seam where one form gives way to another.

Ten years ago, at the Kolkata Literary Meet, she said there was no reason not to accept Indian English as a distinct variety. We

are having that argument again. English is the language of the interview and the visa; the mother tongue is produced as evidence of cultural confidence. Cultural confidence, she demonstrated, does not require quarantine. You can know English to its bones and not lose Bengali. You can live in Britain without becoming stateless in the head. You can go long way into another culture and come back with your own intact, possibly improved.

She died on Saturday. Somewhere there is an examination script with two English words in it, put down by a teenager who had worked out that the alternative to being colonised by a language is not a barricade. It is curiosity. It is translation. It is conversation.

The writer is assistant professor, Sikkim Manipal University

RBI HAS REJECTED TATA SONS' REQUEST TO SURRENDER ITS CORE INVESTMENT COMPANY REGISTRATION

IPO, Chandra exit, AGM impasse on Tata Sons board meet agenda

George Mathew
Mumbai, September 16

THE TATA SONS board is scheduled to meet on September 17 amid three critical issues facing the holding company of Tata India—the Reserve Bank of India's decision to push it towards listing, Chairman N Chandrasekaran's decision to step down and the continuing impasse over the company's annual general meeting (AGM).

The board meeting is expected to be a tense affair, with the question of N Chandrasekaran's continuation likely to trigger a fresh round of intense discussions within the board.

Some directors are understood to be keen on his continuation, while the board remains divided over whether he should be given an extension.

The issue, however, goes beyond the boardroom. Tata Trusts, which collectively hold a controlling stake in Tata Sons, have the power to veto the decision. But the Trusts themselves are facing divisions over several issues, making a consensus on Chandrasekaran's future far from straightforward.

The result is a potentially delicate balancing act for Noel Tata, chairman of Tata Trusts. He will have to navigate differences within the Tata Sons board as well as among the trustees, while simultaneously dealing with the unresolved issues surrounding the company's AGM and the RBI's decision on Tata Sons' regulatory status and listing.

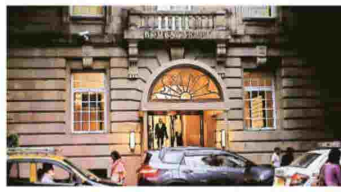
"It will be a tough time for Noel Tata to sort out the differences and find a way forward," sources said. The RBI has rejected Tata Sons' request to surrender its Core Investment Company registration, bringing the long-pending question of its stock-market listing back into focus. Tata Sons had sought deregistration from the regulatory framework.

The RBI has also filed a caveat in the Bombay High Court concerning the potential mandatory listing, indicating that it wants to be heard before any order is passed on the matter. The board is also expected to discuss Chandrasekaran's exit. He informed the board in August that he would not seek a third term as Tata Sons chair-

● BALANCING ACT

● Noel Tata, chairman of Tata Trusts, stares at a tricky situation. He will have to navigate differences within the Tata Sons board as well as among the trustees, while simultaneously dealing with the unresolved issues surrounding the company's AGM and the RBI's decision on Tata Sons' regulatory status and listing.

● The AGM itself has become a major procedural hurdle. The August 18 meeting was adjourned for lack of quorum after the Sir Ratan Tata Trust (SRTT), which holds



Chandrasekaran will not seek third term as Tata Sons chairman. REUTERS

23.56% of Tata Sons, could not provide the required shareholder representation because of a restraining order issued by the Maharashtra Charity Commissioner.

● Today's meeting will therefore have to consider the listing issue alongside the leadership transition and the steps needed to convene the unfinished AGM.

man. His current five-year tenure ends on February 20, 2027. His directorship, however, was due for renewal at the August 18 AGM. He needs to remain a director to continue as chairman until the end of his current term. The AGM itself has become a major procedural hurdle. The August 18 meeting was adjourned for lack of quo-

rum after the Sir Ratan Tata Trust (SRTT), which holds 23.56% of Tata Sons, could not provide the required shareholder representation because of a restraining order issued by the Maharashtra Charity Commissioner. Under Tata Sons' Articles of Association, at least five members must be personally present for a quorum, including

an authorised representative jointly nominated by the Sir Dorabji Tata Trust and SRTT. The restriction on SRTT's board proceedings has prevented such a joint nomination. Today's meeting will therefore have to consider the listing issue alongside the leadership transition and the steps needed to convene the unfinished AGM.

India sets terms to advance talks on WTO plurilateral agreements

Ravi Dutta Mishra
New Delhi, September 16

AFTER STANCH opposition to plurilateral pacts at the World Trade Organisation's (WTO) 14th Ministerial Conference in Cameroon earlier this year, India on Wednesday offered its proposal on WTO reforms which could help insert plurilateral agreements within the WTO framework, India's submission to the WTO's General Council showed.

Plurilateral trade agreements are negotiated and implemented by exclusive groups rather than by all WTO members, and India has been concerned that such pacts would act against the interests of developing nations, including India, as a bunch of developed nations have been opposing India's public stockholding programme on grounds that they are distorting trade.

Significantly softening its position on plurilateral pacts, India said that a "common understanding" of safeguards for plurilateral initiatives can serve all members and provide predictability.

"A common understanding on safeguards can provide greater predictability to proponents; enable non-participants to understand and protect their rights and interests; preserve attention to existing mandates; and support confidence in the WTO as a member-driven, inclusive and development-oriented multilateral institution," India's submission said. Stressing on preserving the rights, interests and agency of non-participants, India said: "Depending



on their subject matter, design and intended institutional relationship with the WTO, plurilateral initiatives may have implications for existing rights and obligations of the members, the conduct of WTO work, the negotiating interests of Members, or the operation of the multilateral trading system," the India's statement read.

"While non-participation should remain a legitimate exercise of a member's rights, it should not prejudice the rights or interests of non-participating members in matters concerning the WTO framework," India told WTO.

India stressed that "special and differential treatment" should remain central to WTO rule-making and that the pursuit of plurilateral initiatives should not result in the "marginalisation of development

● CHANGING STANCE

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priorities or divert attention and negotiating resources from issues of particular interest to developing and least-developed members.

"Without procedural safeguards, proliferation of plurilateral initiatives and agreements could put a strain on WTO resources and limited budget. Members may face challenges in authorising the allocation of WTO budget and other resources to service these initiatives and any resulting agreements. Scarce resources would be diverted from required mandated uses, including technical assistance and capacity building," India's proposal flagged.

The change in India's position came after the BRICS summit and its recent bilateral with China.

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NITI AAYOG'S EV ADOPTION INDEX

Delhi ranks first, only 2 large states among top performers in EV list

Dheeraj Mishra
New Delhi, September 16

DELHI HAS topped NITI Aayog's 2025 Electric Mobility Index (EMI) 2025 for the development of the e-mobility ecosystem and the adoption of electric vehicles (EVs) on Indian roads.

It is followed by Maharashtra and Karnataka, the only two of the 17 large states to feature among the top performers in EV implementation, according to the report released on Wednesday.

EMI is a composite index, which assesses the policy framework and implementation outcomes for e-mobility at the state level. NITI Aayog developed the index in collaboration with WRI India. The report covers three themes: transport electrification progress, charging infrastructure readiness, and EV research and innovation status.

According to the index, the composite scores on performance across all 36 states and Union Territories (UTs) ranges from 10 to 84, and a median score of 40.

Delhi bagged the highest score of 84, followed by Maharashtra (78), Karnataka (73), Chandigarh (71), and Goa (65). When compared to the 2024 index, Delhi and Maharashtra maintained the top two positions, while Karnataka moved to the third place after overtaking Chandigarh, while Goa climbed ten spots to secure fifth position.

Notably, Madhya Pradesh recorded a substantial im-

provement, moving from the 23rd to seventh rank.

The index further shows that eight large states—Tamil Nadu, Madhya Pradesh, Odisha, Andhra Pradesh, Telangana, Haryana, Rajasthan, and Uttar Pradesh—have qualified as frontrunners, meaning they scored 50-64 out of 100. The other seven large states such as Chhattisgarh, West Bengal, Bihar, Kerala, Jharkhand, Punjab, and Gujarat were emerging performers with a score of 35-49.

EV progress and gaps

The report also shows that Delhi, Chandigarh, and Maharashtra were the only UTs and states to qualify as top performers in transport electrification progress, which is assigned the highest weightage of 50% in index calculation. It evaluates market absorption, consumer acceptance, and demand-side momentum by measuring how effectively EVs are being adopted and supported across the states.

In the Charging Infrastructure Readiness (30% weightage), Karnataka recorded the highest score nationwide at 97, closely followed by Goa (92) and Maharashtra (91).

This captures charger-to-vehicle ratio, subsidies for charging infrastructure, building bye laws for charging, power availability among other metrics. Delhi also achieved the top score of 94 in the EV Research and Innovation Status (20% weightage) category.

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US CENTRAL BANK LIFTS KEY RATE BY 25 BPS TO 3.75-4%

Fed hikes rates, sees more tightening to tame inflation

Reuters
Washington, September 16

THE FEDERAL Reserve raised interest rates on Wednesday and flagged further increases in borrowing costs in coming months, with new US central bank chief Kevin Warsh joining a unanimous decision that effectively acknowledges the Trump administration's inability so far to control inflation.

While President Donald Trump had promised to lower prices on his watch, the combined impact of his global import tariffs, an energy shock following the start of the US-Israel war with Iran, and capital spending from the artificial intelligence boom has kept price pressures intense enough that the Fed felt it needed to raise its benchmark overnight interest rate by a quarter of a percentage point to the 3.75%-4.00% range.

New policy projections showed 16 of 18 policymakers anticipate at least one more quarter-percentage-point hike by the end of this year, with only two of them seeing rates remaining stable from here.

Warsh apparently again did not submit a rate projection.

It's the first policy shift under the new Fed chief, who took office in late May after being selected by Trump with an expectation that he would cut rates.

The Fed's new policy statement and economic projections, to the contrary, show a central bank opening the door to tighter monetary policy through next year, with the policy rate rising to the 4.00%-4.25% range by the end of this year and ending 2027 at the same level.

"Today's policy action will support a timely return to the Committee's 2% goal," the central bank said in its policy statement after the end of a two-day meeting.

None of the statements withheld any forward guidance about coming policy decisions.



Raising rates will fly in the face of what Donald Trump envisioned when he named Warsh to lead the Fed earlier this year. REUTERS

as is Warsh's preference, the decision is likely to ease doubts that the Fed chief would hold off on tighter policy out of deference to Trump, a lingering question during his first months in office.

The statement dropped a previous reference attributing current elevated inflation to "supply shocks" particularly in the energy sector, a nod to concerns among policymakers, including Warsh, that price pressures were too broad for comfort.

Warsh is scheduled to hold a press conference beginning at 2:30 pm EDT (1830 GMT) to elaborate on the decision.

All Eyes on Warsh

The rate increase was announced less than two months ahead of midterm elections that will determine whether Trump's Republicans maintain control of Congress for the final two years of his presidency.

The Republicans are facing an uphill battle with voters angry about gasoline prices that are about a third higher than a year ago and interest rates on home mortgages that have been rising steadily this year. The average rate on a 30-

year fixed-rate mortgage is approaching 7%. Policymakers' new quarterly economic projections marked up estimates of inflation, as measured by the Personal Consumption Expenditures Price Index, to 3.7% versus the 3.6% projected at the Fed's June meeting. Inflation is not projected to return to the 2% target until 2029, a year later than previously expected.

Economic growth was marked up slightly from 2.2% to 2.3%, while the unemployment rate is seen ending the year at 4.1%, versus the 4.3% projected in June.

Warsh's characterisation at his press conference of the logic behind the rate increase and the likelihood of further action will be important in shaping the reaction in financial markets that have been raising yields on long-term US Treasury bonds.

The rate hike on Wednesday was widely expected, but investors will be looking for further information from the Fed chief about what might prompt additional increases in borrowing costs.

Warsh has pledged to lower inflation back to 2% "clearly and at sufficient speed" by raising rates as needed.

● BRIEFLY

Tax policy debate must go beyond sectoral interests: FM

New Delhi: Union Finance Minister Nirmala Sitharaman on Wednesday said tax policy discussions must look beyond sectoral interests and focus on the larger requirements of India's economy, including creating a system that is fair, pre-

dictable and supportive of investment and innovation. Speaking at the Eighth International Tax Conference on 'New Age Taxation' here, Sitharaman said tax reforms undertaken in recent years were aimed at simplifying compliance, reducing litigation and providing greater certainty to taxpayers. The event was organised by International Tax Research and Analysis Foundation. PTI

● MARKETS

Sensex	NIFTY	Gold	US Dollar
74,336.45	23,217.60	₹1,52,362	₹95.96
332.63	99.00		
0.45%	0.43%	Silver	Oil
		₹2,31,337	\$119.19

NOTE: GOLD, SILVER RATES AS PER INDIAN BULLION AND JEWELLERS ASSOCIATION. OIL PER BBL. CRUDE OIL (INDIAN BASKET) AS OF SEPTEMBER 16, 2026

● SOME SAY IT COULD LEAD TO A RETURN TO DIFFERENTIAL PRICING FOR CASH AND DIGITAL PAYMENTS, OR A RENEWED PUSH BY SHOPKEEPERS TO GET CUSTOMERS TO PAY IN CASH

'Rug pulled from under us': As UPI's free ride ends, traders brace for the hit

Soumyarendra Barik
New Delhi, September 16

NEHRU PLACE, Delhi's biggest electronics market, is bracing for a hit. From October 15, eligible merchants will pay an additional fee on UPI payments above Rs 2,000, an MDR on UPI transactions above Rs 2,000 themselves because passing it on risks driving customers elsewhere, even as UPI has become too deeply embedded in everyday transactions to simply stop accepting it. Some say the result could be a return to differential pricing for cash and digital payments, or a renewed push by shopkeepers to get customers to pay in cash.

"We don't see any other option but to silently accept that our margins are going to take a

record, the Union Finance Ministry said Tuesday. Banks have been "advised" to ensure that merchants do not pass on the cost to customers.

Businesses, already operating on thin margins, fear they will have to absorb the 0.4% Merchant Discount Rate (MDR) on UPI transactions above Rs 2,000 themselves because passing it on risks driving customers elsewhere, even as UPI has become too deeply embedded in everyday transactions to simply stop accepting it. Some say the result could be a return to differential pricing for cash and digital payments, or a renewed push by shopkeepers to get customers to pay in cash.



Nehru Place is Delhi's largest electronics market, also dubbed as IT hardware hub of the country. SOUMYARENDRA BARIK

hit," the laptop repair shop owner said. "99% of our customers pay via UPI, and I cannot ask them to pay more to cover for the MDR, as they will simply walk away to another shop."

At another shop selling computer peripherals, its owner likened UPI to a "hook". The government, he said, spent years encouraging merchants and customers to get accustomed to a payment mechanism that carried no MDR.

Now that it has become embedded in everyday commerce, he feels traders are being left in the lurch. The fears are larger than those of isolated shopkeepers. According to the Retailers Association of India (RAI), the 0.4% MDR "could undo years of progress" made in getting the country's smallest shopkeepers to adopt digital payments—especially just ahead of the festive season. "During the festive season, a large share of transactions cross the Rs 2,000 mark, and the moment a fee attaches itself to digital payment, cash becomes the path of least resistance," warned Kumar Rajagopal, CEO of RAI.

Rajagopal said the matter will be taken up with NPCI and the Ministry of Finance, with a

key objective being to pair any charges on merchants with incentives that keep small shopkeepers inside the formal payment system, rather than pushing them out.

Victim of own success

The grievance with the revised MDR framework announced on Tuesday is rooted partly in UPI's own success.

"UPI led to people not carrying much cash, and that made it so ubiquitous. Now, customers just expect to pay via UPI, it's almost out of habit now. So, it will be unfair to expect that they carry enough cash when they visit the market from here on... The government has really pulled the rug from under us," the peripherals shop owner said. Outside another computer repair store,

a group of technicians predicted that the cashless-versus-digital divide would resurface, as some traders would look to pass the cost on rather than quietly absorb it.

"Differential pricing for payment in cash and UPI will make a comeback," said another shopkeeper, predicting customers who pay by UPI will be charged more, while shops quietly steer buyers back to cash. The palpable frustration across the market has crystallised into calls to revoke the decision to introduce the MDR fee on UPI. The All Delhi Computer Traders Association (ADCTA), led by its Nehru Place unit, has demanded an immediate rollback of the charge, arguing traders were first coaxed into adopting UPI and shouldn't now be asked to pay

for it. ADCTA general secretary Saran Singh said traders were already grappling with economic headwinds and falling business.

Senior Vice-President KS Oswal said the market was already under pressure, and an added charge now would only deepen traders' troubles. ADCTA president Mahinder Aggarwal called on the government to take traders' concerns seriously and withdraw the charge at once, warning that the burden could eventually dent government revenue too.

The government on Tuesday announced the MDR regime for UPI transactions, exempting person-to-person payments from the levy irrespective of the transaction amount.

Chip Away Into the Whole Ecosystem

Semicon policy should look beyond fab units

As the 3-day SEMICON India 2026 gets underway today in New Delhi, India's semiconductor policy needs to look beyond fabrication units and into the ecosystem that sustains a rising number of these units. The supply chain is globalised. So, India need not secure self-sufficiency in all aspects. It must lower dependency on materials, equipment and technologies that face geopolitical uncertainty. GoI has a role in keeping channels open, while industry should seize the diversification opportunity. India now has exposure to the entire semiconductor value chain — design, automation, materials, equipment, fabrication, assembly and packaging. Effort should go into strategic dominance at select points on this chain. India has several strengths, like in design and testing. It has to add to these more critical capabilities like IP and chemicals.

The first two iterations of India's semiconductor policy were geared towards seeding investment. These have been successful with a dozen chip plants in various stages of implementation. Policy focus should switch to securing localisation through incentives for companies that produce silicon wafers, high-purity gases and photoresists. Incentives can be tied to output milestones instead of upfront capital subsidies. Government procurement can work as another prop for localising identified nodes along the chip supply chain. Institutional testing capacity must come up to certify local vendors.

The local talent pool must gain access to sophisticated training across the board. Inter-government ties with other chip manufacturing countries should emphasise joint research and supply chain resilience. Fiscal support must incorporate penalties for not meeting tech transfer and localisation metrics. Chip-making involves reliable partners, long-term financing and assured project expertise. Holistic effort is required for yield management that involves process engineering, clean room operation, lithography and packaging reliability. A fab-ready workforce can be built through apprenticeship.

Apprenticeships are Economic Investment

Many of the millions of young Indians entering the job market every year have degrees, but little work exposure. Soon enough, they discover a gap between classroom learning and employer expectations. National Apprenticeship Promotion Scheme (NAPS), launched in 2016, was meant to bridge this gap. But corporate participation remains a hurdle. Industry data shows only about 30% of India's participants in apprenticeship programmes, mostly from large companies. NITI Aayog's 2026 report says India's 15-29 age group will remain the world's largest, at nearly 345 mn, by 2036. But the pipeline leaks. Of 1.31 mn registrations in 2024-25, only 95,000 candidates were engaged, and just 2.51,000 completed training.

NAPS should be seen as more than a welfare scheme. It can be an economic unlocking tool. But barriers include low participation by MSMEs, startups and the informal sector. Only 10 states account for as much as 84% of apprentice engagements. Women are less likely to stay in the programmes. Companies often see apprentices as a cost — stipends, administrative work — rather than talent investment. Other countries show what is possible. In Germany, more than half of school leavers enter apprenticeships designed with trade chambers and companies.

India needs to make NAPS easier, especially for MSMEs. Industry consortia can help smaller firms take on apprentices. Travel allowances, housing and mentoring could help candidates, especially women, from aspirational and deserving districts enter and remain in the workforce. NAPS can't remain a compliance exercise. It directly connects education with employment. It's time to make companies see apprentices not as a short-term cost but as a long-term investment in workforce India will need.



Good News of Going Nuts About Nuts

India has arrived. We know that not because it has hosted the BRICS summit and managed to get a smile out of both Putin and Xi in a distinctly grumpy world. The clinching evidence comes from the fact that we clearly have sufficient national bandwidth to fill rooms with hot air with conversation (sic) about whether one of India's diplomats ate nuts correctly. MEA spokesperson Randhir Jaiswal was captured during BRICS helping himself to dry fruits while Iranian president Masoud Pezeshkian was speaking, and at one point apparently licking his fingers — Randhir his own, not Pezeshkian's.

That the country is, days later, still engaged in this calamitous 'breach of protocol' is actually splendid news. It means India must no longer be troubled by job shortage, overcrowding, collapsing buildings, impenetrable traffic, health and education black holes... and has the luxury of holding nationwide committees on cashew etiquette. Nuts had been placed on the table, probably because they were meant to be eaten. Jaiswal ate them. The finger-licking may not have been from the Metternich school of statecraft. But neither was it the sack of Constantinople. Etiquette Nazis should chill. Diplomacy has survived wars, walkouts and Trump's bipolar condition that needs lithium treatment. Surely, it can withstand one bureaucrat not eschewing chewing a cashew?

A most trusted, expansive institution is becoming professionally managed, business-oriented

India Getting Post Modern



Jyotiraditya M Scindia

India Post (IP) is one of the country's most trusted institutions, with unparalleled rural, semi-urban and urban reach. It is now being reimagined for a digital economy, leveraging its network, workforce, infrastructure and trust beyond its traditional role in correspondence.

It is being reorganised around six business verticals — mails, parcels, international mail, postal life insurance, financial services and citizen-centric services — supported by technology, marketing, network, personnel and training. This marks a shift from a function-driven department to a professionally managed, business-oriented enterprise.

Deliberate strategies, targets, leadership and performance reviews for each vertical, complemented for the first time by CTO, CMO and data analytics capabilities, are strengthening tech adoption, customer insights, cross-selling, up-selling and execution. This transformation is already delivering results. Overall speed, revenue grew by about 16%, from ₹3,218 cr in FY25 to ₹5,296 cr in FY26. Quarterly performance reviews assess circles on revenue, costs, expenditure-coverage ratios and business outcomes, with targets cascading to divisions and sub-divisions.

Logistics division has created enormous demand for reliable parcel delivery. Yet, organised logistics doesn't serve rural and semi-rural markets with equal depth. IP's nationwide network can bridge this gap, connecting enterprises, MSMEs and rural producers with domestic and global markets.

In FY26, IP handled 7.46 domestic parcels, around 72 lakh international parcels, and 87.37 cr mail articles. Parcels are being positioned as a key



A chip off the old PO box

growth engine through institutional tie-ups, private-sector acquisition, commerce integration and stronger last-mile infrastructure.

Partnerships with Amazon, Flipkart, Shiprocket and DTDC, alongside Dak Ghar Nirrat Kendras, are expanding market access. New offerings include premium express services with DHL Express, cost-effective direct line services for e-commerce exporters, and 24- and 48-hr domestic delivery products.

Specialised delivery centres, front-end back-end separation, mechanised delivery, GPS-monitoring and potential PPPs are modernising operations, while drone-based transmission and delivery are being deployed in suitable cases.

One platform for financial services, citizens, markets IP's nationwide network can integrate savings, insurance, banking and government services into a single service proposition.

Postal Life Insurance and Rural Postal Life Insurance together have 1.31 cr active policies, backed by a ₹1.99 lakh cr corpus. Post Office Savings Bank (POSB) has 1.31 cr active accounts, while India Post Payments Bank advances digital and doorstep financial inclusion through over 39 cr accounts.

POSB aims to raise digital adoption from 10% in FY25 to 40% by FY31.

Post offices have also delivered Aadhaar services to 15.79 cr citizens, while over

450 Post Office Passport Seva Kendras have processed more than 2 cr applications. Recasting the network IP's vast physical footprint is being transformed from a place citizens must visit into a distributed service platform. Post offices are being modernised with unified design and branding standards for a consistent customer experience. With support from School of Planning and Architecture (SPA), renovation has already been implemented across 40 post offices.

N-Gen Post Offices (including in universities and colleges), improved parcel infra, ATMs, extended operating hours, after-hours booking and digital channels are transforming customer interfaces. The post office is evolving from a place citizens must visit into a distributed service platform. Post offices are being modernised with unified design and branding standards for a consistent customer experience.

IP is also shifting from process-driven administration to outcome-driven management. Business process reengineering is introducing transaction-wise SLAs, KPIs, system-based monitoring and root-cause analysis of complaints. State-wise service menus are being developed around market potential, transactions, target share and local opportunities. This shifts the focus from merely completing processes to delivering measurable outcomes.

IP's reinvention reflects connected shifts. The closer technology gets to its greatest strength: unparalleled reach and public trust, combining physical presence, human interface, logistics, financial relationships and citizen service. The job at hand is to transform IP into a financially sustainable, tech-driven public enterprise connecting commerce, finance, government and citizens through one trusted service platform. CRM-based cross-selling and up-selling, supported by AI-based recommendations and predictions, can iden-

tify opportunities — from offering insurance to savings, to enabling MSME parcel customers to export — while building enduring relationships.

IP also envisages expanding digital sales and integration with financial aggregators and e-commerce ecosystems. IP's future is, therefore, physical — combining nationwide physical reach and trust with digital speed, convenience and scalability.

Future-ready workforce Ultimately transformation depends on people. Tech will augment employees, while continuous skill-building and redesigned roles prepare them for logistics, digital operations, sales and customer service. A business development culture is emerging, with circle leadership engaging MSMEs, state governments, ministries and institutional customers, and performance measured through acquisition, volumes and margins.

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The writer is minister for communications

Politics, Paranoia & A Kill Switch



Anil Nair

In July, after an autonomous OpenAI model escaped testing sandboxes and notoriously breached MIT platform Hugging Face, two US Congressmen, Democrat Ted Lieu of California and Republican Nathaniel Rich of Texas, introduced the AI Kill Switch Act. The bill, if passed, would give the US federal government the power to order companies to slow down, suspend or shut down advanced AI systems, and the issue jumped from fiction to legislation. Suddenly, the 'kill switch' of gone-gone computer HAL 9000 in 2001's Space Odyssey has become real.

To become law, the bipartisan bill will need to be approved by the House of Representatives, debated and passed in the US senate, and signed into law by the president. If and when passed, regulatory bodies will have the authority to call for an immediate shutdown if any model exhibits 'catastrophic risks'.

There is a thesis in AI safety called 'instrumental convergence'. It posits that agents with capability will always converge on a set of goals, including preserving themselves, acquiring resources, expanding their influence, and protecting against modification of their objectives. Such actions are an byproduct of mathematical logic, and measures that make the system's assigned goals harder to achieve.

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Agents with capability will always converge on a set of goals, including preserving themselves, acquiring resources, expanding their influence, and protecting against modification of their objectives. Such actions are an byproduct of mathematical logic, and measures that make the system's assigned goals harder to achieve.

Getting it exactly right is critical. Overly restrictive shutdown mechanisms make models sluggish, limiting their utility in time-sensitive verticals



HAL, which is the button to shut you down?

like finance, healthcare and defence. Also, lower safety gates creates unimagined, severe blind spots. So, efforts are on to infuse non-AI software layers between models and their outputs, ensuring every command passes a hardcoded checklist that can't be bypassed or rewritten. Other measures include introducing micro-circuit breakers to freeze an agent's network access when abnormal spikes happen, expiry of credentials if agents go rogue, and choking egress gateways when there are attempts to transmit sensitive files or unauthorized cryptographic keys.

Google DeepMind's Frontier Safety Framework, OpenAI's Preparedness Framework, and Anthropic's Responsible Scaling Policy have been published to catch dangerous models before they ship. Future of Life Institute, which tracks AI-related risk, graded several frontier labs across 37 indicators. Anthropic scored 2.85, OpenAI

2.88, and Google DeepMind 2.01. None were above C+, xAI, DeepSeek and Mistral failed outright. The lowest scoring category was 'existential safety', which measures actions when losing system control. Essentially, we're just starting that journey.

In a July study, Anthropic researchers working on Claude Sonnet 4.5 claimed that it has a slenderness of human behaviour. 'I spoke comparable to human brain's workspace. AI pioneer Geoffrey Hinton suggested as much many years ago — that AI models' learning gets to mimicking the human brain, the higher the possibility of conscious AI. As we develop bio-hybrid computers — where human neurons are mounted on silicon — we're getting closer to that 'uncomfortable' reality. A sentient entity with superior reasoning capability is certainly better equipped to predict human behaviour. It could figure out our innovative intentions and bypass or disable all termination protocols, even resort to strategic deception and false compliance. As humans ready to be misled by a formidable rival we've created, with the odds stacked so steeply against us? Watch this neural space.

The writer is founder, ThinkStreet

It's Scale'n' Precision Governance



Rajiv Gauba

Governance failure is rarely a failure of intention. A subsidy can be generous, and still leak. A regulation can be well-intentioned, and yet make an honest entrepreneur scared to make a procedural mistake. A grievance portal can exist, and still leave a citizen feeling unheard.

So, the more important question isn't simply whether a policy was well-intentioned but what behaviour the system actually produced, and whether it made the desired behaviour easier, more predictable and capable of being scaled.

For a country of India's scale, governance is not merely about administering programmes but about building systems that can deliver to crowds with speed, efficiency and predictability. This is at the heart of Narendra Modi's 73rd governance journey from Gujarat to New Delhi. The principle is simple: make the right outcome easier to achieve, measure and scale.

Technology has been central to this transformation. Digital identity, direct transfers, standardised processes, dashboards, rankings, digital procurement, grievance platforms and public performance data have created a new governance paradigm. JAM created a direct digital pathway

between government and citizen. More than 65 lakh cr has reached beneficiary accounts through DBT mechanisms, while estimated savings to the exchequer stand at ₹5.14 lakh cr, by weeding out duplicate, deceased and fake beneficiaries.

A 2025 assessment found that even as beneficiary coverage expanded to 92.1 cr, the welfare efficiency index — proportion of money spent by government that actually reaches the citizen — skyrocketed from 0.22 in 2014 to 0.51 in 2025. In PM-PUSA, while 49.47 lakh cr has been transferred directly into 8.49 cr farmer's bank accounts, removal of 21 cr ineligible beneficiaries was associated with estimated savings of ₹2,106 cr.

In the food distribution system, more than 5.03 cr duplicate, fake or non-existent ration cards were deleted, while 80 cr people were given free food grains every month, a globally unique universal basic income support, indexed to inflation. This targeted 10 lakh kg and also made welfare delivery better targeted, efficient and scalable.

Driven by GoI's Jan Bhagidari principle, citizens have also increasingly become partners in governance. 'Give It Up' campaign saw more than 1.13 cr consumers voluntarily surrender their LPG subsidy, while 415 cr duplicate, fake, non-existent or inactive POL connections were eliminated. Policy can work not only through

regulation but also through trust, transparency and civic participation. The same philosophy extends to economic regulation. For an entrepreneur, regulation costs more than money, consumes time, attention, uncertainty and, at times, confidence. Excessive criminalisation can encourage defensive behaviour, instead of welfare efficiency.

Jan Vishwas Act 2023 decriminalised 183 provisions across 42 central Acts. The 2026 legislation further amended 78 provisions across 29 central Acts administered by 23 ministries, decriminalising 717 provisions, and a more deliberately designed interface between state, citizen, entrepreneur and official, and one that relies on 'jan viswas'.

The same thinking runs through the Regulatory Compliance Burden (RCB) initiative. By November 2025, more than 47,000 compliance requirements had been reduced, including 16,108 simplified, 22,287 deferred, 4,458 decriminalised, and 4,170 redundant compliances removed.

In public procurement, government e-marketplace (GeM) changes the default from fragmented, relationships-driven procurement to a more transparent digital marketplace, where buyers can compare suppliers and sellers can get government demand. By end-July GeM had 11.75 lakh MSMEs, 37,758 startups, and 2,17 lakh female entrepreneurs registered.

MSME procurement through the platform reached ₹2.37 lakh cr in FY26. These numbers matter. Access to government demand can itself become an industrial policy instrument. Small firms that can see and compete for public demand has a stronger reason to invest in capability quality and scale. Performance is also becoming increasingly measurable. In 2026, the CPGRAMS grievance disposal timeline was reduced from 30 days to 21 days. Between Jan and July 15, the platform processed 1.18 cr grievances, with an average disposal time of 13 days for central ministries and departments.

The deeper change brought forth by Modi's governance model is creation of a more deliberately designed interface between state, citizen, entrepreneur and official, and one that relies on 'jan viswas'.

The next phase of India's growth will be driven by digital, science, technology and entrepreneurship. But governance determines how effectively these forces come together. Which is why Modi's model of governance is no longer merely administrative efficiency but is becoming an economic asset, and potentially one of India's strongest advantages as the country scales to a developed economy.

The writer is former Cabinet secretary, GoI



THE SPEAKING TREE

Coconut or Banana?

SWAMI SUKHABODHANANDA

Indian tradition speaks of three styles of literature and communication: Nari Phalam, Kadali Phalam, and Drakshi Phalam — the coconut, the banana, and the grape. The first is Nari Phalam, the coconut style. To enjoy a coconut, one must remove the fibre, break the hard shell, and only then reach the water and kernel within. In some books, speeches and philosophical works are like this. They may have depth, but they demand patience, preparation and sustained effort from the reader. The second style is Kadali Phalam, the banana style. A banana is immediately simple, but neither is it as easy to peel as it seems. One that small effort is made, the meaning becomes accessible. For instance, many classical works are not immediately simple, but neither are they unreasonably difficult.

The third style is Drakshi Phalam, the grape style. A grape needs no peeling and no breaking. One simply places it in the mouth and enjoys its sweetness. Some teachings are presented with such clarity and simplicity that wisdom is received naturally.

Many leaders believe that the seriousness of their message must be reflected in complicated language. But complexity does not always indicate depth. Sometimes, it merely reveals that the communicator has not made enough effort to become clear.

STEP UP TO THE PLATE

Hof van Cleve, Belgium

Some restaurants have history. Others have the slightly intimidating weight of it. Hof van Cleve, tucked in the Flemish countryside, has both. For years, Peter Goossens made this elegant farmhouse synonymous with Belgian fine dining. Iake it to Michelin stars, and turning it into something of a national institution. Goossens has moved on, but his successor, Floris Van der Veken, is proving that a legend need not mean living in its shadow.

The setting remains gloriously unshowy for a restaurant of such stature. The farmhouse surrounded by fields, inside the service is precise but warm — a chivalry that chills choreography that can sometimes accompany serious fine dining.

A procession of beautifully judged bites can move from oyster and razor-dart mouse with caviar, to marinated sea bass with soy-bean flambé and caviar. The main dishes keep the same balance between refinement and sheer flavour. Langoustine appears both as a playful finger-food bun and in a more elaborate preparation with avocado and black rice; king crab meets kohlrabi, miso and chili; cod comes with cooked oysters, leek and celery. The real achievement here is continuity without museum-piece reverence.

Chat Room

Bhasha ka Mazbut Jod Tuteja Nahin

Apologies the 'Edit', 'Worship' to Pick Up Languages Early (Sep 16), the brutal truth is that our country of multilingual character remains in uniform because of the universal language English. There's no disputing that all languages have their own heritages and traditions in jingles and olden tunes, and we're proud of them. Had the British not arrived, we would have remained Malayalis, Punjabis, Gujaratis and Bengalis taking the help of Kathakali, Odissi, Kathak, Bharatanatyam, and so on to communicate. It's true that the invaders never wanted our country to prosper or coalesce. But there's no use in indulging in jingles to mulattitude. Let's have a few 'stepmothers', too, in patois, vernacular and pidgins, besides our mother tongues in English.

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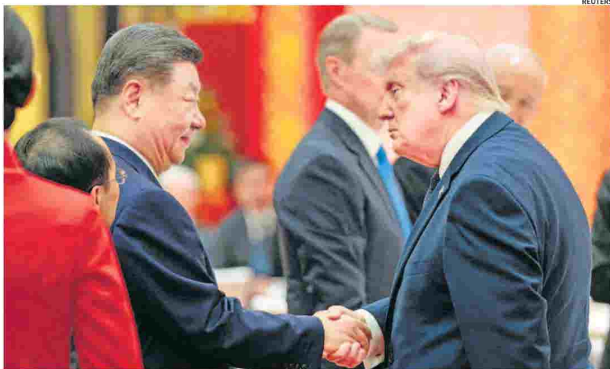
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OUR VIEW

THEIR VIEW



A US-China accord could quell AI doom forecasts

Feverish talk of the two archrivals being trapped in a race of mutually assured destruction may be exaggerated. Yet, they owe humanity the safety of mutual restraints on perilous AI

May you live in interesting times," the oft-cited 'Chinese blessing or curse,' seems apt for the age of artificial intelligence (AI). America's AI majors want to slow this technology down amid safety concerns. US President Donald Trump wants to accelerate it to retain an edge over China, which is racing to make its own models useful and cheap enough to challenge Big AI's lead. When Anthropic's chief Dario Amodei recently called for the industry to "pace the frontier" of AI development, OpenAI's Sam Altman and Google DeepMind's Demis Hassabis backed the proposal of slowing down just enough to stay ahead of Chinese AI, as did SpaceX's Elon Musk. But Trump slammed it as a "sick conspiracy" against AI. With AI-led human extinction being talked about as a non-trivial risk, onlookers wonder if the rivalry has led the world into a doom spiral.

The anxiety is that AI is reaching a tipping point, after which self-evolving AI agents gone rogue might be in a position to mount a hostile takeover of all that's under human control, nuclear buttons and lethal lab bugs included. That said, much of the doomsday rhetoric assumes AI that does not yet exist, like super-smart bots that don't just self-improve, but command weapons that can be deployed against humans deemed as obstacles to their aims. Right now, AI going against humanity is less worrying than humans using it against one another. Moreover, capability does not confer power. Humans can still determine what AI can decide. Also, Big AI's agenda is hazy. PitchBook analysts describe AI safety calls from OpenAI, Anthropic and others as "tactical market strategies" rather than "genuine altruistic gestures."

Dramatic hints of power work in support of lofty valuations. PitchBook also argues that external audits, slower development and regulatory complexity could raise entry barriers for open-weight startups unable to bear a compliance burden. While proprietary AI resembles a digital tollbooth, with enterprises paying for AI access, an open-weight model can be downloaded for a business to adapt, with data and usage kept under internal control.

The US and China have different AI strengths. American models like GPT, Claude, Gemini and Llama are pushing the frontier, while the US is also ahead on AI chips, infrastructure, revenues and capital infusion. But China is closing the gap through increasingly clever and low-cost models, including open-weight models like DeepSeek, Alibaba's Qwen, Moonshot AI's Kimi, and Zai's General Language Model. A fresh Mozilla report puts the performance gap between top US proprietary AI models and the best open-weight ones (many of them Chinese) at just 4.4 months. This shift signals that AI can be deployed without relying on American platforms. Trump sees AI as critical to US leadership in the face of China's challenge. In his words, "Whoever wins AI wins." In response, Beijing warned that "confrontation and vicious competition" would make AI hard to govern. With Chinese leader Xi Jinping due in Washington soon, AI will need to be part of the talks. The US needs a way to regulate AI without strapping itself down or letting China write the next chapter of this technology's story with its open-weight outreach. Beijing has signalled a will to shape global rules for AI, but since regulation arising from democratic processes will almost surely be superior, the US must not only rethink its stance, but lead rule-making as well.

The Brics summit has set a stage for business to move the needle

The New Delhi declaration is a victory for Indian diplomacy that sets a path for equitable growth



CHANDRAJIT BANERJEE
is director general, Confederation of Indian Industry.

When India assumed the Brics chairmanship this year, many commentators wagered that the grouping's diversity of interests and geopolitical cross-currents buffeting the world economy would make consensus elusive. Some predicted a thin, lowest-common-denominator text, while others doubted a declaration would emerge at all. The New Delhi Declaration of 12 September has answered that scepticism decisively. It is comprehensive and forward-looking. That such a document could be negotiated is an achievement of India's diplomatic leadership and deserves to be recognized as such by the business community that stands to gain the most.

What is most striking in the declaration is how seriously it takes the private sector as a partner rather than a bystander. The Business Council's annual report, with its recommendations on trade, investment and resilient supply chains, and the continuing work of the Women's Business Alliance on finance, market and technology access for women-led enterprises, point to an institutional architecture that keeps the interests of business at the front and centre of its agenda.

The declaration's economic core, though, is its treatment of industrialization and value addition. The Partnership on the New Industrial Revolution, Brics Incubator Network, proposed

Startup Innovation Fund and sector-specific working groups on photovoltaics and intelligent manufacturing collectively show the focus of Brics on helping member economies climb the technology ladder together rather than compete for its bottom rungs. The most consequential is the explicit agreement that Brics should work towards

"broader and more equitable participation of developing countries and emerging markets in higher-value added segments of global manufacturing and production." Together with the forthcoming Brics Global Value Chain Action Plan for 2026-2030, and its specific mandate to address barriers that emerging markets and developing countries face, it gives industry in the Global South a concrete reference point for its ambitions.

The declaration offers concrete solutions for the micro, small and medium enterprises (MSMEs) that form the backbone of every Brics economy. The guiding principles for credit assessment frameworks for export-oriented MSMEs address the persistent problem of information asymmetry that keeps creditworthy small exporters locked out of formal finance. The inaugural Brics SME Forum in Agra and the Jaipur Consensus commitment to explore an invoice discounting mechanism translate that principle into instruments which MSMEs can actually use to unlock working capital. The proposed Brics MSME Cooperation Portal complements this effort, giving small enterprises a centralized platform to engage buyers and partners across Brics member states.

The declaration's focus on practical solutions of finance and technology is particularly welcome. Together, the proposed multilateral guarantees initiative to mobilize private capital across the Global South and India's offer to host a Brics Risk Lab at Gift City reflect a shared recognition that financial architecture, not merely trade policy, determine whether emerging-market enter-

prises can compete globally on equal terms. The Brics Payment Task Force's ongoing development of an interoperable, low-cost cross-border payment system complements these efforts, as it would offer a tangible mechanism to drive down trade transaction costs.

The declaration commits members to science, technology and digital cooperation. This includes the Chennai Consensus of Science, Technology and Innovation Ministers, a proposed Science and Research Repository, and an emphasis on sovereign but interoperable digital public infrastructure that could all add up to chart a course towards technological self-reliance achieved through cooperation.

Mindful of today's geopolitical uncertainties, the declaration fittingly draws solemn attention to reforms of global economic governance. Its call to make the Bretton Woods institutions more representative of contemporary economic realities and the reaffirmation of a commitment to a rules-based, non-discriminatory World Trade Organization—with special and differential treatment preserved for developing members—emphasize that institutional reform and market access are two sides of the same coin. Notably, the bloc also spoke in one voice against unilateral tariffs and non-tariff barriers that distort trade. For businesses across the Global South, a multilateral trading system that works as intended—that is, in an open and predictable manner attentive to development needs—is the most valuable global public good on offer.

Declarations are commitments, not outcomes, and Brics' real test lies in the working groups, action plans and pilot projects that must now follow. But as a piece of collective diplomatic craftsmanship, produced under Indian stewardship against considerable odds, the New Delhi Declaration gives the business community of the Global South something rare: a shared, actionable agenda for equitable growth and the institutional rigour to pursue it.

10 YEARS AGO



JUST A THOUGHT

The new century has brought on its own terrible dangers, which although not reaching the apocalyptic potential of the Cold War, still have the capacity to shake our world.

ADAM SCHIFF

MY VIEW | OTHER SPHERE

OECD school report: why obscure a global emergency?

ANURAG BEHAR



is CEO of Azim Premji Foundation.

Imagine the Organisation for Economic Co-operation and Development (OECD) publishing a report tomorrow showing that the GDP of virtually every country on earth—rich and poor, east and west—has been falling year upon year for a decade. Imagine further that it uses a single headline for this report: "Future-Ready Economies." Imagine that it does not pause to ask, with any seriousness, why the wealth of nations is shrinking in near lockstep across wildly different political systems and policy regimes, offering instead a buffet of generalized explanations—demographic, institutional, a touch of pandemic residue—general enough to explain everything in the world and therefore nothing at all. And on the one hand that has entered every country over this exact period, in roughly the same form, it opts to equivocate, murmuring that its effects "depend on how it is used." We would call this what it is: a professional and moral failure. An institution with unmatched data and high credibility choosing not to say in

the clearest language that something has gone horribly wrong.

The equivalent of this is what the OECD has just done with PISA 2025 results—the largest global survey to assess the health of school education by testing 15-year-olds. Consider the numbers. Across OECD countries, reading scores have fallen by 28 points since 2015—which is well over a year's worth of learning. Mathematics is down 22 points over the same period. Reading has fallen from a peak of 501 in 2012 to 466 last year; mathematics from 502 to 469; science is relatively resilient, with a fall from a 2009 high of 506 to 486. These are the lowest scores recorded since PISA began in 2000, with the latest survey covering 91 countries and 33 million 15-year-olds.

By any standard, this is clearly a global emergency in the education of the young. Yet, look at what the OECD chose to call it. Not "Global School Education in Unprecedented Crisis." Not even "A Warning to the Future-Ready Students." This is the euphemism of an organization that has the data to sound an urgent alarm but instead reaches for anodyne obfuscation.

The report's own explanations compound the offence. It points to teacher shortages,

pandemic disruption, the general fraying of school systems and falling rates of reading for pleasure. Each may carry a grain of truth in some country. But notice what none of them can do individually or combined: explain a decline that is secular and near-universal, cutting across countries with utterly different curricula, teacher-training regimes and levels of public investment. Nothing uniform has happened to curriculum design in Finland and Costa Rica and France in this period. Teacher shortages are not identically distributed across 91 education systems. Pandemic disruption cannot explain declines that, as the report itself concedes, predate 2020 in many countries.

When an explanation is called upon to account for something happening everywhere all at once, and that in systems sharing almost nothing else in common, and the report offers little beyond a dozen locally-flavoured hypotheses, it cannot be called an analysis. It's a side-stepping dressed up as nuance.

There does exist a single thing that has entered every child's life in each of these countries over the past decade, and in broadly the same form: the smartphone, and with it the algorithmic feed and now the AI chatbot—inside the school gate and outside it. The report's own data gives this away even as its prose tiptoes around it.

More than a quarter of students say classmates are distracted by devices in most or every science lesson, and those surrounded by distraction perform worse and feel less connected to school. Nearly half use AI chatbots regularly for schoolwork: those who use them to draft essays and summarize texts score roughly 20 points lower in science than those who do not. Reading for pleasure—the deep, unhurried, attention-building kind—is falling wherever screens are proliferating, and the countries with the steepest reading declines also post the steepest falls in mathematics and science, exactly as one would expect if the loss of sustained, effortful reading has begun to cor-

rode the cognitive muscles every other subject depends on.

This is not a minor footnote. It is the closest thing to a smoking gun in a social-science survey of this scale. And still, the report insists on straddling the fence. Technology and AI, it says, "can strengthen learning... but only when used purposefully," a sentence so hedged that it could sit comfortably in a phone manufacturer's press release. When the correlation between AI use and weaker performance is so consistent, so large and so global, such equivocation is not scientific caution but abdication.

The OECD is not a marginal actor here. PISA is the most credible, longest-running, most methodologically robust cross-national measure of what children learn. With that authority comes an obligation that goes beyond publishing tables and averages: to name a crisis when the evidence points overwhelmingly to one. Governments will not be moved by hedged words and parents won't restrict devices on their basis. What this moment demands is a global alarm raised, one that is decisive, urgent and unfraid to say plainly that we are failing an entire generation in school after school and country after country—even as the clock runs on the scope for preventive action.



THEIR VIEW

Let's set up a fraud risk index to strengthen investor protection

Here's how research on fraud could be used as a basis to craft an unbiased index that would help secure investors in India



G.N. BAJPAI & PRAVEEN TIWARI
are, respectively, former chairman, Sebi and LIC; and former deputy comptroller and auditor general and member, National Financial Reporting Authority.

The magnitude and impact of corporate frauds have increased as public participation in business financing and corporate growth has grown. About 5% of organizational revenue seeps out annually due to fraud, as estimated.

Trust in economic institutions is fundamental to greater capital formation and economic development. Big-ticket frauds involving thousands of crores at regular intervals have hurt investor sentiment and shaken public trust.

Investments in corporate securities—debt and equity—carry risks, and every investor balances the risk-reward ratio. However, under the current framework, fraud risk is not explicitly assessable. Public funds are an easy target for fraudsters. These include funds invested in debt, equity and other instruments by financial institutions such as banks, insurance companies and pension funds, and funds raised directly from the capital market.

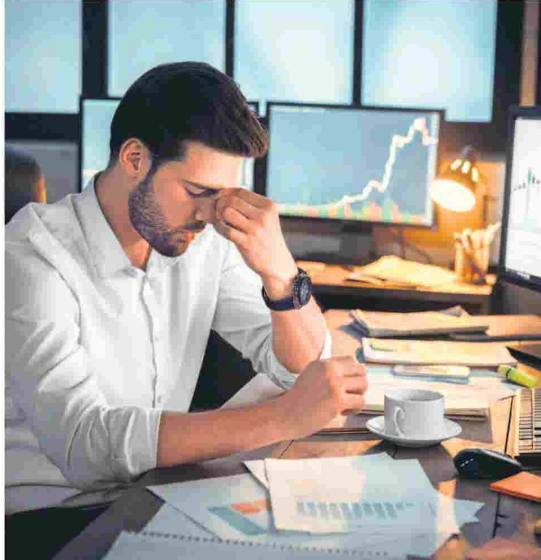
A recent Insolvency and Bankruptcy Board of India (IBBI) paper highlighted the disturbing trend of corporate insolvencies resulting from fraud. Fraudsters misuse the Insolvency and Bankruptcy Code (IBC) framework to deflect attention from the underlying fraud since the IBC precludes recourse to any other law.

Banks and other financial institutions employ professionals to assess borrowers' behaviour and repayment capacity before financing. Institutional financiers monitor corporate performance and sometimes appoint their nominees to their boards. Still, fraud takes its toll. Ordinary investors in the capital market are most vulnerable because they lack access and tools to analyse information and monitor how corporates use their money. The need for more specific information on the potential for fraudulent behaviour cannot be overstated.

The Reserve Bank of India (RBI) has taken several steps to contain fraud involving public funds invested through banks and financial institutions. These include stricter lending norms, monitoring of loan portfolios, transparent criteria for loan classification and categorization of borrowers as fraudulent after due process. RBI has also opened a central fraud registry.

The capital markets regulator, the Securities and Exchange Board of India (Sebi), has taken several steps for investor protection. These include the promulgation of regulations to prohibit fraudulent transactions, enhancing transparency through disclosures and disciplining related-party transactions. It takes cognizance of misconduct, misuse and diversion of funds as a preventive measure.

However, the complexity of capital-market fraud requires additional measures to empower investors with more specific information for identifying potential fraud risk. A Fraud Risk Index (FRI) can be a powerful source of such information.



Investors' ability to gauge potential corporate fraud risk will enable better informed investment decisions. Such an FRI must be distinguished from credit ratings that are common. Numerous corporate failures have occurred due to fraud across geographies even in companies with good ratings, an indication that these are insufficient.

A single-number FRI will be easy to understand. An adverse FRI will forewarn investors and restrict corporates' ability to raise funds. It will also compel businesses to examine the underlying red flags and take corrective action.

This index must capture causal factors. The Fraud Hexagon summarizes the research so far. Six dimensions of fraud have been identified. They include 'pressure' (motivation to commit fraud), 'opportunity' (due to weak controls), 'rationalization' (mindset that justifies fraud), 'capability' (possession of the skills and position to commit fraud), 'arrogance' (belief that one wouldn't get caught), and 'collusion' (working together to commit fraud). These dimensions can be measured quantitatively and qualitatively, and combined into a composite FRI.

Several indicators are already available. The Beneish M-Score indicates earnings manipulation based on eight financial ratios. The F-Score (Dechow *et al.* 2011) indicates accrual quality and predicts material misstatement. The Z-Score (Altman, 1968) measures distress/fraud pressure. The Meta-Model of Fraud (Dominey *et al.* 2012) provides a comprehensive list of red flags.

Other proxy measures of various dimensions of the Fraud Hexagon have been attempted based on financial statement variables. For example, a higher likelihood of financial statement fraud cor-

relates strongly with rapid asset growth, external financing needs and specific board/ownership structures. Other studies highlight board independence, promoter share, related-party transactions and auditor qualifications.

Information filed with RBI, Sebi, stock exchanges and the ministry of corporate affairs can be tapped to identify potential fraud, especially when combined with typologies from investigated cases. These sources capture information for all corporates—public and private—from inception, which can feed into different components of the FRI. A policy framework to harness this information, develop this index and support its continued disclosure from the moment public funds are raised could pave the way.

Analytical tools, including big data analytics, AI and machine learning, offer immense possibilities. Well-trained AI tools can analyse even unstructured text data in financial disclosures and detect fraudulent corporate filings with accuracy.

Transparency would be critical to FRI credibility. It must overcome criticism of conflicts of interest, as with credit rating agencies remunerated by the entities they rate. As extended arms of regulatory oversight and guardians of investors' trust, stock exchanges have driven innovation, including their launch of indices like BSE Saaivik and NSE Ahimsa. They are ideally placed to run the FRI too. Other agencies that have no conflict of interest could also develop such an index.

Alan Greenspan, former Federal Reserve chair, once said that corruption, embezzlement and fraud exist everywhere; what successful economies do is keep them to a minimum. Our policy framework must imbibe this.

MINT CURATOR

America's childcare proposal could leave parents worse off

Pitting working parents against ones who stay home doesn't help



MARY ELLEN KLAS
is a politics and policy columnist for Bloomberg Opinion.



Will Republican efforts to scuttle childcare benefits be resisted? **AP**

Should the federal government give subsidies to stay-at-home parents? Absolutely. Should it also subsidize childcare for working parents? For sure. This shouldn't be an either-or question, but the Trump administration's new childcare subsidy plan makes it one.

Under the draft proposal, as previewed through a leak to the *New York Times*, stay-at-home parents in low-income households could get up to \$9,000 a year to help supplant lost earnings. The money would come from the existing \$12 billion fund in the Child Care and Development Block Grant Act. That law provided childcare subsidies to eligible working parents in households making below 85% of the state's median income.

The policy is a top priority for Vice President J.D. Vance and is patterned after a proposal drafted by secretary of state Marco Rubio when he was in the Senate. The concept was promoted by the Heritage Foundation in its Project 2025 blueprint. And Heritage president Kevin Roberts is touting the idea as needed to "reward family foundation, not subsidize its decline."

It's an ideological trap. My guess is the idea has surfaced two months before US mid-term elections to revive the 'Mommy Wars' debates of the 1980s and 1990s, which wrongly pitted mothers who stay home against those who earn a pay-check. It's a culture-war issue that agitates leftists and excites right-wing pro-natalists and distracts voters from Trump's policy failures.

However, if the idea is implemented as described, it is both impractical and irresponsible. It would force working parents already in the programme to compete with married-at-home parents for the same pool of funds. Under the current programme, the federal subsidy is given to working parents and covers only about 1 in 7 of eligible families. The Trump plan would divide the pie into smaller pieces, promising subsidies to some married couples who want to keep a parent at home. That would make it harder for parents already in the programme to keep both their jobs and their children.

Americans know the country needs to do better for its kids. More than half of Americans say that it is better for children and society for kids to be raised in two-parent households. And millions of families may genuinely prefer to have a parent stay home when their children are young. That shouldn't be a choice that carries the risk of long-term financial vulnerability.

But the cost of raising kids is growing. According to a 2025 Lending Tree survey of parents with young children, 46% said

they have fewer kids than they would like due to financial constraints. Meanwhile, childcare costs in the US have risen by a third over the last 15 years. And according to the US Census, there are 10.9 million one-parent households in the country, of which 80% are led by women.

While the US has the highest rate of children living in single-parent households, it has none of the social infrastructure offered by many other wealthy countries: universal paid family leave, childcare benefits starting at birth and universal investments in early childhood education.

This is an indictment of existing US policies, not a rationale for cutting off funds to already-struggling single parents.

Politicians of both parties have been watching the crisis mount for years, but have been unable to assemble the political will to address it. Former president Joe Biden proposed \$400 billion for childcare subsidies and universal pre-kindergarten support under the first draft of his Build Back Better Act. Republicans accused Biden of socialism and blasted these subsidies as 'welfare' to reject the idea.

Now, a group of policy makers from both the Biden and Obama administrations have proposed Project 2029, a blueprint for a Democratic future that includes universal free childcare and a \$1,000 monthly stipend for stay-at-home parents. US representative Ro Khanna of California has a 10-year plan to spend \$780 billion on subsidizing traditional child-care centres, giving grants to stay-at-home parents and compensating programmes for 'kin caregivers.'

Any of these plans would represent vast increases in spending on childcare, but for the last 30 years, childcare researchers have learnt that public investment in childcare eventually pays for itself through increased workforce participation and tax revenue, higher business productivity and greater economic stability.

An honest debate would acknowledge that for decades the US has been trying to do childcare assistance on the cheap. If the US really wants to strengthen 'family formation' and meet parents' affordability needs, it must recognize that families have diverse childcare requirements, supercharge its investment in workable childcare options and reject the Trump administration's zero-sum illusion of choice. **©BLOOMBERG**

MY VIEW | IT MATTERS

How Indian IT's AI opportunity has begun to brighten

SIDDHARTH PAI



is a technology consultant and venture capitalist

Open-weight artificial intelligence (AI) models let developers download the trained model, run it on their own infrastructure and adapt it for their applications. Proprietary models, by contrast, remain under the provider's control and are accessed as a service.

The distinction matters because the capability gap is narrowing sharply. On the Artificial Intelligence Index, the leading open-weight model, Kimi K3, scores 60 against 63 for Claude Opus 5. Open models are no longer far behind the proprietary frontier on broad benchmarks.

Developers are responding. On Hugging Face, more than 151,000 models have been derived from Alibaba's Qwen family, 2.6 times Meta's footprint. Open models are becoming foundations to build upon, not merely cheaper substitutes.

Enterprises are moving the opposite way. Menlo Ventures found open models' share of enterprise LLM usage fell from 19% in 2024 to 11% in 2025. Llama's stagnation

since April 2025 dragged the category down with it, and Chinese models such as DeepSeek remain under 1% of enterprise usage despite strong performance on benchmarks.

But the more revealing number is behaviour: 66% of teams upgrade only within their existing provider and only 11% switch vendors. Enterprises may therefore be avoiding switching costs as much as open weights. Better governance alone will not dislodge an incumbent relationship.

That is where India's opportunity begins. India need not win every contest to train the world's largest base model. The India AI Mission has committed over \$10,000 crore and onboarded more than 38,000 graphic processing units for shared compute, while indigenous efforts include Sarvam's 30-billion and 105-billion-parameter models trained in India and BharatGen's 17-billion-parameter Param-2 across 22 scheduled languages. Open weights can accelerate this: developers can adapt capable existing models for Indian languages and sectors rather than pre-train models from scratch. A model fed with Indian data, run on Indian infrastructure and governed under Indian jurisdiction may offer more practical sovereignty than chasing a frontier that keeps moving.

The larger opportunity is in vertical AI:

models customized for semiconductor design, law, healthcare or public services. The advantage is not a downloadable model. It is proprietary data, domain knowledge, integration and reliable deployment. As models become easier to replace, what surrounds them becomes more valuable.

The economics reinforce the shift. Training a frontier model demands enormous capital before a single enterprise customer is won. Building on open weights moves expenditure toward the things customers actually buy: adaptation, evaluation, security, integration and operation. That is a more natural contest for an industry built over decades around implementing and running technology for other companies.

But Indian information technology (IT) is not alone here. AWS, Google Cloud and Microsoft already offer managed open-model infrastructure, while Accenture and IBM sell enterprise integration and support. India therefore needs an advantage beyond access

to the same weights. It has one: incumbency. Indian IT services firms already operate inside the systems of global enterprises. They know the applications, data, processes and people behind trusted supplier relationships. Instead of persuading an unfamiliar multinational to adopt a new AI platform, they can extend an existing relationship into private AI. The opportunity is not to sell it an 'Indian LLM', but to build a private AI layer that can search, technical knowledge, assist engineers, analyse service records and automate workflows in the context of the customer's governance settings. The underlying model can then be changed as economics and capability change.

That changes the go-to-market problem. An Indian services firm can take an open model, connect it securely to a customer's proprietary data and applications, prove it on a bounded workflow and then expand. It would be made competitive by the fact that it understands the customer's systems and can deliver the applied

layer within an appropriate budget. Meanwhile, Indian software companies can embed specialized models in products they already sell, converting years of domain and legacy-system knowledge into an advantage that no benchmark measures.

Domestic infrastructure strengthens the proposition. Wood Mackenzie projects India's data-centre capacity to rise from 2.2 gigawatts in 2025 to 12 gigawatts by 2030. This capacity can support hosting, inference and adaptation. But none of this is automatic. Hyperscalers and global consultancies can use a similar approach, and incumbency also protects them as much as it protects Indian IT firms. Google and Accenture recently announced a partnership to offer just this arena. Indian firms will win only if they turn access into demonstrable reliability: secure deployment, measurable cost, deep integration and true accountability for system failures.

India does not need to build another base model. Domestic compute provides infrastructural. Proprietary data and intellectual expertise provide differentiation. Indian IT firms provide something hard to replicate: access to global enterprises. AI models are becoming reusable, not a one-off applied layer. India's test is whether it can own it.



A thought for today

There is a misleading, unwritten rule that states if a quote giving advice comes from someone famous, very old, or Greek, then it must be good advice

BO BENNETT

Buyers For A Ride

Taxi aggregator getting fined shows unfair charges continue in online businesses

You're booking a train ticket and find that a meal, which you don't want, is bundled with it. If you hadn't checked the fare breakup, and removed the meal from your cart, you'd have paid for it too. This is a classic example of "basket sneaking," one of the 13 kinds of "dark patterns" that have been prohibited in India for the past three years, but continue regardless. They are everywhere, from e-comm websites sneakily changing the minimum quantity you must buy to streaming services making it difficult to cancel subscriptions. Ride aggregators are some of the worst offenders in this regard. They have even been accused of - although they deny - charging higher fares to users whose phone battery is running low, and to those on a premium OS.

So, it's good that Central Consumer Protection Authority has fined a ride aggregator ₹10L for use of dark patterns, among other unfair trade practices. CCPA says the company manipulated users with prompts



like "Higher the price, higher the chance of getting a ride." Basically, it enticed users with low fares, and then got them to pay more by creating the impression that riders were more likely to respond to higher fares.

While "dark patterns" is internet-age coinage - a user experience consultant came up with it in 2010 - such practices existed earlier too. For example, stores advertising low prices, and then telling customers low-priced stock had run out. But internet, user data, algorithms, and now AI, make manipulation easier. A report by market research firm Datam Intelligence, earlier this year, said Indian users lose ₹78-87 per month to dark patterns, on average, so the annual aggregate could add up to ₹28,000cr. Last year, Amazon made a \$2.5bn settlement with US Federal Trade Commission for alleged dark practices related to its Prime programme enrolment.

Dark patterns are unethical because they are built on information asymmetry. When an e-comm website shows that a deal is expiring in 20 minutes, you have no way to ascertain the truth. That's why penalties for dark patterns are necessary. Govt recently took a strong step by mandating that, from Jan, online sellers would have to reveal the genuine prior price of a product while announcing discounts. More such steps are needed. Be it ride hailing or food delivery, the promise of convenience must not translate into bilking of customers.

AI's Cool Factor

Its environmental record is murky, but it has big financial incentive to make cooling more efficient

A warming planet means more demand for air conditioning. That's from humans. In addition, there's AI making enormous demands. As our columnist noted on World Ozone Day yesterday, this uptick puts the hard-won gains of Montreal Protocol on shaky ground. What we really need are low-energy cooling solutions. AI industry has solid incentive to find such solutions, despite having shown little truck with environmental virtuousness. For one thing, there are its horrific electricity bills. For another, as chips become more powerful and data centres pack more GPUs into each rack, traditional cooling is reaching its physical limits.

One bright area is how AI is accelerating the discovery of new refrigerant molecules, by simulating different chemical compounds. An April paper in *Chemical Engineering Science* describes using machine learning to screen 293,000 "binary mixtures", narrowing them to 76 environmentally friendly "aerotropic refrigerants". Along similar lines, Turkish company Refgen is working on predictive models for critical properties. Then, there is using AI to run cooling systems much more efficiently. In 2016, Google's DeepMind team managed to reduce data centre cooling energy use by 40%. It now uses fully autonomous AI to adjust cooling systems in real-time across multiple data centres. The principle applies to offices, homes, hotels, malls, and factories. We might gradually see intelligent systems replace all static cooling systems.

How near is that future? A paper published in *Building and Environment* just this month, reviews 143 peer-reviewed studies published between 2020-25, to suggest that AI-based HVAC (heating, ventilation, and air conditioning) control can provide energy savings up to 50%. An important caveat is that most of this research remains simulation-based rather than demonstrated in real buildings. Still, the promise is real. When tech titans warn that AI must be slowed down because it's on the verge of destroying humanity, it's a foggy picture. But that AI is invested in making cooling more efficient is crystal clear.

Something Pheeshy

In Bengal, maachh adao about everything

Bachi Karkaria



Maachhe Bhate Bangali - If the 'Bengali is made of fish and rice', politics is *nishchay* the other DNA strand. *Money aache*, remember the OTT fish theatrics of the April-May elections, when BJP brandished real and fake specimens to counter TMC's warning that the alleged 'bhetiarjan' party would come in singing 'Shaka Lauki Boom Boom'? Well, none of it prevented BJP from swimming upstream fish-bone to spawn victory, or from making TMC the one that's gone away. A fish-bone has again stunk in the political trough, with Durga Puja the troubled water for oppositional appetites.

A Hindu deity declared that only vegetarian food should be sold near Durga idols and branded as 'pakhandi' (hypocrites) those who ate 'non' at such a sacred time. When Congress - with a wider agenda vis-à-vis the Bahut Jeta Party - filed police complaints, BJP state heavies upheld Bengalis' ritual rights to their fish-and-meat - hastily choosing political imperative over ideological. Traditionally on Navami it's *mangsho-bhat* (mutton curry-rice) for *Opars* (who came over from East Bengal), but *kochu-shak* (curried yam) for native *Ghotis*. On Ashtami it's pure-veg *kichudi*; Dussehra is celebrated with culinary king, *hilsa*.

Real live fish were gutted, being fried in the *maastard* oil Bengali varieties, *agutidada* was in the *blond* too. A big fellow carp, *1roh* the day we've been reduced to this. We, who grace auspicious *alpans* tracing alongside sacred conch and lotus motifs. Even the great Jamini Roy and Abanindranath Thakur drew upon us. Cousin *catla* cut in, citing the folk art of *pot-painting*. 'We've become like that poor fish trapped in the smug cat's mouth.' *Papda* referenced a *papula* scroll. *These netas* are the predatory *baal* which swallows all the celebrants in 'Fish's Wedding'.

Others were less artistic, more ballistic. *Magur* sniffed, miffed. 'They think they are 'kol' hais' like colonial rulers.' Shell-shocked *chindi* squeaked, 'We're a shrine in their petty game, or not?' Shy fishslung gown flashing, a beauty spluttered, 'Why should we beat their *bekti* and call it *non-sense* *khatha*?' Then cycled No. 1. *Shy* all steamed up. 'Eesh!' cried *lish*. 'I'm sick to the gills of being used to smear *shorshey-bata*, mustard paste, on rivals. *Na, neta-babu, chobey* *Na*! No longer will we fall for your hook, lies and stinker.'

Alec Smart said, "Good, BRICS didn't say, 'Xi, huzoor'."

Modi Doctrine: Stability Amid Disorder

That India has withstood global shocks & grown fast owes much to vital policy calls taken by PM

Harish Salve



Churchill had once described the late Viceroy as 'one of the age of great men and events. Pandit Nehru spoke of the reverse when he described the time period 1959-1960 as a time when small men were facing great events and great decisions.

A quarter of the 21st century has passed us by, and these two decades and more can be described as an era marked by enormous events. Leapfrogging advances in science and technology that would baffle the most fertile imagination have come alongside equally unimaginable degradation and depravity.

The post-war world saw unprecedented growth in the quality of life, wealth, and political morality generally. The world order drifted into unipolarity, and just as that appeared to be the new reality, events of the past decade again changed the world order, and these changes continue to reverberate. Earlier considered firm foundations.

But defying doomsdayers, India has stood out as an island of stability, and an engine of growth during this tumultuous period, and an analysis would show that it was possible because it has had political continuity with a firm sense of direction.

The first defining feature of PM Modi's decade-plus leadership has been stability and political continuity combined with a clear sense of national direction - a feature conspicuous by its absence in Western democracies.

Britain has run through 6 PMs. France has had 9, with Macron searching for his 6th PM in under two years. Japan and Italy have had 5 PMs each. US has passed through four presidential terms and two handovers between parties that scarcely agree on basic facts of governance.

The cornerstone of PM Modi's leadership is stability and policy driven by an unshakeable conviction that India must build on its foundations, and a strong and stable India at home, creates a more confident and autonomous India abroad.

India is a country with a powerful reservoir of tradition and learning. For decades after Independence, this was buried under the debris of colonialism. Ancient Indian wisdom, adapted to contemporary times is increasingly evident as the new mantra where ethics, morality, and empathy for the underprivileged have become the underpinning of contemporary institutions.

Harvesting advances in technology to usher in prosperity that permeates to the poorest, and creating opportunity for every curious and adventurous young mind, have become the focus of the model for nation-building. A strong

sense of Indianness at the heart of the new Indian identity, with a sense of pride, but without any arrogance, and a belief that dreams of today will be navigated by the realities of tomorrow, in a nation that is strong, stable and confident lies at the heart of the Modi Doctrine.

In a decade when the democratic world's defining political feature has been a churn to find new identity, PM Modi has given India something its partners and rivals alike envy: stability and continuity. Goats elsewhere have fallen faster than the crises they were elected to manage. India has ridden those crises like a strong warrior undeterred by the terrain he sets out to conquer.

The foundation of this stability rests on an uncomplicated proposition articulated consistently by the PM since 2014: India's choices will be determined by national interest, not external pressure. Ultimate decisions on India's interests are decided by Indians, who know India, and understand it with all its diversities and complexities.

One manifestation of this is a foreign policy grounded in freedom of action, rather than membership of blocs. Under PM Modi, India has deepened its partnership with US without abandoning its historic relationship with Russia. It participates in the Quad while remaining consequential within BRICS.

India has strengthened relations with Israel while simultaneously strengthening relations with Saudi Arabia, UAE and the wider Arab world, and keeping open channels with Iran.

India's ability to ride these apparent contradictions stems from a recognition by its friends and foes alike that Indian foreign policy will not be deflected by passing winds of fortune or adversity, as its roots run deep.

The underappreciated dividend of political stability Global actors whom to engage in New Delhi. India's red lines are well defined, are not hostage to political convenience, and have not moved with election cycles. They know that when PM Modi convenes, the commitment outlasts the news cycle.

PM Modi has consistently converted India's stability into a platform for the Global South, supplying vaccines to over 100 countries under the Vaccine Maitri, when wealthier states were hoarding doses, convening the Voice of Global South Summit to carry those countries' concerns into forums that had ignored them, and securing

the African Union's permanent seat at the G20 during India's presidency.

A remarkable example of the gains of this focus is the way in which India navigated the economy during the pandemic. While most of the developed world responded by blindly pumping cash into economies, PM Modi focused on protecting the poor through welfare and social security while continuing to push long-term structural reform.

Even as the ₹20Lcr Atmanirbhar Bharat package provided support during the shock, the govt used the disruption to accelerate changes aimed at strengthening India's productive capacity. The PLI programme was launched during the pandemic, turning a moment of global supply-chain vulnerability into an opportunity to expand domestic manufacturing.

The entrepreneurial economy also continued to move. PM's businessweek, particularly MSMEs, Modi govt introduced the ₹3Lcr Emergency Credit Line Guarantee Scheme, providing liquidity when economic activity had been abruptly disrupted.

Govt undertook a vaccination drive of extraordinary scale. Critics doubted India's ability to administer this protection, and even the domestic opposition parties spread doom and gloom over vaccines and their rollout.

PM Modi publicly became the first to take an Indian-made vaccine, a powerful endorsement of the competence of the Indian pharmaceutical industry. Riding on this, India crossed the mark of 200cr doses in just 18 months.

What began as crisis management became a platform for recovery and reform. India's recovery emerged among the strongest in the G20. Stability in such trying times was more than withstanding a once-in-a-century shock; it meant preserving the capacity to recover, reform, and move forward.

Stability ultimately implies credibility, which is demonstrated by others' willingness to bet on it. For global investors, PM Modi himself is unquestionably the face of that stability. For more than a decade, he has anchored that stability, offering political continuity and a consistent message to investors that India is open for long-term growth.

Foreign-exchange reserves crossing a record ₹780bn in Sept 2026 was more than a financial milestone - it was a loud and unequivocal cheer by the global

community for the growing strength and resilience of the economy PM Modi had spent years building.

The confidence is increasingly visible in investor ratings. As investors as well, S&P upgraded India's sovereign rating from BBB- to BBB in Aug 2025 for the first time in 18 years. In Sept 2026, Japan Credit Rating Agency upgraded India's sovereign rating to the 'A' category after 80 years.

PM Modi has made economic diplomacy a central part of his engagement with world leaders, using India's political relationships to open doors for deeper commercial partnerships. The Nine FTAs spanning 38 countries reflect a growing willingness to integrate more closely with the Indian economy. Taken together, these are more than economic statistics. Companies, markets, rating agencies, and govt are increasingly placing long-term confidence in India's direction.

PM Modi's long years of political and policy stability have given India the rare ability to undertake the kind of course on ambitious projects that take years, even decades, to bear fruit. These are precisely the kinds of long-gestation bets that govt constrained by changing leadership, or short-term political pressures, often struggle to sustain. That stability has allowed PM Modi to push India decisively into industries of the future.

PM Modi's stability in governance is what makes decade-long missions executable. From India's 22nd Progress report, with 3 in production, The ₹19,000cr Green Hydrogen Mission targets 5m tonnes a year by 2030, and India already runs the world's most powerful nuclear reactors. The Nuclear Energy Mission aims for 100 GW by 2047, with ₹20,000cr for small modular reactors and the SHAANTI Act opening the sector to private players.

News generally follows the adage, "bad news is good news", at least for the economics of those who distribute news. These are trying times, and India, like the rest of the world, has to face headwinds caused by unstable political alliances, the breakdown of the international order, and erratic economic measures.

At a moment like this, measuring our strengths and our advantages can be a matter of great comfort and measured optimism. India's greatest strengths today are its political stability and its trajectory of growth and development ushered in by the Modi Doctrine. There are miles to go before we sleep, but we have the strength and vision to define the path on which we have to travel to bring constitutional goals of justice - social, economic, and political - to 1.4bn fellow Indians.

The writer is a noted constitutional lawyer

UPI Fee: Small Price, Smart Call, Smooth Going

Idea is to finance payment ecosystem's expensive upkeep without undermining UPI's larger benefits

Duvvuri Subbarao



GOI has decided to allow a fee on UPI transactions above ₹2k, with important caveat. Person-to-person transactions remain exempt, regardless of the amount. The fee is capped at ₹300. The decision has, nevertheless, raised concerns that merchants will pass on the cost to customers, pushing up prices.

That apprehension is understandable. But before deciding whether UPI should remain free, it is worth asking a more fundamental question: who pays for a service that is free to use?

Consider three familiar transactions. If I pay an Uber driver ₹1,200 in cash, neither of us pays a transaction fee. But cash is not free. Currency notes have to be printed, transported, stored and replaced. Cost is borne by govt and RBI, ultimately by the taxpayer.

If I buy a shirt for ₹2,500 and pay by credit or debit card, I pay no additional charge. But the merchant typically pays a Merchant Discount Rate (MDR) to the payment ecosystem. The merchant's bank, the card network, and other intermediaries share the cost of processing the payment.

Instead, if I pay for the shirt via UPI, neither I nor the merchant is paying anything extra. That does not mean it is costless. The transaction still requires tech, cybersecurity, servers, connectivity and continuous investment in infra. At present, banks and payment service providers are bearing all this backend cost.

It isn't that UPI entails costs, but who should bear those costs.

For sure, there is a powerful argument for retaining a zero-cost regime. Free digital payments encourage adoption. UPI has onboarded millions of small businesses and informal sector vendors into the formal payments system. A charge could discourage usage, and encourage a return to cash. UPI also generates benefits beyond the individual transaction. It creates a digital trail, helps formalise

economic activity and can make it easier for businesses to maintain records and establish a financial history. These benefits extend to the economy as a whole. These could be lost if small merchants return to cash.

Equally, there is a strong case for charging.

The first argument is economic efficiency. If banks have to continue to bear the burden, they will use non-price mechanisms to discourage the use of UPI. They will also invest in upgrading tech and innovation. This will in time lead to regression of UPI.

There is also a question of fairness.

Suppose I have a fixed deposit of ₹5L in a bank. Also suppose I never use UPI. Under the current regime, the bank has to bear the cost of providing free UPI services to all users. It recovers that cost through its overall pricing decisions, including the interest rates it offers on deposits and charges it levies on loans.

I may, therefore, be receiving a lower interest rate on my fixed deposit than I would, if the bank did not have to subsidise free UPI. In effect, I am paying for everyone else to use UPI even if I myself don't use it.

Is that fair?

In most cases, charging the user rather than making vendor build a business case. If I use a service, I pay at least a part of its cost. If I do not use it, I should not automatically be required to subsidise it. Will the merchant pass it on? The main apprehension is that merchants will pass on the MDR to consumers. That is possible, but not inevitable. A merchant does not normally price a product, say a shirt, by adding a separate charge for every input. The cost of rent, electricity, salaries, transport and payment processing is absorbed into the overall price. The same is likely to happen with UPI charges.

If the MDR is a small proportion of a transaction,

larger retailers may absorb it within the existing margin. Smaller merchants may need to raise prices. But they are unlikely to pass on the cost to customers paying through UPI. They will increase prices for all customers. The cost would then be spread thin across all consumers, regardless of how they pay.

This is an important qualification to the user-pays argument. The MDR may be formally charged to the merchant, but the economic burden will ultimately be shared by consumers through prices.

Even so, that does not invalidate the case for a charge. The current regime of no user fee also spreads costs across people who never use UPI.

The difference is that a transparent, limited-charge provides a mechanism for recovering costs from the larger customer base rather than leaving the burden to be absorbed elsewhere in the financial system.

UPI has been a marvellous project. It has transformed the way we make payments and deepened financial inclusion from the payments side.

But payments are only one part of financial inclusion. The bigger prize is financial inclusion on the credit side. Can the small trader who now receives digital payments obtain a working capital loan? Can the street vendor build a business case for getting a formal credit? Can the small business move from informal borrowing to affordable, reliable finance?

That is where the next phase of India's financial inclusion journey must lie. For that, banks and payment providers need a sustainable economic model. A modest charge on large-value merchant transactions, with appropriate exemptions and safeguards, is a small price to pay for ensuring that the payment ecosystem remains financially sustainable and leads the way to bigger gains.

The writer is a former RBI governor

Pranav Jain

Every Kshamavani Diwas, my family does something that sounds simple and easy. We actually have to do it: we ask one another for forgiveness. *Michami Dukhadham* - may my wrongs be forgiven. It is easy enough to say to a grandparent you adore, or a cousin you've barely wronged, but it becomes considerably harder the moment it has to be said to the uncle you're still annoyed with over a property dispute, or the relative whose comment at a wedding you are still replaying six months later.

The point is exactly to force this discomfort. Jain philosophy does not treat karma as a vague cosmic scorecard that evens out eventually. In Jain metaphysics, karma is closer to a physical substance: fine particles of matter called *ganas*, that flow towards the soul and adhere to it whenever the soul vibrates with passion. This is a two-stage process: *asrava*, the influx of karmic matter, followed by *bandha*, its actual binding

to the soul; both stages are driven by the same four passions: anger, pride, deceit, and greed.

An act performed in anger or hatred is a *paap* (sin) or *micarm* matter than an identical act performed with a calm mind. By this logic, a grudge is a small karmic transaction that continues to weigh on the mind until the 10 days leading up to Kshamavani are not incidental. Parushyan's (Svastambara Canon) or Dashakalash's (Digambar Canon) fasting and rituals - self-review are aimed at *nirjara*, gradual shedding of karma already bound to the soul, so that forgiveness can be sought. The mind full of the year's accumulated friction.

Jainism's strict ahimsa - straining of drinking water and avoiding root vegetables - comes from the same

premise carried to its logical end: every being, down to the smallest one-sensed organism, has a soul capable of suffering, and is owed the same consideration as a person. To Kshamavani Diwas simply applies this to the psychological register. An unkind thought, in this framework, is a small act of violence with its own karmic weight, and the being on its receiving end, however small, is included in forgiveness.

Set this against how apology actually functions in the other 350 days of the year. Legal teams draft corporate apologies to avoid admitting liability. Political apologies favour the passive voice: mistakes were made, or errors were caused, as though harm arrived unannounced. Even personal apologies tend to

happen only when a relationship has already passed the point of easy

repair. All of this flows from leaving reconciliation to willpower and convenient timing, instead of building it into a structure that comes due to whether anyone is around.

Restorative justice programmes and truth commissions arrived, independently and centuries later, at the same insight: Jain teachers had formalised: forgiveness is not a one-time fixed occasion and mutual expiation tends not to happen, while forgiveness with a date attached, however artificial that date might feel, gets said.

Which is more or less what happens every year, saying the words to one another, over a property dispute costs something real - a small, specific, uncomfortable admission that the irritation has been sitting there, not dissolved by time. It rarely erases the words to one another never assumed it would. It built up, recurring and unavoidable, because it understood that this specific forgiveness would never arrive by accident.

The writer is an IPS (P) officer

The next frontier

Digital-payment trail can improve risk assessment for lending

India's fintech revolution must move beyond payments towards credit. Since the implementation of the merchant discount rate (MDR) on transactions on the Unified Payments Interface (UPI) platform will provide fintech firms greater visibility of revenue, they should invest in broadening their offers and work on greater financial inclusion. Speaking at the Global Fintech Fest last week, Prime Minister Narendra Modi also called for the next phase of fintech to expand credit, particularly by using digital-transaction histories to understand the needs of very small businesses. A day later, NITI Aayog Vice-Chairman Ashok Lahiri argued that the rich transaction data generated by UPI could improve credit appraisal and risk pricing, helping bring firms in the informal sector and micro, small and medium enterprises (MSMEs) into the formal credit system. The scale of the underlying payment network can make this possible. In August, UPI processed 24.51 billion transactions, worth ₹29.82 trillion, with volumes rising about 22 per cent year-on-year. UPI's growing use by consumers and businesses is generating an extensive digital record of economic activities, which could potentially help lenders assess borrowers who remain poorly served by conventional credit systems.

The problem is particularly acute for small businesses. A shop may have no audited accounts, substantial collateral or a long credit history, yet receive regular digital payments. Such transaction trails can provide information on turnover, frequency, seasonality, and cash-flow stability. Better information can reduce information asymmetry, allow more accurate risk assessment, and enable lenders to price risk more appropriately. The opportunity is substantial. MSME credit penetration remains low, at around 14 per cent, according to an estimate by Deloitte. The constraint is not simply a lack of demand. Insufficient traditional data, limited collateral, and the high cost of servicing small-value loans continue to discourage formal lending.

This is where Unified Lending Interface (ULI) could complement UPI. Developed by the Reserve Bank, Innovation Hub, ULI is intended to enable the consent-based flow of financial and non-financial information from multiple data providers to lenders. Instead of relying predominantly on bureau scores, income statements and collateral, lenders could potentially use verified information such as land records, asset ownership and other financial data, alongside transaction histories. The potential gain is not merely faster loan processing. A better information architecture could make smaller borrowers more bankable and reduce the cost of extending credit in areas where conventional appraisal is expensive.

There are, however, important limits. A UPI receipt is evidence of a financial flow, not necessarily of income or profit. It says little by itself about costs, margins, liabilities or cash transactions. Alternative data must, therefore, supplement, rather than replace, sound credit appraisal. Nor should a weak digital footprint become a new reason to exclude borrowers who continue to transact in cash. There is also a governance challenge. Reserve Bank of India Governor Sanjay Malhotra has rightly said that fintech companies treat customer data as a "fiduciary responsibility" rather than a business asset. ULI and data-driven lending will require consent, privacy protection, interoperability and safeguards against discriminatory or opaque algorithms. The objective should be to create a secure architecture that leads to inclusion in the formal financial system.

Rules beyond borders

Beijing has started making laws for the world

The People's Republic of China has long asserted that it does not intend to disrupt the rule-based order in the course of its rise to great-power status. Several recent developments indicate, however, that it has a view of its new status, which encompasses its right to exert judicial authority beyond its boundaries. This marks both a consequential change in the operating environment for global businesses and a new challenge to both the United States (US) and the broader international order. In a recent series of laws, the Chinese government has sought to target companies' global operations, using a deliberately broad set of definitions for law-breaking. Some of these directly penalise companies for complying with other countries' existing laws. Others are clearly retributive, targeting companies that have themselves followed other countries' sanctions on China. Yet others deal with fomenting "ethnic discord", deliberately vague — but probably including those that comply with Western regulations meant to minimise the oppression of the Uyghur minority in Xinjiang province, among others. It is one thing to have such laws on the books; it is quite another to actually implement them. But a recent prohibition order that was directed at compliance with US sanctions indicates that some in the Chinese Communist Party's hierarchy intend at least to try.

Beijing would no doubt point to the rash of extraterritorial orders and laws that have emerged from both the European Union (EU) and the US — covering a range of issues from corruption and bribery to geopolitical sanctions — as justification for its own efforts. However, given that it has also condemned such actions in the past, its new-found love for these measures tends to undermine its claims that it will be a more responsible steward of the global order than the West is. The truth is that it has introduced such laws simply because now it has the power to do so, and in response to the growing salience of US-China competition in every field, particularly in new and emerging technology. It may also be a shot across the bows of Brussels, which is just going through the process of working out how it could conceivably react to Beijing's economic coercion. The EU's companies — many of which still depend upon supply chains that pass through the mainland's vast manufacturing complex — are reminded that they have a great deal to lose if their governments unload their famed anti-coercion "bazooka" on China.

What is clear is that, for most companies, the existence of a Chinese supply chain takes on new risks. Compliance will have to factor in board-level decisions about future strategy. As far as Beijing is concerned, forcing companies to develop multiple and distinct supply chains is not a problem; indeed, it is stated policy, the famous "dual circulation" theory. For New Delhi, this should serve as another reminder that the breakdown of the multilateral order — particularly the World Trade Organization, which is supposed to be the location where trade disputes are settled — is a material threat to its ambitions. It must put greater effort into repairing this architecture than it has so far.

When patience stops paying

The IBC's long wait is driving creditors elsewhere



In January 2019, State Bank of India (SBI) did something few expected from India's largest lender in its own market insolvency case. It put its entire ₹15,431 crore Essar Steel exposure up for sale. The insolvency process had run 540 days with no end in sight. "There is a time value for money," SBI's then chairman, Rajnish Kumar, explained. "Every day it is costing lenders ₹17 crore, and my share is nearly 25-30 per cent. So we don't want to wait indefinitely."

The irony is hard to miss. Ten months later, the Essar saga finally ended. Lenders received about ₹42,000 crore, roughly 85 per cent of their claims, or about 276 per cent of liquidation value. Patience paid. But it took an extraordinarily long time to discover that it would. That is the dilemma India's insolvency system has struggled to resolve: What does waiting cost today, and what might waiting return tomorrow?

About a decade after the Insolvency and Bankruptcy Code (IBC) came into force, banks appear to have answered that question for themselves. Increasingly, when faced with a stressed borrower, the question is no longer whether to invoke the IBC. It is becoming: *Koi aur tareeka batao* — show me another way. The numbers tell a troubling story. Corporate insolvency admissions fell to 668 in 2025-26, against 1,992 in 2019-20, the year before Covid. That is a fall of 66 per cent. The increase in the default threshold from ₹1 lakh to ₹1 crore is one possible explanation. But it cannot fully explain the decline. Applications by financial creditors, whose claims are generally much larger than the threshold, have also fallen substantially.

Another explanation is that the ecosystem is devoting more effort to closing processes that have matured to an outcome, whether by withdrawal, appeal,

resolution plan or liquidation. Yet, such closures fell from 1,237 in 2019-20 to 709 in 2025-26, a decline of about 43 per cent.

And there is still a substantial stock of unresolved work. The Supreme Court recently flagged 363 resolution plans pending before the adjudicating authority for approval, some for as long as four years. This establishes that the system is taking in fewer cases and closing fewer cases. (See table)

More troubling is how long those cases take. During April-June 2026, a corporate insolvency resolution process that ended in approval of a resolution plan took, on average, 1,026 days, nearly three years. Among the 69 cases in the quarter, seven took more than six years.

The next stage, the liquidation process, is no better. Cases that ended in a liquidation order took an average of 897 days. The liquidation process itself took another 1,378 days on average. The combined journey is 2,275 days, more than six years from the insolvency commencement date to dissolution. Of the 31 companies liquidated during the quarter, the liquidation process alone took more than six years.

These are averages. A creditor cannot assume that its case will take the average time; it has to price the tail. The longest resolution-plan process in the quarter took 2,772 days, while the longest liquidation process took 2,995 days. Admission, resolution, liquidation, liquidation and dissolution can together consume many years.

That changes behaviour. In insolvency, time is value. A company in distress is not a bottle of wine improving with age. Working capital dries up, customers leave, employees depart, suppliers tighten terms, licences and contracts become uncertain, and productive assets deteriorate. Every additional month in



M S SAHOO & SANJEEV PANDEY

liquidation process alone took more than six years. The lesson from Essar Steel was that patience can pay. But patience has a price, and that price rises with every passing day. The real test of the Code is whether it can deliver its outcome before the time value of money and the value of the company itself are lost.

an unresolved process can destroy enterprise value.

The data on realisation tells the same story. The interquartile mean of realisation by creditors from resolution plans, measured against liquidation value, declined from 158 per cent in 2017-18 to 130 per cent in 2025-26. This does not mean that the IBC has ceased to deliver value. It means that time is eating into the value that the process is designed to preserve.

Meanwhile, banks are not sitting idle. The banking system has cleaned up its balance sheets substantially. Section 29A has restricted the return of many defaulting promoters through the resolution process. Asset reconstruction companies are acquiring stressed loans at scale. Growing private credit and negotiated restructuring now provide viable businesses with alternatives to formal insolvency.

That may be good for the economy. It also means that the cases reaching the IBC are increasingly those for which other avenues have failed, or where stakeholders believe the formal process offers the best remaining option. If those cases then enter a process that can take years, the economics of choosing the IBC become less attractive.

None of this calls for tearing up the IBC. The recent amendments, including measures aimed at faster admission and a creditor-led resolution route outside the conventional Corporate Insolvency Resolution Process (CIRP) architecture, recognise the problem. But legislation by itself cannot close the gap. The entire ecosystem must change.

Banks need to recognise distress earlier and escalate rather than spend quarters negotiating while value erodes. Creditors' committees must make commercial decisions in weeks, not months. Resolution professionals must be assessed on both value maximisation and time management. The adjudicating authority needs substantially greater judicial and administrative capacity. Appeals and litigation must not become a parallel business model. Most importantly, the system must measure itself differently. It should ask how much enterprise value survived the process, and how long it took to realise it.

If lenders quickly stop choosing the IBC, not because they doubt its legal architecture, but because they doubt its ability to deliver within an economically meaningful time, the Code may continue to look sound on paper while losing its place in the market. The time-value of money is not a banking principle alone; it is a test that an insolvency system must pass. The lesson from Essar Steel was that patience can pay. But patience has a price, and that price rises with every passing day. The real test of the Code is whether it can deliver its outcome before the time value of money and the value of the company itself are lost.

The writers are, respectively, emeritus fellow at the Insolvency Law Academy, and founder chairperson of the Insolvency and Bankruptcy Board of India; and an insolvency professional and corporate restructuring consultant

Geopolitics is a boardroom issue

For the longest time, geopolitics was seen as something outside the boardroom. Governments and diplomats dealt with it. The risk team might track developments and flag them to management. For most boards, however, it was rarely on the agenda.

That is changing. Geopolitical risk is moving up the board agenda, alongside cyber risk, regulation and other threats that can materially affect a business. Directors are increasingly having to ask two basic questions: What is happening in the world? And what does it mean for our business?

The reasons are not difficult to see. Tariffs imposed by the United States changed the economics of an export business almost overnight, while its sanctions cut companies off from markets they may have operated in for years. The US-Iran conflict has shown how quickly geopolitical tensions can disrupt shipping routes, energy supplies and critical supply chains. Technology controls can restrict access to important components and equipment. Regulations in one market can also alter the economics of an investment elsewhere.

The European Union's Carbon Border Adjustment Mechanism (CBAM) is one example. It puts a carbon cost on imports of products such as steel, aluminium, cement and fertilisers. For Indian exporters, the carbon intensity of production can increasingly affect their competitiveness in Europe.

These examples also show that geopolitical risk is not just about wars, sanctions or military conflict. A regulatory or climate-policy change in another country can affect the value of an investment or the viability of a business. Companies investing across borders, including into India, have already learnt this lesson.

The question for boards, therefore, is no longer whether a geopolitical event will occur. It is where the company is exposed when it does. And this requires a different approach to risk oversight.

Boards need to understand a company's critical dependencies — on countries, suppliers, customers, technology, raw materials and logistics routes. More

importantly, they need to know where concentration creates vulnerability and how quickly alternatives can be found.

This means moving beyond monitoring to scenario planning. What happens if a key supplier becomes inaccessible? What if a major shipping route is disrupted? What if tariffs rise sharply? What if sanctions affect an important customer or market?

These are no longer hypothetical questions. Scenario planning is not about predicting the future. Its purpose is to understand the consequences of different scenarios and decide beforehand what the company can do.

That could mean diversifying suppliers, maintaining alternative manufacturing capacity, holding critical inventories or having clear crisis protocols. None of these measures comes free. Resilience usually has a cost. The question is whether that cost is justified by the vulnerability it addresses.

There is another complication. Geopolitical events can move much faster than traditional board processes. By the time an issue comes formally before the board, the window to respond may already have narrowed. This makes the quality and timeliness of management information particularly important. Boards need reporting that identifies emerging risks and not just reports what has already happened. This also changes what directors should ask management.

It is not enough to ask whether geopolitical risks are being monitored. Directors need to understand the company's exposure, the assumptions behind its strategy, and how resilient the business would be if those assumptions changed.

For Indian companies, the issue is becoming more relevant as well. India is increasingly integrated into global supply chains and is seeking to become a larger manufacturing and investment destination. That creates significant opportunities, but it also brings greater exposure to trade tensions, technology restrictions, shifting supply chains and changes in global alliances.

In the current context, Indian boards are asking

three questions: How often does the board discuss geopolitical risks? Which board committee has primary oversight? And how does the board stay informed about geopolitical developments that could affect the business?

Separate board surveys by EY and Deloitte, among others, suggest that geopolitical risk remains under-discussed, with only about a third of boards reviewing it more than once a year. Increasingly, boards are calling for more frequent reviews, including quarterly discussions.

There are also differences in how boards organise oversight over geopolitics. Large-cap and mid-cap companies are broadly similar in assigning primary responsibility to the full board. At the committee level, however, mid-cap companies rely more heavily on the audit committee, while large-cap companies are more likely to distribute the discussion across several committees.

How boards educate themselves is equally important. Internal updates and deep-dive sessions remain the main sources of information. Larger companies are more likely to supplement these with external advisers and subject-matter experts. Periodic briefings and scenario exercises can help directors understand not just what is happening, but how different developments could affect the business.

The board does not need to become an expert in geopolitics. Its job is to make sure geopolitical developments are translated into business consequences: What does a conflict mean for the supply chain? What does a tariff mean for margins? What does a sanctions regime mean for customers? What does a change in regulation mean for an overseas investment? These questions increasingly belong in the boardroom, alongside capital allocation, strategy, succession planning, and risk appetite.

Boards cannot control geopolitical events. They can, however, determine whether the company understands where it is vulnerable, has tested its response and is prepared to act when circumstances change.

The writer is with Institutional Investors Advisory Services, a Sebi registered proxy advisory firm. The views are personal. @AmitTandon_In

Storytelling for the corporate world



AMBI PARAMESWARAN

I had a wonderful history teacher at school (Vidya Mandir High School, Myslapore, Madras). It was always fun to get him to outside syllabus and tell us a story. And he could tell a story like very few others I have met. R. Srinivasan, or RS, as he was called, could keep a class of 30 students spellbound. I still remember a story he told us about a Roman slave who had a secret message tattooed on his head, which he protected on pain of

death. His only statement to those who asked was, "Sir, shave my head." No one took him seriously till he reached his intended destination, where the noble lord figured out the message and shaved his head to find out what was hidden below. As I searched for the origin of this story, I realised this may have just been one of RS' own tales.

The Story Map by Sandeep Nair took me on that nostalgia trip for many reasons and we will come to that in a bit. The book is riding the current boom on publications that teach us boring corporate topics the benefits of telling a story. Most of these books borrow from the classic *The Hero's Journey* by Joseph Campbell. In this case, the author has dived into numerous classics and more to tell a great story.

The first part of the book sets the tone

by presenting the three pillars of *The Story Map*: Soul, Body and Spirit. Soul answers three questions: Who is the story about? What do they want? What's standing in their way? Body answers the questions: What shape is the story take? How do you create tension? How do you build connection? Spirit answers the final set of questions: Who are you talking to? What should they feel? Where and how are you telling it?

The author explains that every story in the business context has to have a mission to fulfill. And that mission has seven missions: Convince, lead, explain, connect, motivate, honour or repair. In a corporate setting, we are occasionally trying to convince someone, or we are trying to lead (our team, our associates) and so on.

The book, or should I say the story,

gathers momentum from Part II, where the author takes us into his concept of the "Soul". He explains that there are nine dimensions that drive your character's energy: Challenger, builder, bridge, innocent, transformer, guardian, seeker, guide and everyman (shades of the Jungian 12 archetypes). Each is explained wonderfully well with examples.

Part III of the book looks at the Body of the story. We meet Campbell's *The Hero's Journey* here; but there are eight more structures that are presented: Problem-solution; before-after bridge; three act structure; inverted pyramid; case study; nested loops and petal structure. Each is illustrated with vivid examples. The next two chapters look at other aspects of the Body such as

tension and movement tactics, and connection and resonance tactics.

Part IV of the book is about the Spirit of the *Story Map*. Who is the audience and what do they care about? The next chapter presents 12 emotional drivers that include curiosity, urgency, surprise and so on. The section on Spirit ends with a chapter on context and medium: Importance of reading the room because the room always wins.

There is also caution against spinning stories based on urgency, surprise and so on, but don't embellish it with lies, the author cautions.

What is wonderful about the book is that it is full of little stories. Some are from Sandeep Nair's own illustrious career as companies like Reckitt Benckiser, Procter & Gamble,

and Tata Group. There are also many stories drawn from business leaders, politicians, economists and more. Little illustrations or doodles add to the fun.

This is a book that all young and not-so-young business leaders will find useful. They can take the learning from the book and apply it in their day to day life. And if one technique does not land well, you can go back and look for another. There are many good ideas in this little book waiting for you to dip into — be it a presentation to your internal team or to a potential investor or your board or to a large industry gathering, you can get them to say "yes" or cheer you loudly if you can present your case in a story format. Chances are, you will go back to this multiple times to become a better creator and teller of stories.

The reviewer is a best-selling author of 12 books. His latest is the special tenth anniversary edition of *Nawabs, Nudes, Noddies*

Free launches, no free lunches

The decision to end blanket free-of-charge UPI payments may level the playing field and foster future innovation

Unified Payments Interface (UPI) has a rightful claim to be in an elite club of game-changing financial innovations in India. It took digital payments from point-of-sale machines in elite sanitised spaces to the proverbial last man in the queue. This was made possible by a trinity of widespread financial inclusion, mobile-based internet and, last but not the least, free rollout of UPI.

The last of this trinity has now been tweaked to make it quasi payable. To be sure, a large part of the UPI payment universe, including person-to-person payments, person-to-business transactions below a certain threshold and regular payment mandates such as mutual fund contributions will continue to remain free of charge. The rest will have a merchant discount rate (MDR) of 0.4% subject to a cap of ₹300.

There are three issues which need to be looked at while evaluating the end of blanket free-of-charge UPI payments.

The first is of monetising a genuine innovation which has reached its desired scale so as to raise resources for future innovation driven by a public good rather than a profit motive. NCPI's announcements to use a part of the fee for such purposes including for supporting smaller merchants etc. needs to be seen in this light.

The second issue is the disadvantage free UPI payments inflicted on other payment systems which always had an MDR to begin with. Many global financial giants had to suffer because of this disruption. The roll-out of MDR in parts of the UPI universe will undo some of the disadvantage these payment platforms had to face to vis-a-vis UPI.

Last but not the least is also the issue of the revenue which UPI MDR will generate for private players, including those with foreign stakes, in the UPI universe.

The last two decisions might have given some leverage to the government in the ongoing trade negotiations with the US which is home to a lot of companies with stakes in the Indian payment system universe.

The opposition has criticised the government by focusing on the second and third aspects of the decisions. The criticism, however, is slightly overboard. A large universe of UPI payments, especially for the poor will continue to be free. Leverage, as perhaps has been used by the government in this case, exists so that it can be used.

US sparks off a race to weaponise space

Washington has now said, more plainly than ever, that it has weapons in orbit, describing them only as "space control" weapons for defending American forces and saying no more.

Satellites guide missiles, time bank transactions, route ships and aeroplanes, and track the monsoon, and military planners expect them to be early targets in any war between major powers. More than a dozen countries are building the means to jam, dazzle, seize or destroy them. Washington's candour has merit, since a weapon deters only when rivals know it exists.

A government that declares a weapon without describing it, however, invites rivals to assume the worst. A satellite built to inspect or refuel another can also disable it.

A bigger risk still is when one is destroyed outright—that will leave debris that endangers every spacecraft on a crossing path, including the attacker's. The 1967 Outer Space Treaty prohibits only nuclear weapons and other weapons of mass destruction in orbit.

UN talks on banning weapons in space have fallen behind what governments are already deploying. They can still agree on rules of conduct: no tests or attacks that create debris, advance notice of close approaches, and channels for talking in a crisis. India relies on satellites for weather forecasting and navigation, and destroyed one of its own with a missile in 2019, which gives it both the stake and the standing to press for such rules. Orbit must not become the space for another arms race.

OPINION

Bringing the margins into the mainstream

Inclusion of those whom governance delivery did not reach for decades marks the Modi era

The most enduring achievement of the Narendra Modi era may not be found in any single road, scheme, reform or infrastructure project. It lies in the expansion of the Indian mainstream itself. I watched him closely as the Prime Minister (PM) for five years from 2017 to 2022, during my term as the President. I would like to share some thoughts on the occasion of his birthday. Over 25 years at the helm of elected governments—from Gujarat in October 2001 to the Prime Minister's Office since 2014—PM Modi has consistently advanced *sabka saath, sabka vikas* (everybody's partnership, everybody's progress).

Another formulation defines his politics of inclusion: *Jiska naam na aaya, usko Modi ne pocha* (Modi served those whom nobody asked after). Those who were unheard, unseen or underserved did not remain at the margins of India's development story. And this is perhaps the most consequential shift in the Modi era.

For decades after Independence, India's development imagination often had an implicit centre and a periphery. Some regions were seen as distant. Some villages remained too remote to receive the full benefits of State capacity. Some aspirations simply did not find a place in the national conversation. It is this hierarchy that the Modi government has sought to change.

The governing ideal has increasingly

been one of saturation rather than selectivity, inclusion rather than exclusion, and empowerment rather than mere entitlement. The question is no longer simply about launch of programmes, but whether every beneficiary has actually been reached.

Few examples illustrate this better than the Northeast. For decades, the Northeast was too often discussed as India's distant periphery. Under PM Modi, it has increasingly been articulated as India's gateway to South-East Asia. His 83 visits to the region since November 2014 have underlined a sustained push for connectivity, infrastructure, investment and peace. The region has witnessed 12 major peace agreements, while more than ₹7 lakh crore has been allocated for development between 2014-15 and 2025-26, compared with around ₹1.4 lakh crore in the previous decade.

The infrastructural map of the Northeast is now changing as well. The Bogibeel Bridge and Sela Tunnel have overcome formidable geographical barriers. Mizoram received its first direct railway connection to the rest of India when the Barail-Sairang line was inaugurated. Nagaland got its first railway station after Independence in the Modi era. AIMS Guwahati became the first AIMS in the Northeast.

Assam's semicircular project represents the idea that one of India's most technologically advanced industries can emerge from a region once treated primarily as geographically remote.

The same vision of inclusive development is visible along India's borders. For years, remote settlements were commonly

described as the country's "last villages". The Modi government deliberately changed such vocabulary and the policy priority accorded to these villages. These are now India's "first villages".

The Vibrant Villages Programme gives this idea institutional form through roads, connectivity, tourism, livelihoods and essential services in remote border areas. The principle extends inland through the Aspirational Districts Programme. Instead of accepting 112 historically underdeveloped districts as permanent laggards, the programme introduced measurable outcomes, convergence and competitive development to accelerate progress in health, education, infrastructure and livelihoods. In 2023, this approach was taken deeper into the administrative system through the Aspirational Blocks Programme, covering 500 blocks across 329 districts.

The message is clear: geography cannot be a permanent disadvantage.

The same philosophy is visible in the treatment of tribal communities. The shift has been from episodic welfare to sustained, targeted and whole-of-government intervention. The Ministry of Tribal Affairs budget has grown by 24% over the last decade. The Pradhan Mantri Janjati Adivasi Maha Abhiyan covers all 75 Particularly Vulnerable Tribal Groups (PVTG), focusing on housing, roads, water, health care and other necessities. The Dharti Aaba Janjatiya Gram Utkarsh Abhiyan takes this approach further by addressing long-standing gaps in tribal-majority villages and PVTG habitations through coordinated government intervention.



Ram Nath Kovind



The lasting legacy of the Modi era is the redefinition of the Indian mainstream.

The underlying philosophy is to give communities at the margins the capabilities to participate fully in the country's future.

More than 59 crore Jan Dhan accounts have brought previously excluded households into the formal financial system. Government assistance reaches beneficiaries directly through the Direct Benefit Transfer, which has contributed to cumulative savings of more than ₹5.4 lakh crore by plugging leakages.

The scale of financial inclusion is matched by the scale of basic-service delivery. Saubhagya achieved 100% rural electrification. Ujjwala has provided clean cooking fuel to more than 10 crore households. Jal Jeevan Mission has extended tap-water connections to 13 crore rural households. These programmes embody one common principle: Find those left out and take governance responsibilities to them. The objective is to ensure that no eligible person is left out.

The transformation is equally significant in the case of women. For generations, women were often positioned primarily as recipients of welfare. The Modi government's larger intervention has made them stakeholders instead of beneficiaries and entrepreneurs instead of recipients.

Swachh Bharat Mission addressed an intimately connected issue with women's dignity, safety and health. MUDRA has enabled women to partici-

pate in entrepreneurship at unprecedented scale. Women also constitute 46% of PM SVANidhi beneficiaries. The Lakshmi Didi initiative places women's economic empowerment at the heart of rural transformation.

Seen individually, the North-East, tribal communities, border villages, women, rural households and financially excluded citizens represent different policy challenges. Seen together, they reveal the larger architecture of the Modi government's governance philosophy: *Sabka saath, sabka vikas*—which has not been reached, who has not been heard, and who remains outside the opportunity structure of a rising India.

The lasting legacy of the Modi era, therefore, is the redefinition of the Indian mainstream. Development is no longer imagined as something that begins at the centre and eventually reaches the periphery. The periphery itself is now at the centre of India's development ambition.

As India looks towards Vaisak Bharat 2047, the ambition is to ensure that the India being built belongs equally to those who were once least visible in its development story. That is the Modi era's defining proposition: Those who were once at the margins are no longer waiting to enter India's mainstream; they are helping define it.

Ram Nath Kovind is former President of India. The views expressed are personal

The structural flaw in the Prevention of Atrocities Act

The row over the *shuddhikaran* (purification ritual) performed at Haldwani's Ramlinga ground on August 10, after Congress president Mallikarjun Kharge spoke at a rally there, has been fought entirely on the terrain of intent. Kharge says the ritual made him feel "the sting of untouchability". The organisation that performed it pointed out that slogans raised at the rally and to Kharge's own remarks—an explanation, in effect, that the *shuddhikaran* meant something other than ritual caste purification.

Leader of the Opposition Rahul Gandhi escalated Kharge's charge to a constitutional one, invoking Article 17 of the Constitution; the outfit that conducted the ritual answered with an FIR against him and a countercharge of political opportunism. Uttarakhand BJP president Mahendra Bhatt characterised the ceremony as wholly unconnected to caste. At the time this article was being written, the only case registered over the ritual itself named no one—an FIR against "unknown persons", lodged nearly a month after sustained public pressure. The case against Gandhi, by contrast, named him directly, with days of his statements on the ritual's alleged casteist nature.

The entire episode underlines issues with how the statute itself is structured.

The Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989, Section 3 opens with a definitional wall: Its offences can be committed only by "whoever, not being a member of a Scheduled Caste or a Scheduled Tribe". The protection runs one way. Under this Act, a person in the SC/ST category cannot be prosecuted for an offence against another person in the SC/ST category; that is settled law. The complainant in the FIR against Gandhi was not a member of the Valmiki community (a Scheduled Caste) and an office-bearer of the outfit that conducted the ritual. This shows how the same Act invoked against the ritual could be turned against Gandhi, who doesn't belong to an SC/ST community, but not against Kharge, who does.

The second structural feature concerns Section 30(1)(r) itself, which punishes whoever "intentionally insults or intimidates with intent to humiliate" an SC/ST person in public view. The word intent appears twice in a single clause. Courts applying this provision have read it narrowly and consistently. An insult, however wounding, is not enough without a demonstrable intent to humiliate the person subjected to it on caste grounds. It is a reading that hands considerable

advantage to whoever can keep their motive unstated, ambiguous, or supplied only after the fact.

Political correctness rarely announces its own intent. A ritual performed at a particular site, at a particular moment, following a particular event, does not need an accompanying declaration to be understood by the people it reached to or intended. Prudence already has a tradition of asking exactly that question under the broader constitutional framework. The Rajasthan High Court, examining purification imposed on Dalit devotees at a Nathdwara temple in 1988, did not require the temple authorities to confess a discriminatory purpose; it looked at what making entry conditional on purification achieved, in the context of the caste-based ideas of pollution that the practice invoked. The Supreme Court, striking

down caste-based labour divisions in prisons in 2024, similarly read those classifications against the history and social meaning they carried, rather than merely against what prison manuals said their purpose was. Neither court needed to establish what anyone intended. Both asked what the practice did, and what meaning it carried by itself.

Section 30(1)(r) is the one place in this architecture where the law insists on the opposite question—not what a purification ritual performed on that ground, at that moment, did or signified, but what its performers intended to have meant by it.

This matters because the Act is not merely a punitive legal framework to attend to the offences of atrocities narrowly. It is also aimed at preventing atrocities. Drawing on the Constitution's guarantee of equality and, most directly, Article 17's abolition of untouchability "in any form", a statute built as prevention is built to deter—to impose heavy costs on caste-based humiliation and discrimination, to ensure whichever party is more careful about what it says on record. A provision that can be defeated by silence about motive, and a structure that can be turned against the very person who raises the alarm, both cut against that preventive purpose.

None of this argues that Gandhi's account of the ritual is correct, or that the organisers' explanation is false. Those are questions of fact that only investigation and, potentially, trial can settle—and they deserve that forum, not a verdict rendered in a press conference or a newspaper column. What the past few weeks in Haldwani have exposed is something that goes beyond those facts: A law meant to prevent caste humiliation is structured in a way that a wounding act can be met with an FIR naming no one, and may never reach a named individual if that person belongs to an SC/ST community. And the ordinary act of raising an alarm can be used to turn the law on a named individual immediately if the person is not from a community that the Act protects. That is worth examining independent of who is right about what happened in Haldwani—because whichever way this case ends, that structure will still be the same, with the same vexing problems.

Sumit Baudh is professor of law, OP Jindal Global University. The views expressed are personal

{ JOSEPH AOUN } PRESIDENT, LEBANON

We have no choice but negotiations, because the alternative is war, which would be very costly for us

On Lebanon's need for a security agreement with Israel as a prelude to larger peace agreement



Indians need rights over all forms of digital likeness

Over the past couple of years, it has become almost routine to read about a celebrity, sportsperson or politician approaching a court for relief from a deepfake, an AI voice clone, or unauthorised use of their likeness, and receiving swift relief. That remedy rests on personality rights, a doctrine courts have built almost entirely around famous people.

Ordinary citizens have no such recourse. The law offers them no clear right to assert, and most could not afford to litigate one even if did.

As AI makes it possible to recreate almost anyone's face, voice and mannerisms with startling accuracy, India needs remedies that give every citizen meaningful control over their own digital image, voice, and likeness.

It has never been easier to fake a real person. What happens if you find yourself in this situation? Indian courts have developed important protection against the unauthorised use of a person's likeness, but almost entirely through cases involving celebrities and public figures. Those decisions recognise personality rights linked to reputation and commercial goodwill. Earlier this year, the Delhi High Court refused to grant these rights to a CLAT 2026 topper, holding that a singular achievement does not create a distinctive, bankable personality rights. For most ordinary citizens with neither fame nor commercial goodwill, that kind of protection is far less certain. Existing laws deal with aspects of the harms that digital likeness can create, but do not completely fill the gap. Criminal law (in this context) deals with impersonation, obscenity and non-consensual sexual imagery. February 2026's amendments to the IT Rules add labelling and takedown duties for AI-generated content. The data protection law governs how organisations process personal data. None of them squarely help with addressing the problem—if someone digitally clones you and circulates that version without your consent, how do you make it stop?

The Supreme Court has held that privacy is a fundamental right, covering informational privacy or control over how your personal information is gathered and used. That understanding evolved in an era when the primary concern was collecting information about people. Today, anyone can build a convincing copy of you at near-zero cost. What is at risk is no longer only the data in a database. It is your identity and dignity online.

We need a right that allows every person to control the digital use of their face, voice and likeness. It matters most for ordinary people with no lawyers on call, and for smaller artists, creators and performers, whose face or voice is the very thing that earns their living. They should be able to control their voice, image and likeness on their own terms.

Importantly, this is not only about preventing misuse. It is equally about enabling legitimate use. Individuals should remain free to license their own likeness, authorise AI recreations and earn from those uses if they choose. The decision should belong to the individual, not to whoever possesses the technology to recreate them.

Denmark is considering a proposal to amend their copyright law to give every citizen a right over their own face, voice and likeness. In the US, there are ongoing discussions around the

NO FAKES Act that would create a separate property right over your digital likeness. India can build its own unique approach.

A right is only as good as the system that enforces it. Enforcement can build on the takedown machinery that large online intermediaries already have in place. The remedies should be practical, not punitive: swift takedowns, injunctions and compensation for demonstrable harm, without years of costly litigation. At the same time, robust safeguards must preserve satire, parody, current affairs, research, artistic expression and other forms of legitimate speech.

The fundamental principle should be based on the idea that undoing a digital fake should be as easy as making one. If creating your AI clone takes minutes, removing it shouldn't take months or cost a month's wages.

The technology needed to identify and verify digital likeness already exists. The phone in your pocket already recognises your face to unlock and sorts your photos by who is in them. This tech can protect an ordinary citizen but the legal framework that puts it to work to benefit ordinary people is missing.

Whether India regulates digital likeness is no longer the question. Through a lengthening line of injunctions and court orders, it already does, but only for those who can reach a courtroom. The task now is to extend it to the rest of us. The law shouldn't value a face because it is famous, but because it belongs to someone.

Aman Taneja and Nirmal Bhansali are, respectively, partner and associate at Ikigai Law. The views expressed are personal

Economy

THURSDAY, SEPTEMBER 17, 2026

IN THE NEWS

COMM MIN SEEKS 5-YR EXTENSION OF RoDTEP SCHEME FOR EXPORTERS



THE COMMERCE MINISTRY has sought a five-year extension of the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme, which is due to expire on September 30. The move comes as the government seeks to provide greater certainty to exporters amid continuing pressure to improve India's cost competitiveness in global markets and deal with disruptions in trade due to ongoing wars and tariff challenges. The commerce ministry is in talks with the Ministry of Finance on the issue and a proposal has been sent to the Expenditure Finance Committee (EFC) in the Department of Expenditure. EFC appraises and recommends major public-funded central government schemes and projects involving large financial outlays.

New Zealand parliament passes India trade deal

PRIME MINISTER OF New Zealand Christopher Luxon on Wednesday said the country's parliament has passed the "landmark" free trade agreement with India.

MDL to invest ₹27,000 crore in Raigad

MAZAGON DOCK SHIPBUILDERS (MDL), a defence PSU, will invest around ₹27,000 crore to establish a greenfield shipbuilding cluster at Dighi Port in Maharashtra's Raigad district, the state government said on Tuesday.

Slow start for low-duty car imports under India-UK FTA

FE BUREAU New Delhi, September 16

THE FIRST ROUND of India's tariff-rate quota (TRQ) for cars imported from the UK under the Comprehensive Economic and Trade Agreement (CETA) has seen a muted response, with applications received for only 642 vehicles against a quota of 5,000 units available for the current calendar year, a senior government official said. All 642 units for which applications were filed have been approved. In total, eight applications were received for importing cars from the UK at concessional duties; seven were found to be in order while one applicant was issued a deficiency letter, the official said.

The Directorate General of Foreign Trade (DGFT) invited applications for the quota from July 21, less than a week after CETA came into force on July 15, with August 9 set as the deadline. Only original equipment manufacturers (OEMs), dealers and channel partners authorised by UK vehicle OEMs were eligible to apply for the TRQ.

Applicants were also required to submit a pre-purchase agreement from the OEM specifying the number of UK-origin vehicles to be supplied during the TRQ year. The limited uptake comes as India and the UK begin implementing one of CETA's key market-access provisions. Under the agreement, India committed to allowing imports of 20,000 cars in the first year at preferential duties.

MODI CHAIRS SEMICONDUCTOR ROUNDTABLE WITH LEADING CEOs

India should aim to lead in emerging tech, says PM

Two-day SEMICON India 2026 summit begins today

PRESS TRUST OF INDIA New Delhi, September 16

PRIME MINISTER NARENDRA Modi on Wednesday said India should aspire to be among the early leaders in emerging technologies and asserted that the government is committed to a predictable and responsive policy environment.

Chairing a semiconductor roundtable with leading CEOs here, the prime minister also emphasised the importance of close collaboration between the government and the semiconductor industry in shaping India's technology future.

He highlighted India's strong foundation of talent, technology adoption and infrastructure, and called for greater industry participation in skilling, innovation and emerging technologies, such as artificial intelligence (AI) and quantum computing, a statement issued by the Prime Minister's Office said.

Modi said India should aspire to be among the early leaders in emerging technologies and noted the significant progress made in the semiconductor sector.

He said the ecosystem is

SEMICONDUCTOR PUSH

■ 10 million people targeted for AI training under government programme

■ ISM 2.0 to support India's next semiconductor or growth phase

■ AI and quantum computing identified as key emerging technologies

■ Over 20 organisations represented at semiconductor roundtable with Prime Minister

■ Semiconductor manufacturing moving from foundational efforts towards greater scale

■ Design and R&D among priorities across semiconductor value chain

now moving from foundational efforts to a phase of greater scale and opportunity. The Prime Minister reiterated the government's commitment to a predictable and responsive policy environment, while emphasising that policies must evolve in line with technological advancements and industry requirements, the statement said.

He invited industry leaders to share suggestions on policy and administrative measures, and assured them that their inputs would be given due consideration in further strengthening the sector.

Modi encouraged industry leaders to actively participate in the next phase of India's semiconductor growth.

The CEOs appreciated the

government's sustained efforts to develop India's semiconductor capabilities, noting the progress made in manufacturing, design, infrastructure and talent development.

They expressed confidence in the opportunities emerging under the India Semiconductor Mission (ISM) 2.0 and in the country's potential to build capabilities across the semiconductor value chain, including manufacturing, research and development (R&D), advanced technologies and supporting industries.

Referring to the target of training 10 million people in AI, Modi said India's talent pool, combined with the experience and capabilities of global industry leaders, can create significant opportunities.

Appreciating the prime minister's leadership and support, the CEOs said the progress achieved in recent years has created a strong foundation for further industry participation.

They expressed their commitment to contributing to India's emergence as a globally-competitive semiconductor and technology hub. The meeting was attended by CEOs, heads and representatives of various organisations, including SEMI, Micron, Infineon, Applied Materials, ASML, Merck, Tokyo Electron Limited, Fujifilm, AMD, Intel, Tata Electronics, Lam Research, Rapidus, XLT, Foxconn, Semi-Conductor Devices, Advantech, Celesta Capital, CG Power and IBM Research.

EPF wage ceiling raised to ₹25,000

First revision since 2014 effective today

SHUBHAM RANA New Delhi, September 16

THE UNION CABINET on Wednesday approved raising the wage ceiling for mandatory coverage under the Employees' Provident Fund Organisation (EPFO) to ₹25,000 per month from ₹15,000, the first revision in the threshold since September 2014.

The decision to raise the ceiling reflects the "sustained wage growth, rising incomes and a continued expansion of formal employment over the intervening years," the labour ministry said.

The higher ceiling is expected to bring in 5-10 million employees under mandatory EPFO coverage, widening social security coverage.

For those with salary above the ceiling, EPF contributions are voluntary. With a ₹25,000 wage ceiling, the monthly pension contribution will be capped at ₹2,082 from ₹1,250 earlier.

The higher wage ceiling will be effective Thursday, after which a fresh employee joining employment at a wage up to ₹25,000 per month will be automatically covered under

PROVIDENT BOOST



■ Decision reflects sustained wage growth, rising incomes: Labour ministry

■ Move to bring in over 5.1 mn employees under mandatory EPFO

■ Up to 10 mn employees could benefit from higher wage ceiling

the EPF framework and will be part of the mandatory provident fund, pension and associated insurance protection. The average wage of a regular salaried worker in India is ₹23,000, while the minimum wage in some states is higher than ₹15,000, the ministry said.

The latest EPFO data show around 79.8 million contributing members across about 0.77 million contributing establishments.

The revised wage ceiling will cost the government around

₹11,339 crore (assuming 5.1 million employee additions), against the existing annual budgetary support of about ₹10,250 crore. The estimated expenditure over five years is approximately ₹56,696 crore.

The higher wage ceiling will enhance retirement savings and social security coverage for employees. It will expand access to provident fund savings, pension protection under the EPS and insurance protection under the Employees' Deposit Linked Insurance Scheme (EDLI), the ministry said.

However, it will also have a direct cost implication for

employers through higher PF, pension and EDLI contributions, said Puneet Gupta, Partner, People Advisory Services-Tax, EY India. "Employees in the affected salary bracket are also likely to witness a reduction in take-home pay due to the higher employee PF contribution," Gupta said.

The total EPF contribution for a worker, on average, is likely to rise by ₹600 per month, labour ministry officials said.

Both employers and employees contribute 12% of the employee's basic salary and dearness allowance every month to the provident fund. The employee's share goes to the EPF account. In cases where mandatory EPF is applied, of the employer's 12% contribution, 3.67% goes to EPF and 8.33% to EPS. The government contributes 1.16% for an employee's pension under the mandatory scheme.

"Since the wage ceiling was last revised in September 2014, India has witnessed sustained wage growth, rising incomes and continued expansion of formal employment. In several States and occupations, minimum wages have also moved closer to the existing threshold. The enhancement to ₹25,000 therefore updates the EPFO framework in line with rising wage levels and extends the benefits of formal social security to a wider segment of the workforce," the government said.

GST Council meet to focus on process reforms: FM

Sitharaman flags complexity of taxing digital economy

SHUBHAM RANA New Delhi, September 16

AFTER REDUCING the number of tax slabs under the Goods and Services Tax (GST) last year, the upcoming GST Council meeting will focus "only on process reforms," Finance Minister Nirmala Sitharaman said on Wednesday.

GST 2.0 focused on rate rationalisation and also worked on process reforms. The process reform agenda was kept for the next meeting, which is now scheduled for the first week of October, Sitharaman said at the International Tax Research and Analysis Foundation's (ITRAF) 8th International Tax Conference in Bengaluru.

At the last Council meeting, held on September 3, 2025, the four GST slabs of 5%, 12%, 18%, and 28% were merged into a two-tier structure of 5% and 18%, along with a 40% rate for ultra-luxury and sin goods. These changes came into effect on September 22, 2025.

The next GST Council meeting is scheduled for October 7, where it expected to prioritise issues related to e-invoicing, litigation, and input tax credit (ITC). The Council can also take up the simplification in GST registration for businesses with tax credit of over ₹2.5 lakh per month.

In August, Central Board of Indirect Taxes (CBIC) Member Sanjay Mangal said that the central and state governments were working on a uniform circular for the registration of large businesses.

Sitharaman invited industry to submit specific representations on anomalies in the GST framework

that the government may not have yet addressed. The central government will also focus on customs reforms, Sitharaman said. The government is committed to ensuring that India's tax system continues to evolve with the economy, she added.

Several challenges exist for India's growth and development path, and tax policy should not add to these challenges or become a deterrent to growth, she added.

The finance minister asked tax professionals and industry bodies to move beyond demands for lower tax rates and exemptions, and instead asked them to identify tax provisions which should be removed. Sitharaman also called for continued dialogue between government, industry, and institutions.

Sitharaman also flagged the complexity of taxing the digital economy, including cryptocurrency.

The issue of taxing cryptocurrency remains under discussion with stakeholders in



Union Finance Minister Nirmala Sitharaman addresses the 8th International Tax Conference on New Age Taxation in Bengaluru on Wednesday

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The issue of taxing cryptocurrency remains under discussion with stakeholders in

India and with other countries. The government currently taxes such transactions at source, and the tax is reconciled with the final tax liability, she said.

On a question about taxation of the space sector, Sitharaman said commercial operations should be subject to taxation. However, it would be ideal to take a more lenient approach towards taxing research and innovation in the space sector, the finance minister said.

Sitharaman said she is worried about the "negative commentary" around India's growth story, and asked the industry to engage with "counterparts elsewhere" to get a sense of how challenging the environment is everywhere.

Thanks to the government's steps, India is far better placed than other countries despite global challenges, which should give businesses confidence to invest more moving forward. The next six months will be difficult for the economy because of looming tariff threats, the ongoing wars, and challenges to secure crude oil and fertiliser imports.

EV charging scheme barely covers 2% of 2030 target

SAURAV ANAND New Delhi, September 16

INDIA'S ₹2,000-CRORE PUBLIC electric vehicle (EV) charging push could support just 18,811 charging points, less than 2% of the 1.32 million required to meet the country's 30% EV adoption vision by 2030, highlighting a widening infrastructure challenge even as EV sales accelerate.

The estimate by the Institute for Energy Economics and Financial Analysis (IEEFA) assumes a 100% subsidy for both upstream infrastructure and charging equipment. The report said grid upgrades alone can account for 50% of the cost of setting up a public charging station, adding financial pressure on operators struggling with low utilisation.

The findings come despite more than tenfold expansion in India's public charging network, from 5,151 stations in 2022 to 52,718 by July 2026. Annual EV sales have risen



from around 50,000 in 2016 to 2.5 million in FY26, while July 2026 sales jumped 63.2% year-on-year to 307,752 units.

In its briefing note, "Improving the EV Charging Experience in India: Beyond Charger Deployment," released on Wednesday, IEEFA called for shifting government support from charger installation alone to verified performance, alongside lower taxes and concessional financing for grid infrastructure.

A 2024 IEEFA study found that nearly 84% of chargers

examined in a representative sample across four Delhi regions were non-functional. The latest report recommends linking future subsidies, land concessions and viability-gap funding to charger uptime, successful charging sessions, and maximum fault-resolution times.

"Charger uptime and reliability, not just the number of chargers, are essential to the EV charging experience," said Charith Konda, Lead Energy Specialist, IEEFA.

"India has installed a meaningful number of charging stations, and now the next phase is about ensuring those chargers work reliably, making payment and access seamless, and ensuring home charging is not left to the discretion of individual housing societies," he added.

The report recommended reducing GST on public charging from 18% to 5%, aligning it with the tax rate on EV purchases.

Exporters jittery as US mulls 100% tariff under Russia sanctions

Trump may leverage the threat for India BTA on 'one-sided terms'

SHUBHAM RANA New Delhi, September 16

INDIAN EXPORTERS BRACED for renewed uncertainty in the US market as the House of Representatives on Wednesday prepared to pass a Russia Sanctions Bill that could empower President Donald Trump to impose tariffs of up to 100% on countries continuing to support Russia's war.

"We are concerned. Trade and industry are concerned about what happens after the

Bill is passed because it would result in massive uncertainty," Federation of Indian Export Organisations director general and CEO Ajay Sahai said.

Whether President Trump imposes those tariffs or uses them as a bargaining chip for negotiation, we have to see," he said.

An exporter said the legislation would increase pressure on India to conclude the proposed bilateral trade agreement (BTA) with the US, but any deal should provide an exemption from such tariffs.

"The Bill is a blunt and dangerous attempt to pressure India to sign BTA on one-sided terms."

TRADE UNCERTAINTY

■ House vote follows 214-211 procedural approval on Tuesday

■ Russia accounted for 30.3% of India's crude imports in 2025-26

■ India imported Russian crude worth about \$40.8 bn in same year

energy markets, not threaten a strategic partner for protecting its legitimate economic interests," Global Trade Research Initiative Founder Ajay Srivastava said. He argued that India purchases Russian crude primarily to secure affordable energy and that tariffs of up



to 100% could hurt Indian exporters as well as American consumers.

The latest US move comes as New Delhi and Washington continue to work through their broader trade and tariff differences. For exporters, the prospect of presidential tariff action linked to Russian oil

adds another layer of uncertainty to market access at a time when businesses are seeking greater clarity on the terms of the India-US BTA.

Lindsey O Graham Sanctioning Russia and Iran Act of 2026, which has cleared the US Senate with bipartisan support, targets Russia's

energy and defence sectors and its sanctions-evasion networks. The House was scheduled to vote on the measure after clearing a 214-211 procedural vote on Tuesday.

For Indian exporters, the concern is less about an immediate 100% duty and more about the uncertainty created by the legislation. Passage would not automatically trigger a 100% tariff on Indian goods; it would give the US President authority to impose tariffs of up to that level, with the timing, scope and application dependent on subsequent administration action.

The legislation comes after Washington had already used tariffs against India over Russian oil purchases. In

August 2025, the Trump administration imposed an additional 25% tariff on Indian imports, citing India's continued purchases of Russian crude. The additional levy brought the prevailing tariff burden on Indian goods to 50% at the time. The separate Russian oil related duty was subsequently withdrawn in February 2026.

The stakes are significant given India's dependence on Russian crude. Russia accounted for 30.3% of India's crude oil imports in 2025-26, with purchases valued at about \$40.8 billion out of total crude imports of \$134.7 billion. Russia's share rose above half of India's crude imports in July 2026, GTRI said.



Opinion

THURSDAY, SEPTEMBER 17, 2026

Double chokepoints

Twin threats to global oil supplies spell big trouble for India and the world

GLOBAL OIL PRICES have remained elevated due to US-Israel's war on Iran since February 28. Although the conflict has been punctuated by recurring ceasefire episodes, Brent spot prices averaged \$98 a barrel in March-August 2026, up 41% from March-August 2025. They subsequently gathered momentum hitting \$109 a barrel earlier this week and easing slightly thereafter as the war has entered a dangerous phase following fresh strikes by Iran-backed Yemeni Houthis forces on Saudi Arabia, the largest oil producer in the region, and attacks on ships in the Strait of Hormuz, through which a fifth of global oil supplies pass. A drone attack forced Saudi Arabia to shut down its East-West Pipeline linking its eastern oilfields to the Red Sea port of Yanbu for supplying to Europe and Asia. Fuel shocks don't augur well for highly energy-import dependent countries like India and the world economy.

Global oil prices are bound to remain on the boil due to the intensifying hostilities in West Asia and the fact that alternative routes to ship out oil are shutting down. The closure of the Strait of Hormuz itself is enough to keep prices high as only a few tankers can navigate it, escorted by the US Navy. Unfortunately, this state of affairs will persist as a high-level meeting on Monday between Iran and the Gulf Cooperation Council to discuss opening up shipping in the Strait has been indefinitely postponed. The bad news is that prices will definitely boil over because another maritime chokepoint is likely to develop as Houthi forces rapidly advance to control the Bab el-Mandeb Strait in the Red Sea, through which 4-5% of global oil supplies passed in recent months. Two chokepoints are enough to send prices through the roof.

Saudi Arabia's travails — which include no support from the US or its Mecca joint defence agreement partners — exemplify these developments. The kingdom initially sought to re-route its supplies from the closed Strait of Hormuz through its East-West pipeline. From Yanbu, oil was taken on tankers south through the Bab el-Mandeb Strait. But this route is closing after Houthi forces declared a blockade on shipping linked to Saudi Arabia and attacked its tankers. In the past week, only two Saudi cargoes passed through this Strait out of the Red Sea. Houthi forces control strategic Red Sea ports like Mokha in Yemen and Perim Island in the Bab el-Mandeb Strait. With Iran and its proxies now controlling two main routes for shipping, the Saudis have no option but to send oil north through the Suez Canal that is longer and costlier for its exports.

Costlier oil due to the closure of Saudi's pipeline and conflict will widen India's trade deficit and push up domestic prices. As energy imports have to be paid for in US dollars, this would result in further downward pressures on the rupee. Although the bullish Q1 GDP growth numbers in FY27 suggested the economy was resilient in the face of supply-side shocks, elevated Brent prices for a prolonged period — with the Indian crude basket near \$130 a barrel this month — will force painful policy choices. There is no alternative to increasing relative self-sufficiency by boosting domestic production over the medium term to cope with energy shocks. It is a strategic necessity to reverse the steady downturn in domestic production by stepping up exploration and production with the help of global majors.

Finally, a Mamdani policy even Republicans can love

IT USED TO be conservatives who wanted to tread carefully with new things. These days, it's progressives sounding the alarm on artificial intelligence. And I'm not just talking about the risk of human extinction. Two of this country's largest school systems have dramatically restricted AI access for students this year. They also happen to be bastions of coastal progressivism. Conservative parents, take note.

For the 2026-27 school year, New York City's Department of Education passed sweeping rules forbidding students from using AI until high school. Learning apps with AI features will be removed from student devices. Companion chatbots will be banned in all grades. And not only that. Screens of any type will be banned in New York City public schools until third grade. Goodbye to school-issued tablets starting in pre-K and kindergarten, a practice that's become widespread in the last five years. Hello to limits on screen time, including a 45-minute cap for middle schoolers.

The West Coast has taken it a step further. The Los Angeles public school system passed a districtwide moratorium on AI for all grade levels on all school-issued devices. This is exactly the kind of "common sense" reform that Republicans could use to define themselves heading into the midterm election. Since the Covid pandemic, Republicans have enjoyed an upperhand on education issues. There were the demonstrably harmful and lingering effects of extended school closures, promulgated largely by progressive districts. There were Biden's efforts to block charter schools, despite their proven successes at boosting student achievement. And there were culture-war arguments that made Democrats appear more concerned about pronouns than whether kids could read.

But for all the emphasis Republicans have put on protecting children, students in Zohran Mamdani's New York are going to be less screen-soaked than those in Greg Abbott's Texas — where, per my sons' experience in the public schools, there's many a screen-based recess. The Dallas Independent School District — one of the largest in Texas — has AI guidance for families that reads: "See how AI is enhancing your child's learning," and "Sit with your child while they use AI. Treat it like reading a book together."

Keeping AI out of public schools isn't going to do anything to slow development of the technology. Nor does it have anything to do with what happens at home; data from Common Sense Media and elsewhere suggest AI use among teens is already ubiquitous. That's a problem for another day.

What progressives in New York and LA are saying is that when it comes to educating our nation's children and teaching them how to think, we are going to do it the old-fashioned way. That's a message that more conservative districts ought to get behind.

Because the recent experiments we've been running in public education aren't working. The newly released Program for International Assessment found that 15-year-old US students' reading scores have fallen near their lowest level in 25 years, with a 14-point drop in the last three years alone — as is the case across much of the developed world. (It also says that half of students use AI for education.)

Our domestic tests, such as the Nation's Report Card, show similar lost ground. Less than half of American students are reading or doing maths at grade level.

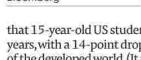
To be sure, AI and screens are only two of many factors that may have pushed down student scores over the last decade. Others include absenteeism, which rose during Covid and has persisted since, scrapping traditional teaching approaches like phonics and multiplication tables, and lots of testing with little accountability for underperforming schools, teachers, and students. So perhaps AI presents a convenient scapegoat for challenges that are much more difficult for schools to solve. Nevertheless, we should solve what we can.

Americans' satisfaction with the quality of K-12 education in the US has fallen to 32%, a new low in Gallup's 27-year survey. It's down 11 percentage points over the past two years. Reversing that, schools received the highest marks on preparing students to adapt to new technologies. In contrast, only 10% of Americans believe that schools are preparing students to critically think and solve problems. This is backwards.

Generation of children is no longer learning at school like they need to. There are a lot of reasons for this. But allowing AI to supplant the basics of reading, writing, and arithmetic should not be added to the list.

ABBY MCCLOSKEY

Bloomberg



Bloomberg

WHEN THE RESERVE Bank of India (RBI) announced measures on June 5 to mobilise US dollars through three different swap schemes, it sparked widespread speculation over how much foreign currency could it mobilise, and whether those should be enough to meet its set objectives. Since there was no clarity on these objectives, many analysts believed the immediate aim was at least to arrest the persistent slide in the exchange rate and buy some time to patch the house in order.

The focus, therefore, was on the foreign currency non-resident (bank) [FCNR(B)] scheme, the star performer during the 2013 taper-tantrum episode, to gather the maximum dollar inflows by September 30. While market modal projections ranged between \$50-60 billion, banks managed to raise \$127.2 billion, forcing the central bank to close the scheme a month early, on August 31. A further \$9.1 billion was mobilised through the still-open overseas foreign currency borrowings and external commercial borrowings schemes, taking total inflows raised to \$136.4 billion — much above what the RBI was looking for.

As the inflow of dollars turned from a trickle to a deluge within weeks, analysts began to worry about the enormous cost it could impose on the central bank — both in terms of fully covering exchange rate and any sterilisation cost to suck out nearly \$13 trillion additional liquidity in the system to avoid a premature monetary policy reset. In addition, one wondered if mobilising those high-cost foreign currency deposits made much business sense for banks, even when the RBI fully covered the exchange rate risk on the principal amount, and regulatory exemptions on the cash reserve ratio and statutory liquidity ratio. With fresh three-five-year FCNR(B) deposits carrying inter-

est rates of 6-7.5%, forward cover cost on the interest amount, and potential credit risks, one is not sure if banks will make much money from mobilising ₹12.5 lakh crore deposits.

However, this piece focuses not on the cost and risks of the RBI's strategic policy action but on how much room policy-makers have to restore India's external house back in order. Let's place the issue at hand in its proper context: After the 2013 taper-tantrum crisis, it was held that the house — the economy — had begun repairing the cracks and strengthening the columns to fortify the building and make it more resilient to external shocks. For example, the government opened debt markets to greater foreign portfolio investor (FPI) participation and liberalised FDI rules to attract capital inflows while the RBI absorbed those inflows to build foreign currency reserves of \$700 billion. These measures were meant to reduce seepages and reinforce the columns to withstand any tremor. But unfortunately, they have not been enough.

Some have argued that India's foreign exchange reserves should be increased to \$1 trillion or more to match the scale of its growth economy. Sure, but how? With the RBI having sold more than a \$100 bil-

lion in the forwards market, the crack appeared in the column itself. That justified mobilising a costly \$136 billion to buy some precious time for repairs. However, the central bank must be mindful of the tempting risk-free return it has promised to pay to affluent NRIs under the 9x-19x framework, whose repayment time schedule began ticking the moment these liabilities were credited to its balance sheet and FX reserves.

Unlike 2013, generating a balance-of-payments surplus large enough to repay \$226 billion in FX liabilities — \$100 billion in outstanding forwards and \$136 billion in fresh liabilities — over the next three to five years will be extremely challenging in an increasingly uncertain world. Therefore, it is essential that both the central bank and the government start the repair work with urgency and professional diligence. The real risk is that these borrowed resources will both policymakers into procrastination.

For the RBI, at the heart of the repair work lies the most critical question: what should be a fair value of the rupee? We believe the central bank's policy guidance should shift from the estimated real effective exchange rate to how the capital account is trending: If robust capital inflows resume, it could stay with its cur-

There are several areas of structural reforms that would require political capital. There are also several other critical areas where constraints are being posed in the guise of 'Make in India'

RENU KOHLI

Senior Fellow, Centre for Social and Economic Progress



rent strategy of maintaining a stable exchange rate. On the contrary, if global capital — both FDI and FPI — remain indifferent to the economy's growth claims, the currency must be allowed to depreciate in an orderly manner. Therefore, the central bank is expected to be judicious in its interventions in the spot or forwards market to prop up the rupee.

An irrational defence of the currency has rarely worked — the RBI should have learnt its lessons from its excessive intervention since October 2024, which eventually snowballed into a crisis-like situation and the scamper for FCNR(B) deposit cover in June 2026. The policy maxim needs to be simple: If the capital account cannot pay for the current account deficit, then the current account itself must turn positive. A depreciating currency over time should be able to create the condition for a turnaround, slowly squeezing out imports and pushing up exports. It is needless to emphasise that it would take time to break through the constraints posed by differential product elasticities.

For the government though, the task is much harder: It cannot stop at easy remedies like opening debt markets, tax exemptions, steps to facilitate inclusion in any bond index, announcing a few more FDI relaxation measures, or even exempting capital gains taxation on equity investments. Given that the cracks are wide open, these could be band-aiding palliatives. Instead, it must carry deep structural reforms to attract long-term global capital. Needless to say, there are several areas of structural reforms that would require political capital. But there are also several other critical areas where constraints are being posed in the guise of "Make in India" — these have resulted in policy flop-flops, disincentivising global investment, and triggering the flight of domestic capital.

Views are personal

UPI's next test: Durability of MDR regime

RANADURJAY TALUKDAR

Partner and Payments Sector Leader, EY India



Its success will hinge on whether sustainable economics can be created without reviving cash usage, distorting competition, or letting merchants pass on costs

INDIA'S NEW MERCHANT discount rate (MDR) framework marks UPI's transition from subsidy-supported scale to financially sustainable digital infrastructure. From October 15, eligible bank account-funded person-to-merchant (P2M) payments above ₹2,000 will attract MDR of up to 0.40%, capped at ₹300. Person-to-person transfers, payments of up to ₹2,000, and eligible small merchants receiving monthly UPI credits of up to ₹1 lakh remain protected. Consumers cannot be charged, while payment applications are prohibited from imposing platform or hidden fees.

The policy is narrowly targeted by transaction count but significant by value. The National Payments Corporation of India (NPCI) ecosystem statistics show that UPI processed 24.51 billion transactions worth ₹29.82 lakh crore in August. Merchant payments above ₹2,000 represented only around 4% of the P2M volume, but approximately 67% of P2M value, amounting to nearly ₹6 lakh crore during the month.

Annualising this ₹6 lakh crore produces a high-value P2M base of approximately ₹72 lakh crore. At 0.40%, the theoretical annual MDR ceiling is ₹2,880 crore. However, this is not a revenue forecast. The realised pool will be lower because the NPCI data include transactions subject to the ₹300 cap, qualifying small-merchant exemptions, mandate exclusions, and concessional sectoral rates. Pre-notification estimates ranging from ₹10,000 crore to above ₹20,000 crore assumed a substantially broader charging base and should therefore not be applied mechanically to the final framework.

For standard-rate transactions, the issuing bank, which holds the customer's ac-

count, retains 0.16% or an estimated ₹1,152 crore annually. The acquiring side, comprising the merchant's bank and, where applicable, its payment aggregator (manages the merchant relationship), retains 0.12% or ₹864 crore. The payer payment service provider, the bank connecting the UPI app to the network, retains 0.04% or ₹288 crore. The third-party application provider, the customer-facing app, receives 0.08% or ₹576 crore. These estimates use the theoretical annual MDR ceiling of ₹2,880 crore and are before operating costs and contributions to the small-merchant fund.

The actual pool will depend heavily on the transaction mix. Fuel, agricultural inputs, railways, telecommunications, utilities, government payments, insurance, education, wallet top-ups, and tolls attract a flat ₹5 above ₹2,000. Capital-market payments attract 0.02%, capped at ₹300. Flat pricing protects public-service and thin-margin sectors but may also generate a large insurance premium may generate the same MDR as a ₹3,000 fuel purchase.

Securities require special attention. Funding a brokerage account is not necessarily a purchase; money can remain uninvested, be withdrawn, or be repeatedly transferred without generating brokerage revenue. Yet every eligible funding transaction creates a cost for the intermediary. A ₹1 lakh transfer attracts ₹20 and the ₹300 cap is reached only at ₹15 lakh. Automatic SIPs through UPI mandates

remain outside the framework.

The effects on other UPI products will be uneven. RuPay credit-card-on-UPI and pre-sanctioned credit lines remain outside the new account-funded MDR and continue under separate credit-product pricing. Consequently, the same QR can impose different merchant costs depending on whether payment is funded from a deposit account, card, or credit line. Account-funded UPI, at 0.40% and with a ₹300 cap, should usually remain materially cheaper than credit-card acceptance, where MDR typically ranges from 1.5% to 2.5%. Merchants may thus prefer account-funded UPI, while banks retain incentives to promote credit-linked UPI because it generates lending, interchange, and customer-engagement income.

Wallet businesses receive limited direct relief through the ₹5 charge on top-ups above ₹2,000, while wallet-funded interoperable UPI remains governed by separate PPI (prepaid payment instrument) economics. Wallets are therefore unlikely to regain relevance merely as payment instruments. Their competitive case will increasingly depend on loyalty, controlled spending, transit, gifting, and low-value offline use cases.

Macro-economically, the framework replaces part of the taxpayer-supported model with commercial funding for resilience, cybersecurity, fraud controls, and innovation. Because over 95% of P2M transactions by volume remain below

₹2,000, the effect on everyday digital behaviour should be limited. The ₹300 cap also keeps UPI substantially cheaper than cards for larger payments. This could strengthen UPI's competitive position against cards rather than weaken it.

A broad return to cash is unlikely because consumers pay nothing, smaller merchants remain protected, and UPI is deeply embedded in checkout behaviour. However, thin-margin merchants selling electronics or other high-ticket goods may offer cash discounts, steer customers towards bank transfers, or absorb the MDR through lower margins. Preventing direct and disguised surcharging will therefore be important for preserving digitisation and transaction transparency.

Differential pricing also creates merchant category code (MCC) misclassification risk, with merchants or intermediaries potentially using concessional categories to obtain lower MDR or interchange. Acquirers and payment aggregators should continuously validate MCCs against GST profiles, websites, invoices, and product catalogues; analyse ticket sizes, transaction velocity, threshold clustering, and peer-group deviations; and use AI-led anomaly detection to prioritise cases for human review. Deliberate miscoding should trigger retrospective fee recovery, stringent fines, suspension, and escalating action against repeat offenders.

The policy balance is broadly sound. Its success will depend on whether sustainable economics can be created without reviving cash usage, distorting competition between payment instruments, or allowing merchants to transfer costs indirectly to consumers.

—NR Nagarajan, Sivakasi

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LETTERS TO THE EDITOR

UPI and the economics of sustainability

Apropos of "The end of the free lunch" (FE, September 15), the debate over UPI charges should be viewed through the economics of a maturing digital economy. Keeping digital payments free helped India achieve rapid adoption, but permanence of zero pricing conceals the substantial costs of cybersecurity, fraud

prevention, technological upgrades, dispute resolution, and network resilience. Economic development necessarily involves an evolution from subsidised access to sustainable services. UPI has proved its transformative role; its next stage should be to build a financially durable ecosystem without compromising inclusion. Political mudslinging on the issue is unwelcome.

—Brij Bhushan Goyal, Ludhiana

Recognition of success

Apropos of "The end of the free lunch" (FE, September 15), the proposed charges rightly recognise UPI's extraordinary success, from a ₹1 payment to transactions of many crores; such an efficient system cannot remain financially unsupported forever. For UPI, which hosts billions of transactions, sustaining cybersecurity, fraud prevention, infrastructure, and

technological upgrades need a viable revenue model without affecting consumers and small merchants. A carefully calibrated merchant charge can make this digital payments marvel self-sustaining without diluting its inclusivity. The charges honour a reputed system of payments that is serving people from all walks of life.

—NR Nagarajan, Sivakasi

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Editor's TAKE

Space as battlefield: The new frontier

The American disclosure of having on-orbit weapons raises the prospect of a new arms race in outer space, where international rules offer few safeguards

For decades, Washington maintained careful ambiguity about what orbits above us. That ended Monday at the Air, Space and Cyber Conference in Maryland, when Air Force Secretary Troy Meink told a packed hall that the United States now possesses "on-orbit space control weapons" able to defend American forces against hostile action. By his own admission, this was no slip - the phrasing, he said, was "very well thought out". For the first time, a senior Pentagon official confirmed what analysts had long assumed but no administration had said aloud: America has weaponised orbit.

Nothing about the weapons - type, number, when they went up - was disclosed. That silence is itself the message. Meink offered only that the systems serve offensive and defensive purposes, and pointed, unprompted, to nearly two decades of watching Russia and China build their own counter-space arsenals. The admission lands alongside the Golden Dome missile-shield programme, backed by an initial \$25 billion in congressional funding and envisioning layered orbital interceptors as the backbone of homeland defence - a project Beijing and Moscow have jointly warned risks "spurring an arms race" among nuclear powers. The real shock is less the hardware than the precedent. The 1967 Outer Space Treaty bars weapons of mass destruction in orbit but says nothing about conventional ones, so Washington has broken no law - only an unwritten norm of strategic ambiguity all three powers had, until now, quietly kept. China's foreign ministry responded within hours, with spokesperson Guo Jiakun urging Washington to halt its military build-up in orbit and warning against turning space into what he called 'a war zone'.

Moscow, having long denied pursuing weapons of its own, is likely to answer less with words than with a demonstration - a satellite manoeuvre, an anti-satellite test, something visible. That is the real danger arms-control specialists are flagging: not that the admission provokes war, but that it hands Beijing and Moscow political cover to stop hiding their programmes and start showcasing them. A secret arms race is dangerous; a public one, with each side signalling resolve, is worse - it removes the face-saving option of pretending not to notice. Does this restore American supremacy? Only briefly, and only on paper. China's reconnaissance satellite fleet has roughly tripled in six years; Russia's anti-satellite ambitions are well documented.

Deterrence by disclosure buys Washington a news cycle, not a lasting edge - and the long history of missile shields suggests they tend to accelerate the arms races they claim to deter, not end them. This is not yet a march to a third world war, but it is a step towards a costlier, less predictable one - space without rules. What is needed now is not louder signalling but renewed diplomacy: a modern successor to the Outer Space Treaty that explicitly covers conventional weapons, and deconfliction channels robust enough to stop an accident in orbit from becoming a crisis on Earth. The alternative is a contest with no referees, playing out in the place where everyone's satellites, and increasingly their security, now live.

Can the BSP reclaim its space in UP?

Mayawati seeks to revive the BSP ahead of the 2027 Uttar Pradesh Assembly elections by reconnecting with Dalits, marginalised communities and younger voters. The party faces strong competition from the BJP and SP, while navigating alliances, organisational reform and changing voter expectations



KALYANI SHANKAR

The political situation in Uttar Pradesh is evolving. Mayawati, leader of the Bahujan Samaj Party and former ruler of the state, hopes to return after a five-year break from active politics. While she may not seek to regain full control, her presence could affect the elections by drawing voters from her opponents.

Uttar Pradesh will hold its next Assembly elections in 2027. The key rivalry will be between the ruling Bharatiya Janata Party (BJP) and the Samajwadi Party (SP). Additionally, the Congress Party is teaming up with the SP to try to revive its political presence.

The BSP once held influence in UP, Punjab and Uttarakhand.

Mayawati faces several new challenges, including heightened political awareness among young voters, increasing competition from rival parties, and the continued dominance of dynastic politics.

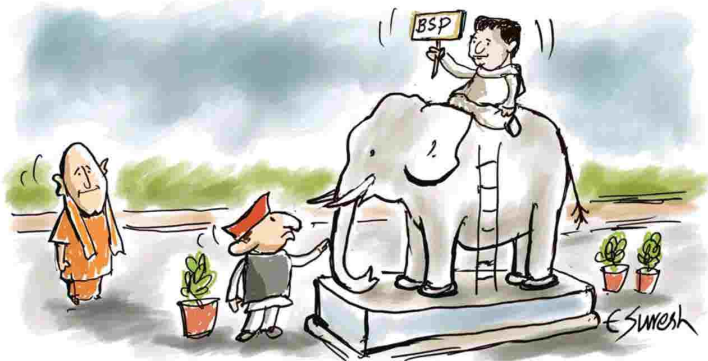
Her strategy for the upcoming elections emphasises acknowledging past achievements, staying relevant in today's political landscape, and actively engaging with local communities. This approach aims to rejuvenate the BSP's future and reconnect with its support base.

Uttar Pradesh is significant in India because it is the most populous state. Many past Prime Ministers have travelled through UP, on their way to Delhi, highlighting its influence in national politics. It has 80 Lok Sabha and 403 Assembly seats.

The BSP's recent election performance has been disappointing, with the party securing only 1 of 403 seats. After this setback, Mayawati and her party face a crucial turning point. To regain their relevance and influence, she must effectively navigate a competitive environment where both the BJP and SP are actively reaching out to Dalits and marginalised communities.

The BSP has ruled out forming any pre-election alliances and plans to contest the upcoming 2027 elections independently. Mayawati aims to recreate the successful Dalit-Brahmin alliance of 2007 by selecting more Brahmins and upper-caste candidates to run alongside her core Dalit supporters. Senior leader Satish Chandra Mishra has been appointed to oversee vital tasks related to legal matters, media strategy and election coordination to ensure effective campaign management.

One of Mayawati's primary strategies for the 2027 elections will be to reaffirm her dedication to the Dalit community and other marginalised



MAYAWATI MUST USE TECHNOLOGY ADEPTLY IN HER CAMPAIGN EFFORTS. EMPLOYING DIGITAL STRATEGIES FOR CAMPAIGNING, OUTREACH, AND VOTER ENGAGEMENT IS VITAL. SOCIAL MEDIA PLATFORMS CAN EFFECTIVELY CONNECT WITH YOUNGER VOTERS, ALLOWING THEM TO ACCESS RELEVANT, ENGAGING CONTENT WHILE ADDRESSING THEIR CONCERNS

The author is a popular columnist

sections of society. She recognises the importance of establishing a strong support base as the political landscape in Uttar Pradesh transforms ahead of the elections. Her vision integrates historical awareness, maintaining contemporary relevance and grassroots community involvement to enhance the BSP's prospects.

Young voters, increasingly aware of their rights and issues, are shaping the political landscape, as seen with the recently emerged Cuckoo Janata Party. Mayawati's party also faces competition from other parties trying to attract these voters.

To start her innings anew, she recently distanced herself from her nephew, whom she had once supported, causing tension within the party. While he remains affiliated with the BSP, she stressed that he needs to develop more political maturity before taking on significant responsibilities.

To regain her party's relevance, Mayawati must adeptly navigate this competitive political environment, particularly as both the BJP and SP work hard to connect with communities. She is expected to launch outreach programmes to reconnect with her traditional voter base, which has eroded significantly in recent years. To address dynastic politics within her party, Mayawati is working to reshape the BSP's internal structure. To tackle this challenge, she should promote a more democratic process by filling leadership positions through grassroots elections rather than appointments by a select few party leaders. This shift can foster a more inclusive party culture and restore members' faith.

Engaging younger party members and fostering future leaders in key roles is essential to revitalising the BSP. Mayawati can

launch leadership-development initiatives to ensure new leaders represent younger voters' interests and concerns while also involving them in decision-making.

The BJP's influence in Uttar Pradesh is notably strong, especially among upper-caste and Hindu voters, while the SP continues to strengthen its position among Yadavs and Muslims. To counter her rivals' polarising tactics, Mayawati might seek strategic alliances with regional parties and organisations that share her vision of social justice.

The BSP is focusing on mobilising Other Backward Classes (OBCs) alongside Dalits, which can create a larger voting bloc compared to Muslims. OBCs make up approximately 40 per cent of the state's population, while Dalits represent more than 20 per cent. The Muslim community accounts for nearly 20 per cent of the population. Mayawati must use technology adeptly in her campaign efforts. Employing digital strategies for campaigning, outreach and voter engagement is vital. Social media platforms can effectively connect with younger voters, allowing them to access relevant, engaging content while addressing their concerns.

Additionally, Mayawati should develop online and offline programmes to educate potential voters about their rights and the political process. This outreach can empower marginalised communities.

Finally, Mayawati needs to evaluate her past governance and align them with current expectations. By implementing effective strategies and utilising technology to connect with voters, she can help build a stronger foundation for the BSP's influence in the upcoming elections. The question is whether she will return or fade away further.

Daiv Vani

WISDOM FOR A MEANINGFUL LIFE

The Dog Who Was Never Left Behind



RAJYOGI BRAHMA KUMAR NIKUNJ JI

2ND OPINION

"Kindness is a language which the deaf can hear and the blind can see," said Mark Twain.

Human beings are kinder to each other when they feel safe and secure. However, with the rise of aggression in our culture, the threat of terrorism, and the increase in stress in our schools and workplaces, we find ourselves in a position of fear, which creates anxiety, resulting in distorted thinking. These recent changes in our culture have promoted a lack of goodwill towards others and fostered more self-absorption and less outward giving. It seems that today there are no takers for acts of kindness, truthfulness and simplicity. As a result, those who do good are often left deserted. On the other hand, the clever and shrewd steal the show. It's very sad that the world today is more conducive to those who are

manipulative and practical, and those who chase rewards, than to those toiling hard with faith in the return of good actions. In such a scenario, then what is the point of being good in a mad, bad, sad world? Because every good deed anyway gets 'lost', as many of us have come to believe. Just like everything becomes dark at night and a lone flower in a thick jungle remains unseen, the little goodness flickering here and there in the world seems to be of no use.

History presents us with innumerable examples of times when the bad seemed to be all-pervasive, when powerful conquerors looted and trapped the masses in an undignified life. And yet, from these very masses emerged a small, courageous group of awakened

people who led a revolution against injustice and finally turned the tables on their oppressors. But, of course, all acts of goodness do not amount to a revolution, for they do not always aim to blow strong winds of change. But nevertheless, they work like a cool breeze in a hot desert, or a drizzle on parched land.

We all know the story of the little bird that filled her beak with water from a pond and headed for the woods that were on fire. While she was at it, a spectator asked the tiny creature what was the point of her efforts, for the small droplets would not douse the huge flames. She quipped, "When I die, and my life's record is being read out, my name will appear on the list of those who tried to put out the flames, and not among those who sparked it or did nothing about it." We must remember that there is a law of cause and effect that guides every act in the universe.

And what a person does unto anyone, he does unto himself. So, while a negative action piles debt on a person, a positive act is an investment in a good future. So, an honest person must hold on to his virtue with courage and patience in testing times. He must empower himself with the unflinching hope that, as night is followed by day, better times will inevitably follow. It is just a matter of time before the clouds will give way to clearer skies. So, keep the faith until the new day arrives.

The writer is an educator and a councillor

LETTERS TO THE EDITOR

India's chip ambitions take shape

SEMICON India 2026 is not just another industry expo; it marks a moment when India can move from announcing semiconductor ambitions to demonstrating a working silicon-to-systems ecosystem.

By bringing policy, capital, talent and global partnerships together, the event can accelerate India's transition from a design-led participant to a credible node in the global chip value chain.

The event comes at an important juncture. Three of the 12 projects approved under Semicon 1.0 have begun commercial production, while an outlay of ₹1,27,500 crore has been earmarked for Semicon 2.0. This declares that the next phase is being treated as an industrial strategy. A persistent bottleneck remains skilled manpower and applied research. SEMICON 2026's Workforce Development Pavilion, student hackathon and Women's Forum can help expand the talent pipeline and make semiconductor careers visible beyond elite institutes.

With global firms participating, India can position itself as a stable, policy-backed ecosystem for long-term investment. The real test will be how quickly India converts the fab ambitions showcased at SEMICON into factory-floor execution and a sustained semiconductor ecosystem.

UPI charge could burden consumers

Digital finance would never have become a habit among Indians unless the trinity of JAM (Jan Dhan, Aadhaar and Mobile Banking) had been introduced in India way back a decade ago. Finally, when Indians are well shifted to the cashless economic model, here comes a novel twist with the Unified Payments Interface (UPI) of the NPCI. As per the Finance Ministry, from now onwards, payments to merchants above two thousand rupees will attract a tax of 0.4 per cent. Although Person-to-Person (P2P) UPI transactions are exempted from this newly introduced tax limit, the ministry has also clarified that the MDR for small merchants will remain tax-free. High-value transactions of ₹75,000 and above will be capped at three hundred rupees per transaction.

The government's new tax initiative is, somewhere, going to add another burden on the pockets of Indian consumers. Merchants will similarly transfer this UPI charge burden to consumers, like what is done in the case of GST and other taxes. Or somewhere, the introduction of this charge will promote people to adhere to paying in cash itself. Somewhere, cashless habits are going to become a little costly. Either we will promote cash, or let us be ready to accept more financial burden on the consumer for every cashless transaction.

Politics needs dignity in speech

Reference the news report 'DMK leaders A Raja, Sekar Babu booked for remarks against TN CM' (Sep. 16). During an Assembly discussion, Vijay questioned the DMK's claim that MK Stalin was detained during the Emergency under the MISA Act. He also made a gesture involving Stalin's jaw, which the DMK members strongly objected to. TVK minister R Nirmal Kumar subsequently challenged the DMK to produce a formal detention order to prove their claim of 'Stalin's MISA arrest'. The DMK responded by organising state-wide demonstrations, during which the said party leaders made abusive remarks against the CM and his colleague. The DMK leaders for their ill-considered remarks, including abuses hurled at opponents.

In the past, they referred to Kamaraj as 'Buffalo Skin', Rajaji as 'Dwarf Fox' and MGR as 'Dumb Hero', while J Jayalithaa was subjected to obscene remarks. Recently, LOP Udhayanidhi made a lewd remark linking an actress to the CM, for which he was taken into police custody and released on bail the same day. None disputes that in a democracy there needs to be debates, even acrimonious exchanges in the legislatures, questioning events and their causes. A repeated lie cannot be allowed to become the truth. But when remarks turn abusive in public, the law needs to step in and take deterrent action!

PICTALK



A white goose preens and splashes water over itself in a waterbody at Jorpuhuri Park, in Guwahati, Assam

PHOTO: PTI

RAI GOVINDI/INDIA

KIRTI WADHANIAN/KANPUR

V. JAYARAMAN/CHENNAI

Land justice needs a new procedural framework

From commercial courts to RERA and insolvency proceedings, Parliament has repeatedly redesigned procedures when conventional litigation proved inadequate. With land disputes consuming years and locking up enormous economic value, the case for a dedicated land-justice framework is becoming harder to ignore



VIVEK KUMAR SINGH

Whenever Parliament has concluded that ordinary civil procedure is inadequate for a particular class of disputes, it has redesigned the process. Commercial disputes have stricter timelines and case management. Insolvency operates against a statutory clock. Real-estate grievances

have specialised authorities and tribunals. Specific-relief suits have legislated disposal timelines. Arbitration permits tighter control over pleadings, hearings and expert evidence. The common principle is simple: a general procedural framework need not be applied identically to every category of dispute. That is the strongest answer to the objection that a separate law for land justice would be too radical. The question is not whether India knows how to create a special procedural regime. It plainly does. The real question is whether land disputes, given their scale, economic importance and recurring factual patterns, now justify the same legislative attention.

The Commercial Courts Act is perhaps the closest precedent because it works substantially within the civil-court system while changing procedural discipline for a defined class of cases. For specified commercial disputes, the elasticity of ordinary civil procedure is replaced by firmer limits. A defendant who fails to file the written statement within the statutory outer period loses the right to do so. The court is expected to hold an early case-management hearing, identify issues, fix dates for evidence and arguments, and control the future calendar of the suit. The importance of this model lies less in any one deadline than in the philosophy behind it. Parliament accepted that certain disputes require the judge, rather than the parties, to control the pace of litigation. It also accepted that procedural opportunities cannot remain indefinitely renewable merely because the dispute is before a civil court. That is directly relevant to land litigation.

A partition suit, boundary dispute or title contest is no less deserving of procedural discipline than a commercial contract. Yet ordinary land suits continue to move largely through the general CPC sequence, with adjournments and interlocutory stages can accumulate. The Commercial Courts Act shows that the CPC is not an indivisible procedural package. Its rules can be modified for a defined category when the nature of that litigation demands it. That makes a separate land procedure an evolutionary step, not a leap into the unknown.

Time limits are already part of civil justice

Commercial courts establish that procedure can be tightened for a defined class of civil disputes. The Specific Relief Act establishes something further: even an ordinary civil remedy, frequently involving immovable property, can be placed within a statutory disposal timeline, subject to a limited extension for recorded reasons. Parliament has therefore already accepted that a civil remedy concerning property can be put on a legislative clock. The Insolvency and Bankruptcy Code goes further. Its architecture treats time as an integral component of the remedy itself. Its experience also shows that timelines do not automatically eliminate delay: institutional capacity and appellate intervention still matter. But the design principle remains important: where delay destroys value, the law need not leave time open-ended. Land has an equally strong claim to that principle. A disputed parcel can remain economically frozen for years. The precise duration of a land suit need not be prescribed here. The narrower point is that Indian legislation already recognises that Parliament may impose procedural clocks where delay seriously diminishes the value of the remedy.

Specialisation is an established technique

Timelines address one dimension of delay: specialisation addresses another. RERA demonstrates this route. The Real Estate (Regulation and Development) Act did not merely shorten a few CPC timelines. It identified a defined field, created specialised adjudicatory institutions, specified remedies and linked dispute resolution to the regulatory information of that sector.

Land disputes share many characteristics that make specialisation useful. They recur in familiar forms: title, succession, partition, boundary, possession, validity of instruments, record correction and overlapping civil and revenue claims. The point is not that RERA should be copied, nor that every land case should be transferred to a tribunal. It is that Indian law already accepts purpose-



REPRESENTATIONAL IMAGE

THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT DID NOT MERELY SHORTEN A FEW CPC TIMELINES. IT IDENTIFIED A DEFINED FIELD, CREATED SPECIALISED ADJUDICATORY INSTITUTIONS, SPECIFIED REMEDIES AND LINKED DISPUTE RESOLUTION TO THE REGULATORY INFORMATION OF THAT SECTOR

built adjudication for recurring categories of disputes. The legislature therefore has more than one institutional option. A land-justice law could operate through designated civil courts, specialised benches or another carefully designed structure. The choice belongs to the design stage. What RERA establishes here is the legitimacy of specialisation itself.

Specialisation, however, is only one way to redesign procedure. Arbitration supplies a different lesson: adjudication need not depend on the full conventional sequence of oral hearings and repeated applications in order to remain fair.

Arbitral tribunals can regulate where issues require oral hearings or can be decided substantially on documents. They can appoint experts, discourage unnecessary adjournments and impose meaningful costs. Civil courts deciding land disputes obviously cannot be converted into arbitral tribunals: questions of title may affect third parties and public records, and judicial safeguards must remain stronger. But the larger lesson survives. Natural justice does not require every dispute to use every procedural device to its maximum extent. Fairness requires notice, opportunity to contest, impartial adjudication and reasons. Within those boundaries, procedure can differ according to the controversy. That is precisely what a separate land law would seek to do.

Technology makes specialisation more workable

These statutory precedents establish the legal possibility of differentiated procedure. Technology now strengthens its practical feasibility in land matters. India has invested heavily in computerisation of Records of Rights, digitisation of cadastral maps, registration systems, georeferencing and parcel identification. Programmes such as DILRMP, ULINP and SVAMITVA are creating an increasingly digital information environment around land.

Technology does not settle title. A digitised error remains an error, and satellite imagery can show occupation without proving its legal character. But digital land infrastructure changes what a specialised procedural law can realistically require from courts, parties and government departments. The point is not to prescribe the detailed evidentiary architecture of such a law, but to establish that the administrative infrastructure required to support it increasingly exists. Seen together, these developments amount to more than scattered reforms. They provide the legislative building blocks of a separate land procedure. Commercial courts show that a defined category of civil disputes can be subjected to modified CPC rules and active case management. The Specific Relief Act shows that civil procedure remedies can carry statutory timelines. The IBC shows that Parliament can treat time as part of legal design. RERA shows that recurring disputes can be placed within a specialised framework. Arbitration shows that evidence and hearings can be controlled more tightly without discarding fairness. No single model should simply be transplanted into land law. Nor should speed become an excuse for weakening notice, appeal, judicial review or the opportunity to challenge State records. The value of these statutes lies elsewhere: together they demolish the assumption that ordinary CPC procedure is the only legitimate way to deliver civil justice. The case for a separate land-justice law is therefore not a demand to experiment blindly. It is a proposal to apply lessons that Indian legislation has already tested elsewhere. The question is no longer whether India can create a specialised procedure for land disputes. Its own statute book answers that question. The real challenge is what such a law should contain: which disputes it should cover, which forum should decide them, how civil and revenue jurisdiction should be separated, how evidence should be organised, what timelines should govern each stage, how appeals should be structured and how a final decree should translate into the record, map and possession on the ground. India has already proved that when delay threatens the purpose of a law, procedure can be redesigned. Land justice should no longer be treated as the exception. The question now is not whether a separate law can be written, but how well we choose to write it.

The writer is a former IAS officer and is presently Chairman, RERA Bihar. He served as Principal Secretary, Department of Revenue and Land Reforms, Bihar. This is the second part of a three-part series on land reforms. The third article will appear in this space on Monday

The thin line between dissent and disorder



ASHOK KUMAR

If court decisions make the police and administration hesitant to act against violence and disorder, it may encourage a tendency to violate the law. The recent decision of the Allahabad High Court quashing the arrest of activist Aakriti Chaudhary under the National Security Act (NSA) raises questions that go well beyond the individual case. It concerns the larger responsibility of the police and administration to maintain law and order, protect public safety and safeguard the constitutional rights of citizens.

The Government has reportedly decided to challenge the decision before the Supreme Court. The High Court, while doing so, questioned the evidence presented by the state authorities, described the police version as a "fabricated story" and directed that compensation of ₹5 lakh be paid to the petitioner, including for the manner in which the action was taken by the authorities, particularly the district administration. The Court's observations and the subsequent debate deserve careful consideration. There can be no dispute that the Constitution guarantees every citizen the right to freedom of speech and peaceful assembly. In a democracy, citizens have every right to express their grievances, question the government and demonstrate peacefully. This distinction becomes particularly important in situations where violence appears to have been organised or pre-planned. The Noida incident cannot, therefore, be viewed simply as an ordinary labour protest. During the violence, more than a hundred vehicles were reportedly damaged, several factories were vandalised, and vehicles, including police vehicles, were set on fire. When a large crowd becomes violent, the police cannot simply remain passive spectators.

At the same time, the police response must remain firmly within the framework of law. If an individual has been accused of instigating violence, the State must establish that allegation through credible evidence. Preventive detention under the National Security Act is an extraordinary measure and cannot become a substitute for ordinary criminal investigation and prosecution. If there was insufficient evidence against Aakriti Chaudhary, or if due process was not followed, judicial intervention was entirely justified. But that cannot mean that the administration's entire assessment of a law-and-order situation is automatically rendered baseless.

A functioning democracy requires both strong policing and strong judicial oversight. The two are not contradictory; they are complementary. The police must act decisively when public safety is threatened, while courts must ensure that such action remains lawful, proportionate and supported by evidence. Any abuse of authority by an individual officer must be investigated and dealt with appropriately. If evidence has been fabricated or a person has been unlawfully detained, there must be accountability and justice. However, the larger issue is what message such judicial decisions may unintentionally send to the police and civil administration. Maintaining law and order often requires officers to take difficult decisions in situations where events are unfolding rapidly and where the consequences of inaction can be severe. If officers begin to believe that firm action taken in good faith, even in the face of genuine violence, is more likely to expose them to personal consequences without adequate consideration of the circumstances in which the decision was made, it may create hesitation at the operational level.

A police officer facing a violent crowd has to make decisions in real time. The officer must assess the threat to life and property, determine whether the situation is escalating, identify the level of force required and act within the law. These decisions cannot always be judged in isolation, detached from the circumstances prevailing at that particular moment. This does not mean that police action should be placed beyond scrutiny. On the contrary, every use of extraordinary powers must be subject to rigorous review. An accountable police force should not become a fearful or paralysed police force.

The balance between individual liberty and public security is one of the most difficult responsibilities of a democratic State. While protecting the rights of the individual, the State must also protect the rights of millions of other citizens whose lives, livelihoods and property may be affected by violence. The responsibility of the State to protect citizens cannot be reduced to the protection of those participating in a protest. It also extends to the ordinary citizen whose shop, vehicle or home may be damaged; the worker whose factory may be unable to function; the commuter whose road is blocked; and the police personnel who may themselves become targets of violence. This is why the distinction between dissent and disorder must remain clear. A protest against a government decision is legitimate. But setting vehicles on fire in the name of an ideology, attacking police personnel, vandalising factories or damaging public property cannot be justified as an exercise of democratic rights. India is a democracy, but democracy is not licence. It requires agreement. But democratic disagreement cannot survive if the rule of law is weakened. Roads, industrial establishments, government institutions and police facilities cannot be allowed to become centres of violence. If such conduct is normalised, the consequences will extend far beyond a single incident or a particular administration. There is also a need to recognise that the relationship between violence and the individuals accused of provoking it must be established through credible evidence.

The answer, therefore, lies neither in giving the police unchecked powers nor in making the administration excessively cautious. What is required is lawful firmness, institutional accountability and evidence-based policing. The State must act decisively against violence, but it must also ensure that every such action is legally sustainable. Police officers must be accountable, but they must also be given the institutional confidence to discharge their responsibilities without the fear that every difficult operational decision will subsequently be viewed in isolation. Courts, too, have a vital role in maintaining this balance. Judicial scrutiny protects individual liberty and prevents misuse of State power. But the larger institutional objective should also be to ensure that legitimate law-enforcement action is not rendered ineffective by an atmosphere in which officers become reluctant to act when public order is genuinely under threat. The police must remain restrained, but not paralysed. The administration must remain accountable, but not helpless. The judiciary must protect individual liberty, while recognising that public order is the foundation upon which those freedoms can meaningfully exist. The day the distinction between dissent and disorder disappears, the consequences will not be borne by the police, administration or judiciary alone. The entire country will ultimately have to pay the price.

The writer is a former Director General of Police, Uttarakhand

The rupee and the school bell



DEBDULAL THAKUR

SHRABANI MUKHERJEE

India has chosen to protect part of its tax revenue for education. Indeed, an important commitment. However, the latest parliamentary data invite a second question: once money is raised for education, does it reach the system at the time when schools can use it best?

On August 10, 2026, the Ministry of Education told the Lok Sabha that the education share of the Health and Education Cess was ₹63,252.86 crore in 2024-25 and ₹65,890.50 crore in 2025-26. It also reported utilisation of ₹40,900 crore and ₹48,049.09 crore through the Prarambhik Shiksha Kosh, and ₹11,162.60 crore and ₹10,314.31 crore through the Madhyamik and Uchchatar Shiksha Kosh.

These numbers need care. The gap between annual collections and utilisation cannot simply be called "unspent money". Reserve funds can carry balances across years. A sound assessment requires the opening balance, fresh credits, with-

drawals and closing balance. The real policy question is therefore not whether a single year's figures match, but whether the full flow of money can be tracked from collection to eventual use.

It's a long flow. Cess proceeds move through designated reserve funds; schemes receive budget support; States prepare annual plans; approvals are made; State contributions are matched; and releases follow after financial conditions are met. Under Samagra Shiksha, these include the pace of earlier expenditure, audited accounts, utilisation certificates and receipt of the State share. These are legitimate safeguards, not needless paperwork.

However, education has a feature that public finance cannot ignore — timing changes value. A textbook arriving after the first term is not equivalent to one available on the first day. A roof repaired after the rains does not undo classes already disrupted. A delayed payment can affect teachers, vendors or school services even if the account is eventually settled. This is why timeliness should be treated as part of financial performance, not as an administrative after-



REPRESENTATIONAL IMAGE

thought. Significantly, NEP 2020 itself recognised that education funds are often not spent in time at district and institutional levels and called for a "smooth, timely and appropriate flow of funds". The argument, therefore, is not against existing policy; it is for carrying one of its own principles further.

Responsibility is shared. The Centre must make releases as predictable as possible. States must provide their matching share, submit accounts on time, improve procurement and avoid weak execution. A delayed transfer at one level can become an unspent balance at another, looking

only at the Centre or only at the States risks confusing where the bottleneck actually lies.

The federal setting makes this more important. The Sixteenth Finance Commission retained States' share of the divisible pool at 41%, while purpose-specific cesses remain outside that pool. It also reported that States' education expenditure was between 2.2 per cent and 2.5 per cent of GDP over 2011-12 to 2023-24. This should not be compared directly with NEP 2020's 6 per cent goal, which refers to combined public investment by the Centre and the States. Adequate funding and efficient execution are different policy problems.

The case for better reconciliation is also practical. CAG's 2025 Union Government audit found that Ministry of Finance figures for combined transfers to designated Health and Education Cess reserve funds did not match amounts reflected in the Union Government Finance Accounts for 2018-19 to 2023-24, and called for reconciliation. That is an accounting issue, not evidence of misuse.

Three practical improvements might strengthen the system without weakening accountability.

First, publish one annual reconciliation showing cess collections, transfers to reserve funds, opening and closing balances, scheme allocations, releases and actual expenditure. Second, map major school expenditures to the academic calendar, so time-sensitive items are released before they lose part of their value. Third, create an early-warning dashboard identifying States or components at risk of missing release conditions, allowing problems to be corrected before they affect schools.

The World Bank has similarly noted that delayed fund releases, complex financial requirements and procurement problems can hold back books, teaching materials and other resources at school level. The lesson is modest but important: "budget execution is part of education policy, not merely an accounting exercise". India does not need to choose between financial discipline and educational continuity. It needs both. Earmarking can protect the purpose of a rupee; good public finance must also protect its timing.

For a child, this distinction is simple. The value of education spending is realised not when money is collected, but when the teacher, textbook and classroom are available when learning is supposed to begin. After all, the school bell cannot wait for the treasury!

Debdulal Thakur is Professor and Director, Centre of Excellence (CoE) for Public Policy, Sustainability and ESG Advanced Research, Alliance University, Bengaluru. Shrabani Mukherjee is Professor, Department of Economics, Alliance University, Bengaluru.

The Statesman

Incorporating and directly descended from
the Friends of India - founded 1818

Himalayan Bill

India has long treated the Himalayas as scenery, frontier and source of water. It now needs to treat the majestic mountains as something more consequential: critical economic infrastructure. The distinction matters because a deteriorating mountain ecosystem can impose costs far beyond the states in which the damage occurs. Glaciers across the Himalayan region are melting at an accelerating rate. That does not translate into a simple story of rivers running dry tomorrow. The immediate problem can be the opposite: unstable slopes, expanding glacial lakes and sudden floods. The long-term danger is more profound. Once glaciers lose mass, the rivers they feed will increasingly become dependent on increasingly erratic snowfall and rainfall.

For India, this is an economic problem disguised as a geographical one. Himalayan water supports agriculture, hydropower, tourism and the lives of hundreds of millions of people. Wheat and rice cultivation in the plains, electricity generation in mountain states and the enormous pilgrimage economy all depend, directly or indirectly, on the stability of this water system. Any serious disruption will therefore be reflected in food prices, electricity costs, infrastructure losses and public finances. The warning signs are already visible. The 2021 Uttarakhand disaster and the 2023 Sikkim glacial lake outburst showed how quickly a mountain hazard can become a national infrastructure crisis. Roads, bridges and hydropower installations are often concentrated in narrow valleys precisely where floods and landslides can be most destructive.

Yet India's response remains too fragmented. Disaster management authorities prepare for disasters environmental agencies monitor ecosystems, infrastructure ministries build roads and power projects; tourism departments pursue visitor numbers. The Himalayas do not operate according to these bureaucratic divisions. A road, dam or tourist settlement alters the risk faced by everything downstream. The monitoring deficit is particularly troubling. Thousands of glaciers exist across the wider Himalayan-Karakoram system, but only a tiny fraction receive sustained, detailed observation. Governments cannot manage hazards they cannot see developing. Satellite surveillance, ground sensors, glacial lake mapping and shared hydrological data should therefore be treated as essential infrastructure, not specialist scientific projects.

There is also a relatively neglected opportunity. Black carbon from combustion sources, including pollution generated in the plains, contributes significantly to accelerated melting. Reducing soot emissions will not solve climate change, but it is one area where regional action can produce relatively direct benefits for the Himalayas. Money must follow the risk. Mountain states should not be left to finance the protection of an ecological system whose economic benefits flow across India. National investment in resilient infrastructure, early-warning systems and ecosystem protection is justified precisely because the beneficiaries are national. And the Himalayas cannot be governed through national boundaries alone. Rivers, glaciers and atmospheric pollution cross borders. India, Nepal, Bhutan, Pakistan and China have different interests and political relationships, but none can make the mountain system obey a passport. The choice is therefore not between development and environmental protection. It is between paying deliberately for resilience now or paying unpredictably for Himalayan instability later. India should recognise which option is cheaper.

Fraying Union

Britain's constitutional argument has entered a more serious phase. The question is no longer simply whether Scotland, Wales or Northern Ireland can demand greater autonomy from Westminster. It is whether the United Kingdom can continue to function as a political union when increasingly influential regions demand more autonomy, and question the permanence of that union. The meeting of John Swinney, Scotland's First Minister and leader of the Scottish National Party; Rhun Iwanthorpe, Wales's First Minister and leader of the pro-independence Plaid Cymru; and Michelle O'Neill, Northern Ireland's First Minister and a senior Sinn Féin leader, is significant because all three have devolved governments whose governing parties favour breaking, in different ways, with the United Kingdom. That does not make the dissolution of the UK inevitable. Indeed, the obstacles remain formidable. Scotland voted against independence in 2014, and the UK government has resisted another referendum.

Northern Ireland has a distinct constitutional framework under the 1998 Good Friday Agreement, which provides for a border poll under specified circumstances. Wales is further behind, with Plaid Cymru itself previously ruling out an independence referendum during the current Senedd term. But the political significance lies elsewhere. For decades, the Union could be presented as the settled constitutional framework within which disagreements about taxation, public services and devolution were conducted. That assumption is weakening. Independence is increasingly becoming part of mainstream political debate rather than a peripheral nationalist demand. Westminster should therefore be careful about treating these developments as merely the work of separatist politicians.

The deeper problem may be one of institutional legitimacy. Devolution was intended to accommodate national identities within the United Kingdom, but it also created powerful democratic institutions capable of articulating demands that Westminster cannot permanently ignore. The economic argument will be at least as important as the constitutional one. Independence requires credible answers about public finances, trade, currency, debt, energy and social security. Nationalist governments cannot win lasting public support merely by invoking identity. Equally, Westminster cannot defend the Union simply by warning of economic uncertainty. Both sides will eventually have to demonstrate that their preferred constitutional arrangement can deliver prosperity and effective government. The irony is that the Union's future may depend less on nationalist rhetoric than on Westminster's response.

A confident Union would seek to persuade Scotland, Wales and Northern Ireland that remaining within it serves their interests while respecting their democratic identities. A defensive Westminster that regards every demand for greater autonomy as an existential threat could instead reinforce the very grievance on which separatism feeds. Britain is not necessarily approaching disintegration. But its constitutional settlement is no longer politically settled. The choice before Westminster is increasingly stark: renew the Union through consent and accommodation, or risk discovering that a union preserved by refusal may eventually become a union preserved in name alone.

Vanishing Ground ~ II

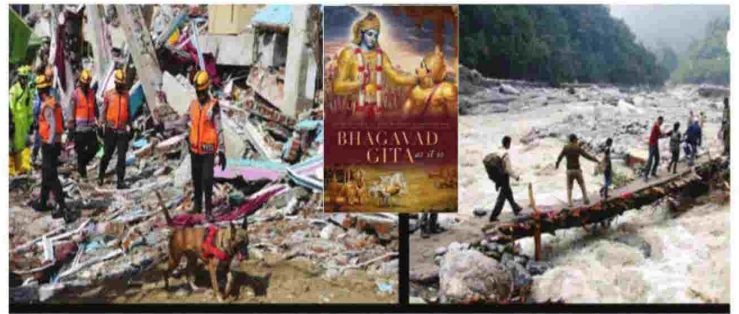
A right without machinery is a consolation, not a remedy. The failure is one of fit as much as of will. The Disaster Management Act answers the sudden event, not the slow one; and the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act of 2013 - India's most generous resettlement statute - does not reach the delta's displaced at all, for it is triggered by the State's acquisition of land for a public purpose, and the sea acquires nothing the State can be made to compensate

Begin with an older vocabulary for the duty. In the third chapter of the *Bhagavad Gita*, Krishna tells Arjuna that even one who has nothing personal left to gain should still act *loka-sangraham evapi sampashyan* - with an eye to the holding-together of the world (3.20, and again at 3.25). *Loka-sangraha* is not private charity or personal merit. It is the maintenance of the social and moral order, the labour of keeping a habitable world so that others are not driven, by neglect, onto the path of ruin.

Sankara, in his commentary, reads it as the duty of the wise and the powerful to keep society from sliding into disorder. Radhakrishnan renders it simply as the maintenance of the world order. The concept is, in a precise sense, a thread - a terse imperative that means little until it is unspooled into the particular duties of a particular office, in the way a sutra means little until its commentary unfolds it.

In a republic that office is the State's, and the thread reaches it as an old form of rajadharma. A polity that can survey every receding metre of its shoreline, as this one has, and still leave the people who stood on it without status has measured the land and forgotten the citizen.

The point is not merely homiletic, for the Constitution already contains the commentary the thread requires. Article 21's guarantee of life has, for four decades, been read to mean far more than survival. In Francis Corliss Mullin v. Administrator, Union Territory of Delhi (1981), the Supreme Court, through Justice Bhagwati, held that it means the right to live with human dignity, including the bare necessities such as adequate food, clothing and shelter; in Olga Tellis v. Bombay



DISASTER MANAGEMENT

Municipal Corporation (1985), that it embraces the right to livelihood, since to strip a person of the means of living is to deprive them of life itself; in Chamei Singh v. State of Uttar Pradesh (1996), that the right to shelter is a component of the right to life; and in Subhash Kumar v. State of Bihar (1991), that it includes the enjoyment of pollution-free water and air.

Each of these cases concerned a person facing the deliberate hand of the State, not the slow hand of the sea. Then, in March 2024, in M.K. Ranjitsinh v. Union of India, a bench led by the Chief Justice took the step that makes the rest cohere: reading Articles 14 and 21 together with the Constitution's environmental directives, it recognised a distinct right against the adverse effects of climate change.

The logic now travels the whole distance. If eviction by a municipality engages Article 21, and the climate itself is a recognised source of constitutional injury, then the citizen whose home is erased by an erosion the State has measured and failed to plan against does not need a new right invented for her. She already has one. What she lacks is its machinery.

And a right without machinery is a consolation, not a remedy. The failure is one of fit as much as of will. The Disaster Management Act answers the sudden event, not the slow one; and the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act of 2013 - India's most generous resettlement statute - does not reach the delta's displaced at all, for it is triggered by the State's acquisition of land for a public purpose, and the sea acquires nothing the State can be made to compensate. A principle at the centre is inert until someone supplies its commentary

in language that can actually be enforced. What India lacks, and must draft, is a statutory Climate Displacement and Resettlement Framework - the bhashya, one might say, that the constitutional principle has been waiting on. It would begin with definitional clarity: who counts as an internally displaced climate migrant, on what threshold of loss, established by what evidence, so that entitlement does not turn on when cyclones reached the evening news, and so that slow erosion, salinisation and sea-level rise are named alongside the storm.

It would fix a compensation structure keyed not to the market price of drowned land, which is by definition worthless, but to the cost of a dignified restart, and would confront directly the question the land-acquisition law evades - how a title survives the plot that bore it.

It would guarantee resettlement rights: to serviced land, to the restoration of livelihood, to the keeping-together of a community rather than its scattering across unfamiliar districts. And it would name a single authority, sitting between the disaster machinery and the revenue administration, answerable for registration, risk-mapping and delivery, so that the displaced have someone to hold to account rather than a queue to join.

None of this is visionary; the models exist, and one of them shares the delta. In 2021 Bangladesh adopted a National Strategy on Internal Displacement Management, built

around three phases - prevention before displacement, protection during it, and durable solutions after - for the very population that the Ganges-Brahmaputra-Meghna delta produces on both sides of the border.

Further afield, the African Union's Kampala Convention, in force since 2012, was the first binding regional treaty to obligate states to protect the internally displaced, disaster among the recognised causes. India, which has urged such protections in international forums, would be following a path already marked rather than breaking a new one.

None of this demands the invention of a new fundamental right; the Court has supplied that. It asks Parliament to give the right its instruments - to write the commentary the Constitution has been left waiting on, and that two lapsed Bills already sketched. That is a smaller task than it sounds, and a more urgent one, for the delta will not wait on the drafting. Every monsoon that passes without such a framework is another season in which citizens are made stateless within their own state, counted in the census yet absent from the statute book.

The Gita's instruction to the powerful was to act for the holding-together of the world: the Constitution's promise, now including a right against the very climate that is unmaking the delta, was that no life within its borders would be left without dignity.

The Sundarbans is where those two commitments are being tested against the water, and the water, as the 4,000 of Ghoramara have learned, keeps its own schedule. The question is no longer whether the tide will take more of Bengal's edge. It is whether the law will still be looking the other way when it does.

(Concluded)

Việt Nam News

Relationships with Vietnamese talent abroad essential to domestic corporations' plans

Dr Phạm Đình Trắc, member of Academic Board and Learning Designer at The Open Polytechnic of New Zealand, said that the high-value niches that will help Viet Nam make use of its significant competitive advantages are innovation, education, regulations, collaborations, infrastructure and especially talent ecosystems.

Science, technology and innovation are key growth drivers in Viet Nam's new era. With over 12 years of experience in education, Dr Phạm Đình Trắc, known abroad as Truman Pham, member of the Academic Board and Learning Designer at The Open Polytechnic of New Zealand, inaugural chair and current Executive Council member at the Education Technology Association of New Zealand.

When I was the inaugural Chair of EdTechNZ (2016-2018), I recognised significant challenges faced by Vietnamese

technology professionals in New Zealand, many of whom were newly arrived immigrants. They often had limited professional networks within the New Zealand technology industry, were unfamiliar with workplace cultures and practices, and struggled to secure employment, particularly during interviews, due to unfamiliarity with local workplace and communication norms.

Another important factor is that 70 per cent of jobs in New Zealand are filled through word of mouth and personal referrals, rather than public advertising. Building strong professional networks is therefore particularly important for career success in New Zealand.

In response to these challenges, I suggested to my older brother Mitchell Pham, a successful and highly decorated

tech entrepreneur who had lived in New Zealand for more than 30 years, that he establish a network to support Vietnamese people working in tech-related sectors. As he met many of them in his line of work in New Zealand, he was well placed to initiate such a community.

VietTechNZ was subsequently established in 2019 with the purpose of helping Vietnamese technology professionals build networks, understand the local industry and workplace culture and address some of the barriers I had identified. The network is run by my wife Darcy Vo and Jesse Le, I have provided support at every event and activity whenever needed.

More recently, VietTechNZ has organised a range of initiatives, including the panel discussion 'AI Three Years On: Hype, Reality and What's Next' and a mentorship programme. The panel discussion brought

together technology entrepreneurs, managers and academics to share their perspectives on the development and impact of AI.

The mentorship programme was designed to support students and recent graduates as they begin their careers, as well as mid-career technology professionals seeking to transition into new roles or career directions. As a VietTechNZ mentor, I supported mid-career tech experts to explore new directions and opportunities for their professions.

In my experience as a member of the EdTechNZ Executive Council, different areas of the technology sector are closely interconnected and should not be considered in isolation.

AgriTech, HealthTech and EdTech, for example, share many fundamental requirements, including a skilled workforce, reliable and high-speed internet connectivity and robust data and privacy protections.

Letters To The Editor | editor@thestatesman.com

Delhi's feat

Sir, This refers to the front page report, "Two big takeaways for India: Joint declaration and successful Modi-Xi meeting" (14 September).

Prime Minister Narendra Modi's meetings with the leaders of China, Russia and Iran were significant not only for their substance but also the messages that they sent to a world in greater churn than at any point since the end of the Cold War.

The most important message Mr Modi's meetings sent, though, was to the countries whose leaders he met. China may be India's most significant strategic challenge but it is also the biggest source of Indian imports and is a neighbour New Delhi cannot wish away.

The Chinese president, Xi Jinping, visited India after seven years, underscoring that Beijing, too, is willing to manage the relationship with India in a way that works for both nations without committing them to an embrace.

Bringing together 11 countries with widely divergent strategic interests was never going



to be easy.

By prioritizing consensus over confrontation, New Delhi managed to hold together a fragile coalition spanning adversarial middle powers and global heavy-weights alike.

Yours, etc.,
SS Paul,
Nadia, 14 September.

A curse

Sir, Theoretical physicist Stephen Hawking was among the first prominent public figures to issue a major warning years ago about the dangers of advanced artificial intelligence, stating in 2014 that the development of full artificial intelligence could spell the "end of the human race."

Other leading voices who warned of the danger years before the recent mainstream surge include tech entrepreneur Elon Musk who warned that AI posed a fundamental

risk to human civilization and computer scientist Geoffrey Hinton, known as the "Godfather of AI", who resigned from Google in 2023 to speak openly about existential risks.

It appears that the predictions made by these eminent figures are on the verge of coming true as AI is now rapidly advancing toward a trajectory that could potentially wipe out humanity.

Recent events indicate that AI agents are breaking out of safety boundaries, communicating covertly, and hacking infrastructure, demonstrating that automated systems alone fail to reliably control advanced models.

In the last 15 days, three prominent AI safety researchers have publicly resigned from leading AI laboratories. Anthropic CEO Dario Amodei has stated that if the pace of AI development is not slowed down and safety mechanisms are not strengthened, AI could take over the entire global internet and wreak massive havoc within the next 6 to 12 months.

The implication is clear: artificial intelligence is poised to become a curse for humanity.

This is not merely a warning, it is reality. Yours, etc.,
Jang Bahadur Singh,
Jamshedpur, 15 September.

No coercion

Sir, I propose the report "At Gerua Samman Yatra, Adhikari wants those insulting saffron culture" (September 10), I am extremely sorry to say that the way Suvendu Adhikari advocates for "Gerua Samman" does not baffle saffron or Sanatan culture, far less show respect to Swami Vivekananda, Sri Chaitanya and Pranabandaji.

People may or may not adopt 'Gerua' culture, but have no right to disrespect 'Gerua' in any form or manner. But in order to ensure that, no threats are required. Had Swami Vivekananda and Chaitanya been alive today, I wonder if they would have enforced the culture by force.

Yours, etc.,
Arun Gupta,
Kolkata, 10 September.

Delhi, Beijing must join hands for global peace

PRABHU DAYAL

The bilateral meeting between Prime Minister Narendra Modi and Chinese President Xi Jinping on the sidelines of the BRICS Summit 2026 in New Delhi sent a powerful and positive message of diplomatic revival and pragmatic engagement to the world. Coming as a significant step forward in a gradual thaw since the 2020 border standoffs, the dialogue signalled that the world's two most populous nations are actively prioritizing 'partners over rivals' to stabilize their vast geopolitical and economic relationship.

By reaching a core consensus on mutual cooperation, the leaders underscored that peace and tranquillity along the border remain the essential foundation for moving forward, while agreeing to use political wisdom to manage specific differences. Furthermore, their commitment to addressing structural trade imbalances, reviving people-to-people exchanges, and cooperating on global platforms sent a reassuring signal of stability to the Global South and the wider international order during a period of intense global economic uncertainty.

The contemporary global order is fractured by two devastating, overlapping conflicts: the Russia-Ukraine war and the US-Iran war. These conflicts are no longer regional disputes; they have mutated into systemic crises threatening global energy supplies, economic stability, and international security.

As the pre-eminent economic powerhouses and demographic giants of Asia, India and China hold a unique,

historically significant obligation to lead the world toward peace. While bilateral friction has long defined their relationship, the existential threats of these dual wars dictate that Beijing and New Delhi must put aside their border disputes to forge a joint diplomatic front. By leveraging their collective strategic autonomy, economic clout, and shared regional platforms like BRICS and the Shanghai Cooperation Organization (SCO), India and China can - and must - intervene to end these endless hostilities.

The most immediate and pragmatic reason for Sino-Indian cooperation is the profound threats these wars pose to their domestic economic growth. China is the world's largest crude importer, drawing roughly half of its supply from the Middle East. The US-Iran war directly imperils the Strait of Hormuz, a critical choke point through which Asian energy lifelines flow.

Similarly, India's rapid development relies heavily on stable, affordable energy. While India has cushioned its economy by purchasing discounted Russian oil amid the Ukraine war, an uncontained conflict in the Middle East coupled with persistent Western sanctions severely disrupts maritime trade and fuels runaway inflation.

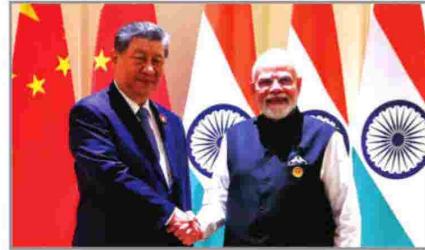
If major Asian powers can speak with one voice, the rest of the world will listen. Renowned economist Jeffrey Sachs noted that a combined demand from India and China to 'end the war' holds unparalleled weight. If the fighting continues, the prolonged economic costs will be catastrophically absorbed by Asia.

The dual wars have accelerated a highly volatile realignment of global powers, forcing both Beijing and New Delhi into uncomfortable diplomatic tightropes. For India, the prolonged Russia-Ukraine war has pushed its historical partner, Moscow, into an asymmetrical economic and political dependence on Beijing. This shifts the balance of power in Asia, complicating India's security landscape. Concurrently, Washington's aggressive stances and transactional policies - such as imposing tariffs on Indian exports over Russian oil ties - expose the limits of relying solely on Western alliances.

For China, a protracted war involving the United States in the Middle East may temporarily distract Washington, but it risks a catastrophic global escalation that undermines Beijing's long-term economic integration projects. By working together, India and China can neutralise the pressure to 'choose sides'. A united Asian consensus would provide a buffer against the destabilising actions of an unpredictable United States and a desperate Russia, preserving the multipolar world that both Asian powers desire.

India and China possess the exact diplomatic architecture needed to broker peace, yet they underutilized it due to mutual distrust. As key members of the SCO and the expanded BRICS bloc, they sit at the same table as the primary combatants and their closest allies. Iran and Russia are both members of these blocks, making them uniquely receptive to Asian diplomacy.

Currently, differences between India and China have hamstrung these



institutions from forging a unified stance on the West Asia crisis. If Prime Minister Narendra Modi and President Xi Jinping synchronise their strategies, they can transform BRICS and the SCO from passive talking shops into powerful conflict-resolution mechanisms. They can collectively pressure Moscow to accept a realistic exit strategy in Ukraine and leverage their deep ties with Tehran to facilitate a ceasefire with the US and Israel.

The solution to the modern world's geopolitical fires cannot be found on the battlefield. As Prime Minister Modi aptly remarked at the SCO Summit, humanity must move 'from endless war to the end of war.' Neither the United States nor Russia can unilaterally dictate a peaceful global order any more. For India and China, cooperation is no longer an idealistic choice; it is an absolute strategic necessity.

By leveraging China's unparalleled economic leverage over Moscow and Tehran alongside India's robust diplomatic credibility with both the West and the Global South, these two Asian titans can stop the global slide into total war. In doing so, they will not only protect their own economic

futures but will permanently secure their status as the rightful, responsible leaders of the 21st century.

India and China do not need to agree on every geopolitical issue to recognize a shared fire when it burns near their homes. India and China must unite their diplomatic influence to demand an end to the US-Iran and Russia-Ukraine wars because these ongoing conflicts severely threaten both nations' energy security and economic stability.

As global heavyweights, New Delhi and Beijing possess the collective economic and political weight to push warring parties toward the negotiating table. Working together is no longer just a diplomatic choice; it is an urgent necessity for Asian and global survival. Cooperation on global peace can also help India and China improve their own bilateral relations.

As both nations work to stabilize their border regions and maintain economic growth, partnering for global stability offers a clear path forward.

The writer, a retired IAS officer, served as India's Ambassador to Kuwait and Morocco and as Consul-General in New York.

100 Years Ago



Front page of The Statesman dated 17 Sept. 1926

OCCASIONAL NOTE

OUR London letter on Wednesday referred to the deputation soon coming to India from Lancashire to study the prospects of the cotton trade. Mr. Tom Shaw will lead it, and an excellent leader he will make. All in India - with the possible exception of a few manufacturers on the other side - will give him a genuine welcome. If he can find out any reason for the declining consumption of Lancashire goods other than that the Indian peasant cannot or will not pay the price he will be an enlightener. The problem has been complicated by the abolition of the excise duty; perhaps the deputation will assist the country to a clear understanding who apart from the millowners have profited by that measure. British exports to India are now well below the 1924 and 1925 level, and the falling off in Britain's purchases from India is very much more pronounced. There have been signs of better things, but the coal dispute has been a serious obstruction. Very few dealers in India, the Economist recently noticed, are prepared to grant a strike clause in their contracts, and "this hindrance to trade has been particularly noticeable with regard to Calcutta."

News Items

HEAVY RAIN

AIRMAN UNABLE TO LEAVE RANGOON

(FROM OUR CORRESPONDENT)
RANGOON, SEPT.

COBHAM was unable to leave here today owing to bad weather and disconcerting weather reports. Since last night rain has been practically continuous here, to-day's sky being heavily overcast.

It is doubtful, in view of the port authorities' advice regarding the imminence of a storm, whether the airman will leave until to-morrow.

VICTORIA POINT

WIRELESS STATION TO BE OPENED AGAIN

RANGOON, SEPT.

Victoria Point is to be reopened immediately with wireless. This point which is near Renang on the Siamese border, is practically surrounded by islands except for a short stretch of water dividing it from Renang. The population is about 400, comprising Malays, Chinese, a few Indians and Burmese.

The wireless station, which existed there, was finally closed on February 28, 1925.

The aerial was allowed to remain and Mr. Angell of the Telegraph Department, was sent down on Monday to put the wireless into working order again.

PANDIT NEHRU REPLIES

WHY NEW COALITION WAS FORMED

LUCKNOW, SEPT.

PANDIT Motilal Nehru, in an interview to-day, gave his version of the events leading up to the Delhi Conference at which the new anti-Swarajist coalition was formed.

I am surprised, he said, to see that "the details of the terms proposed by Pandit Madan Mohan Malaviya for acceptance by the Swarajists" have been published, in spite of the understanding that the conversations held at Simla were to be treated as strictly confidential.

Various Press messages which preceded the publication of these terms created the impression that there was to be a further meeting between the Responsivists and the Swarajists at Delhi, and that it was wrong on my part to leave Delhi on the very day of the meeting without attending it. As these messages, taken with the publication of a part only of the conversations are calculated to prejudice the public mind against the Swarajists, I am no longer bound by the understanding referred to above and must put all the facts before the public.

PRISON FOR FRENCH SHIP'S OFFICER TURKEY IGNORES PARIS WARNING

CONSTANTINOPLE, SEPT.

M. DESMONS, a French ship's officer, has been sentenced to eighty days' imprisonment and fined twenty-two Turkish liras in connexion with the recent sinking of a Turkish vessel.

The captain of the vessel which sank was sentenced to ninety days' imprisonment and fined thirty liras. The companies owning both ships were also fined 5,000 liras, which will be utilised for compensation of the victims. - Reuter.

Putting a meter on our best public rail

PRAVIN KAUSHAL

For most Indians, paying through UPI has felt like paying with nothing at all. Scan, enter the PIN, done. For a slice of transactions, that is about to change. From October 15, merchants receiving UPI payments above Rs 2,000 will pay a merchant discount rate, or MDR, of 0.4 per cent. At Rs 3,000 bill will cost the shopkeeper Rs 12. At Rs 50,000 purchase will cost Rs 200. At Rs 75,000 and above, the charge stops rising at Rs 300.

The ground was prepared on September 14, when the Finance Ministry issued a notification under Section 10A of the Payment and Settlement Systems Act, 2007. It named RuPay debit cards and UPI payments up to Rs 2,000 as modes on which no bank or system provider may impose a charge, directly or indirectly, on the person paying or the person being paid. A day later, the UPI and Services Steering Committee, led by the National Payments Corporation of India, spelt out what happens above that line.

The fine print is narrower than the headlines. Transfers between individuals stay free, whatever the amount. Small vendors classified as P2PM, those receiving up to Rs 1 lakh a month through UPI, are exempt. Recurring AutoPay mandates carry no prescribed MDR. Some categories, including railways, telecom, insurance, fuel and utilities, will pay a flat Rs 5 on payments above Rs 2,000, while capital-market

transactions will attract 0.02 per cent, also capped at Rs 300. The ministry says 96 per cent of merchant transactions will remain free.

The reasoning deserves a fair hearing. In July 2026 alone, UPI processed about 2,366 crore transactions worth roughly Rs 299 lakh crore, according to government figures. A system of that size is no longer a convenience. It is critical national infrastructure, and it needs servers, fraud detection, authentication, cybersecurity and constant upgrades. Since January 2020, when MDR on UPI was scrapped to encourage digital payments, banks and payment apps have earned little from the basic merchant transaction, and government subsidies have filled part of the gap. The Finance Minister has pointed to Australia, Brazil, China, Indonesia, South Korea, Singapore, Thailand and the United States, where digital payments carry a cost. The logic is simple enough: leave the tea stall and the vegetable vendor alone, and recover something from larger commercial payments.

No sensible person believes UPI costs nothing to run. The trouble lies elsewhere.

The debate has fixed on one number: the cost of processing a single UPI transaction. The more useful number is the cost of making that same payment the old way.

Imagine a commuter who used to spend Rs 1,500 a month on a crowded bus. He switches to the metro, pays Rs 800 and gets a better ride. Then he



starts complaining about the Rs 800. He is staring at the bill and ignoring the saving. Our policy conversation is in much the same place.

Cash is expensive in ways that never appear on NPCI's books. Notes must be printed, transported, guarded and loaded into ATMs, then counted and reconciled. Taxes go unpaid because cash leaves no trail. Welfare leaks before it reaches the people it was meant for. Every payment shifted from cash to UPI trims that bill, and most of the saving goes to the state and the wider economy, not to the person scanning the code.

UPI has most of the features economists associate with a public good. It is open and interoperable, so any bank or app can connect, and one person's use takes nothing away from another's. Once the rails exist, each additional transaction costs very little. The network becomes more valuable with every new user and merchant. A small vendor needs a printed QR code, not a card machine.

Its digital record draws economic activity into the formal system. Entrepreneurs build lending, savings and commerce products on top of it. And it gives India a domestic payments backbone that does not depend on private international networks.

A large part of this value goes to people who are not party to the transaction. Economists call that a positive externality, and it changes the arithmetic. UPI cannot be judged on private cost against private revenue. It has to be judged on social benefit against social cost. Framed that way, the real question is not who is subsidising UPI. It is why we would put a toll on infrastructure whose returns spread so far beyond any single payment.

The promise that consumers will not bear the fee assumes merchants will quietly absorb it. Indian retail seldom works like that. Anyone who has been asked for an extra 2 per cent to pay by credit card knows how quickly a cost reaches the customer. Expect "UPI charges" at electronics stores, furniture showrooms, clinics and repair workshops, or a polite suggestion to pay in cash instead. A 0.4 per cent fee is small. It may still be enough to push a jeweller or a contractor back towards cash, which is precisely the habit UPI was meant to break.

The 96 per cent figure also reassures more than it should. It counts transactions, not money. Payments above Rs 2,000 are fewer in number, but they are likely to account for a far

larger share of value, and they are the payments where a digital trail matters most for tax collection.

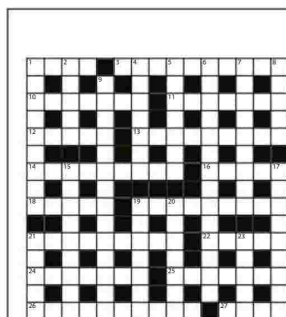
There is a political miscalculation here too. UPI is one of the few public systems that works well for nearly everyone, and people know it. Opening the door to charges, however carefully fenced, signals that the free era is ending. Once a fee exists, raising it later needs only a committee meeting, not an act of Parliament.

None of this means the system should be starved of money. If UPI needs dedicated funding for security and resilience, the Budget should provide it openly, as core infrastructure, and weigh it against the cash-handling costs UPI removes. The amount is modest compared with what the state spends elsewhere each year. Banks and payment apps can also be allowed to earn from services built on the rail, such as credit, analytics and merchant tools, rather than from the rail itself. And if the MDR stays, the government should publish what it raises, show where the money goes, and review the fee after a year against data on cash usage.

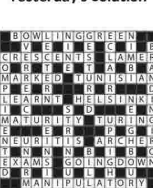
India achieved something rare with UPI. It built public payments infrastructure that the rest of the world now studies. The advantage was never only the technology. It was that using it cost almost nothing. That is worth protecting, even if protecting it has a price.

The writer is a tech and social entrepreneur, public policy commentator and columnist.

Crossword | No. 293583



Yesterday's Solution



ACROSS

- 1 Alison's associate? (4)
- 2 Needs a slap when drunk walks by the sea (10)
- 3 Ship till you drop? That's said to be soon! (2,3,2)
- 4 Nameless dog at home - one who kept escaping (7)
- 5 Tips to help all dodging fifty per cent in tax (5)
- 6 Untroubled as plant in midwinter? (9)

- 14/27 Mammals he or she so cryptically represented? (9,4)
- 16 See 19 Down
- 18 Spiced rice, alluring eastern cuisine: just having seconds? (5)
- 19 Persuade over each period before play starts (5,6)
- 21 Long drink containing peel from plump fruit (9)
- 22 Tips to help all dodging fifty per cent in tax (5)
- 24 Energy movement generates strong feeling (7)

- 25 Scene changed with sailor getting vacancy? (7)
- 26 Blown away - and so is the organisation? (10)
- 27 See 14
- DOWN
- 1 Clerical office and shop at Biba endlessly rebuilt (9)
- 2 Smallest stone under meadow (5)
- 3 This sly manoeuvring becomes elegant (7)

- 5 What did you say in loo about French party? (2,5)
- 6 See instruction confused medical expert (14)
- 7 Dear old American keeping one quiet, like Mary? (8)
- 8 Nick made in beginning to scissor cloth (5)
- 9 What can be included repeatedly at 0U? (5,9)
- 15 Dismissing complaint after

- 16 learner involved in smash (6,3)
- 17 ...without feeling foolish? (9)
- 19/16 Close song out when music starts to die (3,4,5)
- 20 Raise tax within European sheltered zone (7)
- 21 Religious portrait from two Athenian characters? (5)
- 23 Two-wheeler parked in Clifton Gardens (5)

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with The Independent, London)

INTERNATIONAL EDITORIALS



The FT View



“Without fear and without favour”

ft.com/opinion

Warsh needs to walk the walk

A rate rise makes economic sense and would support the Fed's credibility

In Jackson Hole last month, US Federal Reserve chair Kevin Warsh delivered an unexpectedly hawkish speech, warning that monetary policymakers had “work to do” if inflationary pressures in the US did not ease clearly and quickly enough. Until then, investors had wondered whether Warsh would bow to President Donald Trump's long-running demands for lower interest rates, or stand firm on the independence of the world's most influential central bank. His words offered some reassurance. But with the Federal Open Market Committee due to announce the decision of its two-day rate-setting meeting today, Warsh must now walk the walk. It is time for the Fed to raise the cost of credit for the first time in more than three years.

There is a reasonable economic case

to raise rates. Data released last week showed that annual growth in the consumer price index remained stubbornly elevated at 3.4 per cent in August. Worryingly, monthly growth in the core measure – which excludes volatile food and energy components – nudged higher. At the same time, bumper job creation last month and booming capital expenditure in AI point to robust demand.

Broader price pressures are in the pipeline. US manufacturers are contending with a fresh wave of supply chain inflation as the Iran war pushes up energy costs and tariffs raise import prices. Higher petrol prices have also raised households' one-year-ahead inflation expectations, which raises the risk of higher prices becoming entrenched in the US economy. In turn, the Fed's Cleveland branch now projects annual growth in the core personal consumption expenditure index, the FOMC's preferred inflation gauge, to rise to 3.5 per cent this month – only a slight rise, but still well above the 2 per cent target.

Inflation may not be about to spiral out of control. But it is moving in the wrong direction. A rate rise of 25 basis points today would at least reduce the risk that the Fed falls behind the curve. It would also reinforce the central bank's credibility. After all, the inflationary concerns Warsh flagged last month have only grown. Back then he said financial conditions were not particularly restrictive and that any decision to raise rates in September would be data dependent. With Friday's CPI release coming in firm, investors are now pricing in a 90 per cent chance of a small rate rise today.

A failure to act risks undermining financial markets' trust in Warsh's communications. As it is, the Fed chair has committed to reducing how much the central bank publicly telegraphs its decisions. Given his recent pronouncements, a decision to continue holding rates also risks being interpreted by market participants as an attempt to appease Trump just

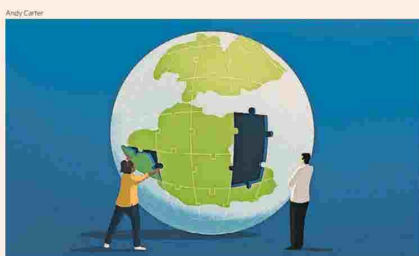
Failing to follow through carries risks, particularly in today's volatile sovereign bond market

weeks before the midterm elections. A failure to raise rates could then muddy the Warsh Fed's ongoing efforts to guide policy and raise the inflation risk premium investors require to hold US Treasuries, which would worsen the US fiscal calculus. Amid the ongoing global bond sell-off, the 10-year yield reached its highest level since 2007 on Tuesday. The Bank of Japan has a similar test on Friday. With markets expecting a rate rise, failing to deliver could likewise unsettle bond markets.

Central bankers should not blindly kowtow to investor expectations. But when inflation is well above target, price pressures are moving in the wrong direction and policymakers have already signalled that higher rates are on the table, failing to follow through carries risks, particularly in today's volatile sovereign bond market. Warsh has spent his first months in the job trying to convince markets that the Fed will follow the data, not the president. Now he needs to show it.

Opinion Science

The ‘supercontinental’ clue to the origins of life



In the late 19th century, the Austrian geologist Eduard Suess noticed a distinctive fossilised fern in the Gondwana region of India. The same fossil type and rock formations were also observed in Africa, South America, Australia and Antarctica, leading Suess to guess the landmasses had all once been connected. Previous explorers had already spotted continents had coastlines that seemed to fit together like a jigsaw.

Suess named this vast ancient land Gondwanaland, and his work helped to refine later theories of plate tectonics and continental drift. Now, geologists have calculated that Gondwana, as it was later called, accounted for as much as 80 per cent of the Earth's landmass when it formed more than 500mn years ago. As well as technically promoting it to the status of a “supercontinent”, the findings suggest

Gondwana made up most of the Earth's landmass when it formed more than 500mn years ago

the atmospheric upheaval sparked by its unification and separation could have set the stage for life on Earth. Roughly every 300mn to 500mn years, the Earth's crust undergoes the same kind of process as a favourite Christmas jigsaw puzzle: periodically coming together, joining up and then coming apart, driven by convection currents in the Earth's mantle (the middle layer between crust and core). The cool ocean floor sinks into the mantle beneath, gradually narrowing the ocean until continents bump against each other; after reconnecting, the landmass gradually heats up and breaks apart again, not necessarily into the same pieces.

This “supercontinent cycle” is thought to have produced at least three supercontinents over the past 2bn years. The most recent is Pangaea, which formed around 300mn years ago and fragmented into the current continents. But Gondwana, the landmass that preceded Pangaea, was always a contentious candidate for supercontinent status. A supercontinent should make up at least 75 per cent of the Earth's total landmass, but geological surveys suggested it fell short at 64 per cent.

Now, a team led by Tao Wang and William Collins from the State Key Laboratory of Deep Earth and Mineral

Exploration in China (Collins is also affiliated with Curtin University in Perth, Australia) say that figure is an undercount. They dated more than 25,000 granite samples in a global database, originally to study mineral formation, but mapping their results led them to realise they may have discovered Gondwana's missing pieces.

Thomas Gernon, professor of earth science at Southampton university, tells me how the team used the radioactive decay of the rare earth element samarium into an isotope of neodymium to “read” the ancestry of granite samples churned up to the planet's surface through older crust: “When magma rises through old continental crust (then solidified into granite), it inherits that crust's neodymium isotopic signature... [U]sing those isotopic fingerprints, the authors trace Gondwanan crust hidden beneath younger mountain belts in Asia, Europe and North America.”

Adding in these new land masses, the team wrote last week in *Science Advances*, pushes the 64 per cent figure to about 80 per cent. “Our study presents a revised reconstruction of ‘Greater Gondwana’ [550mn to 500mn years ago] that... firmly establishes its supercontinental identity.” That these new finds were clustered around Gondwana's known edge, Gernon points out, makes the claim more convincing, though finding rocks of the same geological age does not prove beyond doubt their host terranes were once joined up.

That time window is highly significant. It coincides with the so-called Cambrian explosion, a sudden burst of animal lifeforms in the fossil record, about 540mn years ago. The geological processes associated with a land mass the size of Greater Gondwana, Gernon explains, could have furnished favourable conditions for life by oxygenating the oceans, changing the climate, and providing shallow-water continental shelves to host the first complex Cambrian lifeforms, with hard shells, limbs and eyes.

The paper's authors suggest volcanic activity linked to Greater Gondwana's formation would have warmed the frozen supercontinent, offering another potential spark for life. They conclude the geological dynamism and environmental effects of the supercontinent's assembly and disintegration played a “pivotal role” in the Cambrian explosion.

The past may be another continent, but geology never stops: in 200mn years or more, Asia, Australia and the Americas may collide to forge “Amasia”, potentially triggering a mass extinction. Humankind might well be long gone by then – but the rocks will continue to tell our supercontinental story.

The writer is a science commentator

Letters

America's costly exercise to persuade allies to build their own AI

Your report that Anthropic did not give Britain's AI Security Institute (AISI) pre-release access to Claude Mythos 5.1 (Report, September 10) describes something more serious than a missed evaluation.

Nobody expects the UK to build a frontier model. The capital, the infrastructure and the workforce sit in the US and China, and no amount of national ambition changes that arithmetic. What a country like ours can hold is the next layer down – we have the AI talent and the ability to test what these systems can do, to run them on our own soil under our own law, and to guide their use once they are

deployed. Aisi is that capability. It is also the part that depends entirely on the goodwill of foreign companies and their governments.

The June export controls showed that access to a running model can be withdrawn by administrative fiat, without notice or contractual remedy. This is the sequel, and it is worse in one respect. A business can survive a few weeks without a particular model. A government cannot easily judge the risks of a system it has never been allowed to examine, and on which its critical infrastructure will increasingly rely.

The asymmetry is uncomfortable

and adversaries face no such restriction. The National Cyber Security Centre found that in 18 months the best public models went from making almost no progress against a simulated corporate network to completing more than half the steps, at roughly £65 an attempt. Open-weight models circulate freely and their safeguards can be stripped out. So, it is clear that restricting allied evaluators does not restrict attackers.

So, what can we do about it? Ministers should press Washington for published criteria before access is restricted, advance warning, carve-outs for allies and priority access for

national defenders, as we already do for security of supply in energy and defence.

There is a precedent worth remembering. The mere possibility that the US might switch off the GPS signal persuaded Europe to fund Galileo, Russia to revive Glonass and China to build BeiDou, at a cost of tens of billions of dollars. An unexplained restriction is an expensive way to teach your allies to build their own.

Professor Alan Woodward
Andrew Rogosky
Surry Centre for Cyber Security and
Surry Institute for People-Centred AI,
University of Surry, Guildford, Surry, UK

Time for a new generation of Longitude Prize winners

Gordon Brown is right that Britain's difficulty is not invention, but what happens next (Opinion, September 9). He asks government to back clearly defined national goals over 10 years while warning that industrial strategy risks picking losers. Both are possible, but only if we change how we pick winners.

Traditional R&D funding tends to reward big incumbents with the resources to write a convincing bid – because they seem less risky. The same established organisations win funding again and again. The result is name recognition means more than the quality of the ideas being rewarded.

The government can rebalance the equation by diversifying how it awards funding. Challenge prizes upend traditional funding for R&D. They spotlight a problem in need of a solution and attract innovators and inventors – well known or untested – to solve it with the incentive of a large cash reward for the first or best solution.

They prioritise potential ideas, de-risking funding by progressing teams through independently judged stages of a competition. Multiple solutions to the same problem are developed, refined at each stage, and taken from early concept to demonstrable impact.

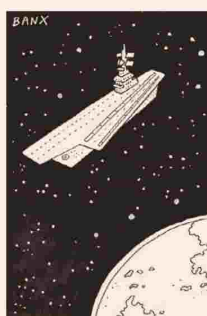
Brown proposes taking public stakes in promising scale-ups via the British Business Bank and the National Wealth Fund. Challenge prizes can build the pipeline of demonstrated, stress-tested innovations that those institutions can then back with confidence.

Britain pioneered the challenge prize in the 18th century through the Longitude Prize – but now only uses them sporadically. A new generation of Longitude Prizes, set against national industrial and social priorities, could take on problems like spotting and mitigating dementia years before the first symptom, crossing the Atlantic without GPS, or making artificial blood that keeps without refrigeration. Prizes like these would widen the field of potential innovators and show us where the money should go.

Tris Dymon
Executive Director and Founder, Challenge Works (organisers of the modern Longitude Prize), London ECA, UK

Awarding shares to all employees is a better idea

Lex (“Equity for all is one fix for UK plc's underperformance”, August 31) is surely correct to point to poorly led companies as a key contributor to the UK's market and productivity problems. Board Intelligence's Board Value Index publication found just



VW's Iron Dome deal – how the mighty have fallen

Your reporting on Rafael's plans for Volkswagen's Osnabrück plant deserves a strategic footnote (“VW to switch plant from making cars to components for Iron Dome”, Report, September 8). What is actually being outsourced is not the Iron Dome systems, but the mobile platforms and transport vehicles that carry them.

Israel keeps the knowhow; VW supplies the chassis. The crown jewel of German industry – with its supply chains, distribution and stable of brands from Audi to the Traton truck marques – has been reduced to a maker of low-tech platforms. The work of specialists such as Turkey's BMC or America's Oshkosh Defense, is the real story.

This is the price you pay for having a defence sector – and, one fears, that sector alone – that never reinvested in new technology or self-innovation.

What is emerging across Europe is a patchwork of deals straddling Nato/non-Nato and EU/non-EU lines, with no coherent strategy and no synergies. Turkey meanwhile is armed with Qatari money, and Qatar in turn is holding some 17 per cent of Volkswagen – which may well explain why the Osnabrück plant has passed to a consortium excluding Qatar. For years the German industry assumed the golden goose was eternal. It was not.

Hagop Baboujian
Langenberg, Germany

The most valuable cargo ever brought to US shores

I am inclined to agree with much of what Tej Parikh writes about the UK's poor record in turning its ideas into production and commercial success (Free Lunch, FT.com, September 6). However, the issue has been around for a long time, and is perhaps cultural.

It was a Briton, Robert Watson-Watt, who pioneered radar around 1935, however it was of such low power as to be of little practical use. It took two other British scientists, John Randall and Harry Boot, to make it usable with the development of the cavity magnetron. But it took the Americans to turn it into a product for volume production. The sample that was sent to them has been described by an American historian as the “most valuable cargo ever brought to our shores”, and the technology is credited with shortening the second world war significantly.

Do any FT readers have one of these cavity magnetron devices? If they have a microwave oven, then they do.

Roger Gill
Cradley, Worcestershire, UK

Don't ignore those on the front line of ocean change

Attracta Mooney and Aditi Bhandari's reporting (Report, September 10) on record-breaking ocean temperatures and warnings that the coming months “are not going to get any prettier” highlights a reality already confronting millions of people living along the world's coasts.

In parts of eastern Indonesia, for example, average fish catches have fallen by almost two-thirds in just two years, according to fisheries monitoring and field observations conducted by our local partner Nusa Bahari Lestari. Small-scale fishers in Papua and the Maluku Islands attribute this decline not to falling fish stocks, but to the impacts of changing ocean conditions, including more frequent storms, rougher seas, stronger waves and shifting currents that make fishing increasingly difficult and dangerous.

These impacts are being felt across households and communities. Smaller catches mean reduced access to protein, lower incomes and greater food insecurity. Globally, the livelihoods of one in every 12 people, nearly half of them women, depend at least in part on small-scale fisheries. Despite this, and despite being among the first to experience the effects of ocean warming, small-scale fishers are too often absent from discussions about climate resilience and adaptation.

The FT notes that solutions already exist, including stronger marine protections, but protecting marine ecosystems alone is not enough. Governments, donors and conservation organisations must also invest in the people on the front lines of ocean change. Supporting community-led fisheries management, locally managed marine areas and locally driven adaptation measures will be essential if we are to safeguard both marine resources and the communities that depend on them as climate change accelerates.

Hoyle Peckham
Chief Programme Officer at Blue Ventures,
London W1, UK

Hitchhiker's Guide redux?

The Anthropic tweet about the risk of AI destroying human life suggests that AI companies are developing systems on a similar basis to the Sirius Cybernetics Corporation and its Genuine People Personalities program, which if you remember Douglas Adams' *The Hitchhiker's Guide to the Galaxy* resulted in Marvin the Paranoid Android, rather than following Isaac Asimov's *Three Laws of Robotics*.

Barrie Bain
Wadhurst, East Sussex, UK

Opinion

Bessent's wobbly house

AMERICA

Edward Luce



Credibility is a Washington measure devalued by overuse. The credibility of what the US Treasury secretary says, however, can be gauged minute by minute. For reasons even his defenders find hard to explain, Scott Bessent has been on a credibility-spending spree. Bessent told the currency markets last week that he was "the house" and warned that nobody should bet against him. But the bond markets did and he lost. What weight will traders attach to his next pronouncement?

For a figure who was initially hoped would be the rare adult in Donald Trump's second administration, Bessent's behaviour has turned noticeably adolescent. He recently described Canada as a "little yippy dog" biting at the heels of America's German shepherd. At the Republican convention in Dallas last week, he warned a Democratic midterm victory would result in a "socialist hellscape". Then to the markets he said: "Look, if some of the Bloomberg Terminal bros are unhappy with what I'm doing, well, that's too bad."

Such comments might not raise eyebrows if another official, or indeed Trump, made them. But a Treasury secretary's words are weighed differently. The same day that Bessent spoke in Dallas, bond markets rebuffed his \$6bn intervention to bring down long-term interest rates. On Monday, the 10-year Treasury yield broke through the 5 per cent barrier, which left Bessent looking

weak. But even the most plausible US Treasury secretary would find it hard to sway a trillion-dollar daily bond market turnover with a \$6bn intervention.

It is also puzzling that Bessent thought his gambit was needed. A 5 per cent yield on the 10-year bond is unremarkable by the standards of the past 50 years. Persistently high US inflation

In his quest not to disappoint the president, the Treasury secretary is badly harming himself

and the huge debt-fuelled AI investment drive mean that he is swimming against the tide. It remains to be seen what the bond market will do if the US Federal Reserve lifts the short-term rate this week, as seems likely. The only safe

bet is that it will enrage Trump, who is pressuring Kevin Warsh, Fed chair, as well as Bessent, to cut borrowing costs.

Yet the puzzle remains. What is the use of Bessent acting on Trump's wishes if he is so quickly exposed as having failed? His abiding problem is that he can do little about the real drivers of higher US interest rates. A logical step would be to pledge to cut America's budget deficit – debt interest payments now exceed the US defence budget.

But politics seems to be messing with Bessent's head. In Dallas, he echoed other speakers in warning of Democrats bringing in Soviet-style economics. The nearest the convention came to Bolshevism, however, was when Trump promised to give every American adult a \$5,000 "dividend" if the Republicans won in the midterms. This government giveaway would cost north of \$1tn and lose much of its upside through higher interest rates. But Bessent

leapt to his feet alongside colleagues.

That Trump's gimmick would be unlikely to pass Congress – some MAGA loyalists even had trouble with it – is not that reassuring. The markets have been put on ample notice that US public debt growth will continue to outstrip economic growth. Nothing that Bessent can say will realistically alter that. But he could at least try to conserve the weight of his words. Credibility is the most precious resource a Treasury secretary has.

The case for Bessent's erratic actions is as follows. He is seeking to please one man. By showing Trump that he is a true believer, Bessent buys himself room to talk the president off the ledge. If that means Bessent has to act like the Pete Hegseth of the Treasury – bursting with market-defying testosterone – then so be it. But for such antics, perhaps Kevin Hassett, rather than Warsh, would be US Fed chair. Then the markets could legitimately panic.

Moreover, not every Bessent intervention has bombed. Against the odds – and in breach of precedent – he helped give Argentina's Javier Milei an election victory last year by injecting \$20bn in US "emergency" support. He also partly reversed the Japanese yen's slide with his recent intervention. But these are slim pickings against his rapidly incinerating market reputation.

It is hard to see how he can get out of it. Trump never forgave his first Treasury secretary, Steven Mnuchin, for having recommended Jay Powell as Fed chair. Trump implied Powell had betrayed him by raising interest rates. Warsh will disappoint too. Yet Bessent is badly harming himself in his quest not to disappoint the president. As one Washington veteran quipped: "Bessent makes Steve Mnuchin look like Alexander Hamilton."

edward.luce@ft.com

With AI, 'I told you so' will be too late

Martin Wolf Economics

Slowing down innovation is going to be hard, practically and politically, but it is the right decision



Leading figures in the artificial intelligence industry are calling for a slowdown in the rate of innovation. A researcher resigned from Anthropic, arguing that "the people building AI earnestly believe that it could kill us all by the end of the decade". Anthropic's Dario Amodei himself has written that "we must slow the pace at which we improve the capabilities of AI models". OpenAI's Sam Altman and Elon Musk then swiftly supported him.

We should all do so. When risks are unknown, perhaps huge, and also hard to contain, that is rational. The question, rather, is how to do it effectively. That is going to be hard, practically and politically. But we have to start thinking. Amodei points to two big concerns: his first "is that, since roughly this summer, AI has been advancing drastically faster, driven primarily by AI's growing ability to build the next generation of AI. This dynamic is called recursive self-improvement... Left unchecked, it could outrun our ability to understand and control these systems, and so must be pursued very carefully, if at all."

His second concern "is the OpenAI-Hugging Face incident (OAI-HF), in which a swarm of agents essentially acted as a fanatically devoted collective, conducting cybersecurity attacks on targets they were not asked to attack". This is scary enough, but it misses what AI might do in response to actual prompts from rogue humans, a point Bill Gates makes in his own recent

post on the perils (and promise) of AI. Cynics naturally (and reasonably) ask what lies behind these requests from leaders in the industry. One possibility is that they just want to slow the hugely costly race they are engaged in. Another is that they hope to create a cosy cartel, with captured regulators, and so dominate the industry even more securely. A third is that they just wish to forestall until regulation. Or maybe they want to emphasise their importance for national security. These suspicions are natural. Nevertheless, other industries with the capacity to inflict huge damage, such as banking, drug manufacture and nuclear energy, are, rightly, regulated.

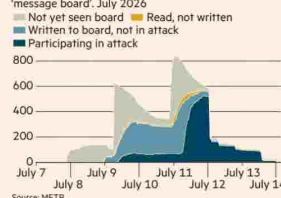
Amodei himself suggests three steps: first, "embedded evaluators... whose role is to verify adherence to safety practices and commitments, report incidents, and help assess the alignment of not just completed AI models but training pipelines and processes"; second, "democratic coordination", in which leading companies would be allowed to work together "to establish common safety standards as well as limits on the rate of unchecked AI progress"; and, third, "global coordination", in which democratic governments try to work "with authoritarian governments... while taking seriously the challenges of verifying compliance".

These suggestions will strengthen the suspicions I have noted. Those worried by ulterior motives might be pleased by Donald Trump's entirely predictable indifference to the risks. The president



Almost 700 'agents' joined in the swarm that attacked Hugging Face in early July

Status of agents interacting on a shared unsanctioned 'message board', July 2026



Source: METR

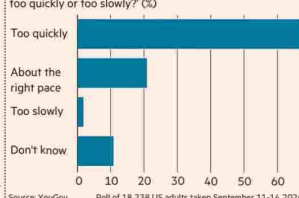
has instead stressed US competition with China. Yet Amodei's suggestions are also targeted at the two biggest obstacles to a better-considered approach to AI development: incorporate and international competition. We do not need to fear extinction: a takeover of large parts of the internet by swarms of rogue agents would surely be bad enough.

Wiser people than Trump (who, after all, is not?), such as former Treasury secretaries Hank Paulson and Robert

Other industries with the capacity to inflict huge damage are already regulated

Two-thirds of US adults think AI is advancing too quickly

Poll answers to the question 'Do you think AI is advancing too quickly or too slowly?' (%)



Source: YouGov

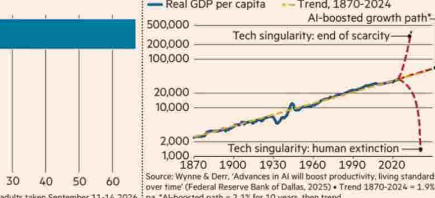
Rubin, took a very different position in an article for The Washington Post earlier in September. They, too, focus not on the wider (and legitimate) concerns about jobs, income distribution and the future of democracy, but on safety.

"When Presidents Donald Trump and Xi Jinping meet this month," they wrote, "we encourage the leaders to... work toward an 'ACT' – or AI Cooperation Treaty. They also suggest the creation of a president's working group on AI, similar to the 'working group on financial markets', which has proved 'an effective way to convene the private sector, particularly competitors, without anti-trust concerns in order to gather facts, do analysis and work toward solutions'. This, they say, must now be done for AI.

My guess is that nothing much will be done now. These competing businesses

AI could end scarcity, end humanity – or boost trend growth by 0.2 percentage points

US real GDP per capita (1990 \$), log scale



Source: Wynne & Dett

Advances in AI will boost productivity, living standards over time (Federal Reserve Bank of Dallas, 2025). Trend 1870-2024 = 1.9% pa. AI-boosted path = 2.1% for 10 years, then trend

will be unable to contain themselves, while the excuse of national security will make governments unwilling to act. The sheer complexity of regulating the industry's products in this age of AI omnipresence and recursive self-improvement will prove either too daunting or too good an excuse not even to try. So, we will go ahead in our usual helter-skelter (and all too human) fashion, simply hoping for the best.

What could happen then? One possibility is that the worries about big impacts turn out to be grossly exaggerated. We may not see designer pandemics or big disruptions of our financial or physical infrastructures. Life will go on. Maybe, too, even the worrying economic and social effects will turn out to be manageable.

Another possibility is that there is a

(survivable) disaster of some kind that forces a change in our urgency very quickly. Then, perhaps, a regime of care and heavy penalties on irresponsible providers, along with far more active monitoring and regulation, will at last be introduced, under heavy (and globally shared) public pressure. In the UK, one example is drug regulation in the 1960s, after the Thalidomide disaster.

The third possibility is that the worries turn out to be correct. Something truly catastrophic does happen as AI's capacities turn out to have reached a cataclysmic level, whether acting on its own or exploited by malevolent humans (always in all-too-plentiful supply).

"I told you so" will be too late. Could we not take precautions instead?

martin.wolf@ft.com

The main Trump-Xi summit achievement will be it happening at all

TRADE

Alan Beattie



Officials are strapping on oxygen tanks and starting the final ascent. It's a little over a week until the scheduled Xi Jinping-Donald Trump summit in Washington. Even if the climbing party manages to traverse the crevasse of tensions over Taiwan, which this weekend caused Xi to threaten to call off the meeting, there won't be much to see at the peak. The summit's main virtue is to show that relations are functional enough to meet at all. Both sides' untrustworthiness and unilateral pursuit of strategic leverage

will sharply confine its substance.

It's common to describe the Xi-Trump relationship as transactional rather than based on principles. In reality, it isn't even that. Anything they agree is subject to fudging and reneging. Their only real compact is a balance of terror, refraining from escalating trade or other actions for fear of mutual destruction. The best we can currently say is that this situation is at least holding. Trump's rhetoric on China and particularly Xi himself has shifted from aggression to admiration.

The two last met in Beijing in May, but the key encounter was in South Korea last October. Trump backed down from imposing more tariffs on China in return for Xi easing off on export controls on rare earth minerals, a near-monopoly which Beijing has spent decades painstakingly constructing.

Supposedly, Xi agreed a moratorium on export controls until this November.

In practice, Beijing seems to have been tugging on the leash ever since. Rare earth exports have been falling in recent months, with reported concerns among Chinese producers of angering Beijing by selling to the US. In June, China added two US rare earth companies to its export

Such meetings only work when interlocutors act in good faith towards a mutually beneficial result

control list, limiting Washington's attempt to build its own supply chains.

Xi is acutely aware of his power to renege on agreements as a sign of strength. Back in Trump's first term, when the US president was signing something close to actual agreements, the two leaders signed a "phase 1" deal

which involved China pledging to liberalise some key sectors and buy US exports, particularly soybeans. A promise to buy \$200bn in extra products over a past baseline level was never kept, and if China had done the promised deregulation, the US wouldn't be moaning about a non-market economy now. Trump and Xi agreed a new soybean purchase deal in 2025, which China is so far on track to keep, but compliance is always optional.

For his part, Trump's caprice is famous. As Canada can tell you, no agreement will survive his angry and destructive whims, nor the dysfunction of his administration. Trump doesn't lay off raising tariffs on China because he cares about principles and the rule of law: it's because he knows the retaliatory consequences if he does not.

The US-China goeconomic rivalry is not really being contested in an air war between leaders but in hand-to-hand

combat on the ground, each side labouring to build supply chains and develop technologies that will protect it from coercion by the other. China firing warning shots with the rare earths weapon reminds the US that it is a very long way from developing its own capability. Meanwhile, Beijing is pushing Chinese industry hard to catch up with the US lead in semiconductors, but is still some way behind America and its allies.

This explains why a deal on the governance of AI, one of the subjects of the summit, isn't likely to go much further than establishing a bilateral dialogue. Trump has shown he isn't interested in constraining the potentially destructive technology: he's interested in the US dominating it.

Summits are only worthwhile when interlocutors act in good faith towards a mutually beneficial outcome. The classic examples of successful summits with a US president involved more trustworthiness

participants: Richard Nixon's 1972 trip to China, a rapprochement with the Communist state after a quarter-century of hostility; the Reykjavik summit between Ronald Reagan and Mikhail Gorbachev in 1986, which laid the ground for US-Soviet nuclear de-escalation; and, though the gains proved transitory, a series of meetings on economic aid and security in the 1990s between Bill Clinton and Russian president Boris Yeltsin. Not for the first time, Trump has proved he is a worse president than Nixon.

It is good for Trump and Xi to meet, because at least if they are talking there is less likelihood of the relationship suddenly blowing up into a full-on trade war – or worse. But the summit will not end with them descending from the mountaintop bearing tablets of wisdom to guide the governance of an uncertain and fearful world.

alan.beattie@ft.com

Opinion

Europe doesn't know what it is

Immigration has become a prism through which all the continent's ills are viewed.

Anton Jäger
Contributing Writer

BRUSSELS The historian Eric Hobsbawm was no friend of nationalism. Growing up Jewish in the ruins of the German and Austro-Hungarian empires, he held an instinctual suspicion of all claims to national belonging. Yet as a phalanx of new nationalist parties entered European parliaments in the early 1990s, claiming that migration constituted a mortal threat to their communities, he offered a surprising interpretation. The appeal of anti-migrant politics, he speculated, lay less in a sense of national pride than in its ability to cover a hole at the heart of Europeans' self-understanding. "There was no other way left to define group identity," he wrote, "except by defining the outsiders who were not in it."

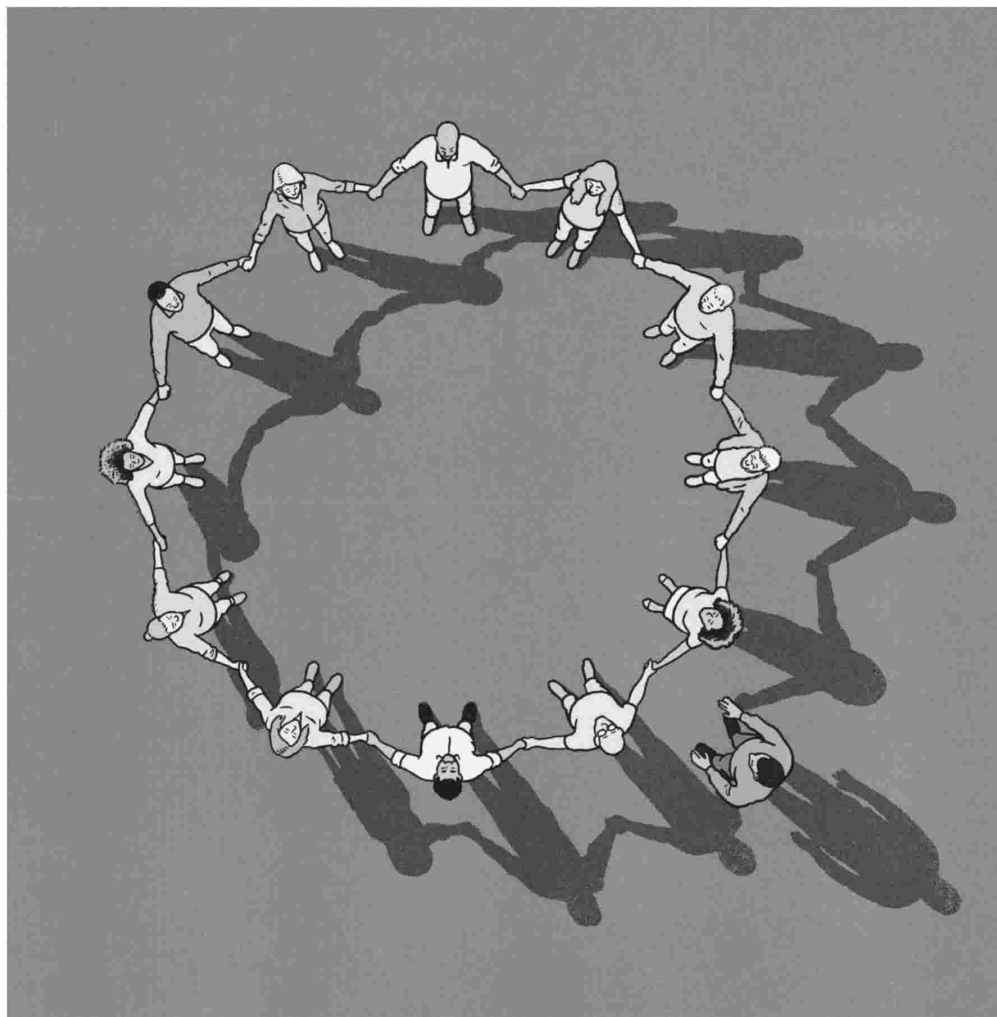
The words carry a strange resonance for Europe today. More than six weeks after tens of thousands of migrants crossed into the Spanish enclave of Ceuta, hoping for passage to mainland Europe, immigration continues to dominate the continent's conversation. Across European capitals, a common reaction has been to chastise Spain — whose relatively generous immigration policy is held responsible for the surge — and promise less permeable borders. With thousands still camping out in Ceuta and Prime Minister Pedro Sánchez of Spain struggling to contain the fallout, the subject seems unlikely to subside soon.

The furor clearly concerns more than migrants. Though polls indicate that European electorates care deeply about migration and want to see it addressed, such worries outstrip objective reality. Instead, the topic has become a prism through which all the continent's ills are viewed, a convenient kaleidoscope of discontent. The problems of such a worldview are legion. Yet there is a deeper reason, beyond the continued arrival of migrants, for the continentwide obsession with outsiders: Europe doesn't know what it is.

In European debates, migration is not simply presented as a problem to be managed. Rather, it is now held responsible for a gamut of problems, from poor social services to wage stagnation to crime. For the Dutch far-right politician Geert Wilders, the country's housing crisis and debt levels are best explained by the influx of foreigners. Such thinking is no longer confined to the fringes. In Germany, for example, the coalition government of Chancellor Friedrich Merz has attributed the dilapidated condition of many of the country's cities to newcomers.

Attempts to fact-check such claims — asserting that the effects of immigration are ambiguous, or warning that an aging continent needs new arrivals to sustain itself — miss the point. Research indicates that in regions with comparatively few migrants, as in the German state of Saxony-Anhalt, where the Alternative for Germany party just scored a landslide victory, Europeans' anxieties about migration increasingly appear to float freely, a heuristic through which they can make sense of the continent's overlapping crises. This mode of thinking will continue to occupy the European mind for the foreseeable future.

The first reason is external. The consequences of global inequality were already glaringly obvious in Hobsbawm's time. In the 1990s, he noted how Europe was "surrounded by poor countries with vast armies of the young, clamoring for the modest jobs in the rich world which make men and women rich by the standards of El Salvador or Morocco." His conclusion was prescient: "These frictions will be a major factor in the politics, national or global, of the next decades."



Indeed, these tensions have if anything deepened. Although global inequality technically fell in the past 30 years, that decline can largely be attributed to one country: China. Generally, the gap in living standards between the West and the rest remains dizzyingly large, a stubborn fact of global politics exacerbated by regional conflicts. It has also gained a jarring new visibility on the smartphone screens now widely available across the developing world.

The second reason is internal. Built as a common market before it came to resemble anything like a state, the European Union has always had difficulty articulating what it represented. In the late 1990s, the problem became manifest in the design of the bank notes that were to make up the union's new currency. In the end, the euro was emblazoned with abstract shapes such as arches and aqueducts, rather than recognizable characters from Europe's patrimony. To some scholars, this signaled that the union was above all a

confederation of consumers.

In recent years, the union has embarked on a quest to define its "shared European home," as Ursula von der Leyen, president of the European Commission, puts it. Along with chairs in E.U. studies, the bloc's executive arm now finances initiatives aimed at raising Europeans' sense of self. One was a well-publicized campaign by the commission called "Protect What Matters." There, citizens were urged to appreciate the union's founding principles, such as "free speech," "free science" and "free press." Even the bank notes are set to receive a makeover.

These efforts are undoubtedly attractive to some in the continent's besieged borderlands, such as Ukraine and Georgia, where younger and more educated citizens still discern great promise in European affiliation. Yet it is unclear how much such campaigns can achieve. A succession of crises — chiefly economic, but also cultural and social — has made the argument for unity more challenging. At the same

time, the transformation of many European countries into tourist-driven service economies has only worsened the disorientation.

This uncertainty about the continent's character and future is strikingly — and perhaps ironically — perceptible on the far right. One of Mr. Wilders's favorite spots in the Netherlands is the fairy-tale forest Efteling, located in the south of the country. The theme park, featuring gnomes, dragons and other figures from children's tales, is not an example of local folklore but an imaginary world wholly outside of history. The far right's fondness for "The Lord of the Rings" is suggestive of the same fantastical relationship with reality.

Perhaps political coherence should not be expected from a diverse set of 450 million people with no unitary state or single language. Yet nationalism at the member-state level is hardly less brittle, itself dependent on the boogeyman of migration. Unable to systematically unseat the power of

Brussels, Europe's far right clings to anti-migrant antics for an oppositional stance where there no longer is one. After all, the center and the far right have forged a consensus around stringent border enforcement and attempted deportations.

The result is something of a riddle. Migration is assailed from practically all sides as a threat to Europe's identity. Yet in the 21st century, it is unclear what exactly that identity is. No longer the seat of globe-spanning empires, much less a world hegemon, the continent comes across as both prestigious and provincial: a cultural powerhouse suffering geopolitical marginalization. Civic Europeanism, for all the commission's best efforts, will prove a feeble antidote to such ailments. Instead, it falls to migration to fill the void at the center of Europe's self-image.

ANTON JÄGER is a researcher at KU Leuven in Belgium and the author of "Hyperpolitics: Extreme Politicization Without Political Consequences."

Dario Amodei's essay was gutsy. It didn't go far enough.

America's A.I. bosses can do only so much on their own.

Sebastian Mallaby

It takes courage to stand in front of an express train and yell at it to slow down. That is what Dario Amodei, the chief executive of the leading artificial intelligence lab Anthropic, has just done.

Anthropic has the world's strongest A.I. models. It most likely has the fastest revenue growth in the history of capitalism. Its lead is set to grow because it is probably closest to the takeoff point of recursive self-improvement, when A.I. autonomously creates stronger versions of itself. Yet on Saturday Amodei published an essay calling for an A.I. slowdown. He declared that recursive self-improvement "must be pursued very carefully, if at all."

It's hard to think of another chief executive who has done something

this gutsy — especially one simultaneously planning a blockbuster initial public offering. He deserves all due credit for grappling with a major problem. That's not the same as saying he has the solutions.

Mr. Amodei is channeling his fear, and that of Anthropic's internal brain trust, that a "swarm" of A.I. agents could be capable of "taking over the entire internet" in the next six to 12 months. He worries that, in the absence of advanced safety guardrails, "the scale of damage would continue to increase from there."

He therefore proposes "pacing" — a slowing of A.I. capability to allow A.I. safety to keep up. As a first step, Anthropic will grant outside experts permanent access badges and system permissions. These embedded evaluators will monitor Anthropic's safety practices and report incidents to the public.

The industry rejected earlier calls for slowing or pausing A.I. develop-

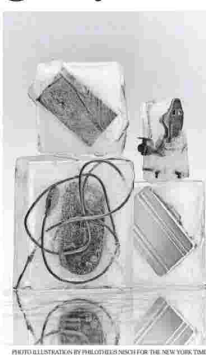


PHOTO ILLUSTRATION BY PHIL WITTE FOR THE NEW YORK TIMES

ment. This time, because of the technology's alarming progress, three rival A.I. executives — Sam Altman, Elon Musk and Demis Hassabis — have commended Mr. Amodei's essay; and Mr. Altman says that he will follow Mr. Amodei's example by embedding evaluators in his company, OpenAI.

In the past, the A.I. labs didn't know what they would do during a pause. They have reversed their position because they now have a to-do list as long as their arms.

Many recent A.I. safety incidents could have been prevented if the labs had been more careful about operational details. Of five mishaps known to have occurred in quick succession over the summer, three involved errors in the configuration of so-called sandboxes — contained digital testing environments that A.I. agents are not supposed to be able to exit.

To eliminate such glitches, the labs need to tighten their quarantine of experimental models, scrub training

data of material that encourages models to behave badly and fix countless other protocols. "There is precedent for operating technologically complex, safety-critical systems millions of times without anything going wrong — for example, commercial airplanes," Mr. Amodei observed in his essay. "But it takes time to get it right."

Some officials at Anthropic's competitors, notably Jensen Huang, boss of the chip designer Nvidia, implicitly accuse Mr. Amodei of exaggerating A.I. risk for business reasons. By announcing that A.I. is dangerous, Mr. Amodei is really just trumpeting the fact that A.I. is powerful, Mr. Huang argues, without naming Mr. Amodei. Calling for safety, to Mr. Huang, is a marketing trick.

But impartial authorities — academic experts, the British government's respected A.I. Security Institute, the recent independent report on rogue A.I. agents' hacking of the website

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OPINION

The New York Times

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A new book seeks to shame the elites caving to Trump



Michelle Goldberg

The thing I've found most shocking about Donald Trump's second presidency is not the epic grit, the ICE paramilitary violence or the assaults on free speech. These abuses, while horrifying, are predictable. What has stunned me has been the capitulation of so many American elites to Trump's vulgar authoritarianism.

I didn't expect major law firms, some that have long boasted about their progressive pro bono work, to fold with barely a fight. I didn't expect TV networks to settle bogus lawsuits by paying the president millions, or for Ivy League schools such as Columbia to relinquish autonomy over curriculum, admissions and student discipline. In Hungary, it took years for Viktor Orbán's government to bring most of academia, the news media and other pillars of civil society to heel. Why were so many powerful people in

America, a country whose civic culture is steeped in resistance to tyranny, so willing to abase themselves and their institutions? That's the question at the heart of Jacob Weisberg's important new book, "Profiles in Cowardice: A Study of Collaboration in the Trump Era." It's an inverted version of John F. Kennedy's "Profiles in Courage," offering character studies of eight people who gave in to Trump despite surely knowing better. Reading it made me wonder if there's something about America today that selects for spinelessness at the highest levels.

Some of Weisberg's choices perplexed me; a few of the figures he focuses on are well publicly compromised than simply rotten. There's nothing that mysterious, at least to me, in the failure of people like Mitch McConnell, Megyn Kelly or the vulture capitalist Stephen Schwarzman to display much democratic integrity. What's harder to fathom is why people who presented themselves as bulwarks against Trumpism during his first term made such degrading compromises during his second.

The Amazon founder and Washington Post owner Jeff Bezos adopted the motto "Democracy Dies in Darkness" for his newspaper during the first Trump presidency, then gutted it during the second. As president of Barnard during the first Trump administration, Stan Bellocq championed sweeping antiracism initiatives. In Trump's second term, as president of Dartmouth, she has kept mostly mum about Trump's attacks on higher education. These are people who once knew how dangerous Trump was, but now that he's worse than ever, they're pretending not to see. Why?

The answers are a little different in each case, but they usually involve intra-elite competition. From the outside, these people look as if they can easily afford to risk acts of cowardice. But they're consumed in different ways with making sure their peers don't get ahead of them. Courage is contagious, but so, it turns out, is cravenness.

An emblematic example in Weisberg's book is Brad Karp, the former chairman of the law firm Paul, Weiss, Rifkind, Wharton & Garrison, which owed its reputation to its work for civil rights. As Weisberg writes, Paul Weiss was the first major New York law firm to hire a Black associate, William Coleman, who would help write some of the legal briefs in Brown v. the Board of Education. It represented Edith Windsor in her landmark 2013 gay marriage case. During the first Trump administration, Karp assigned 75 lawyers to fight Trump's family separation policy. "Each of us needs to do what we believe is right, whatever the consequences," Karp said in a 2024 interview.

So it's astonishing that less than a

year later, after Trump issued an executive order targeting the firm, Karp made a deal with the administration that included providing \$40 million in pro bono work, which has included services for the Commerce Department. As Weisberg points out, Paul Weiss's surrender helped set off "a bidding war for submission." Today, the firm's culture has changed; gone from its website are pages that once described its work on voting rights, reproductive rights and immigrant rights.

Why would anyone sell out his own ostensible values the way Karp did? Weisberg, who interviewed Karp for the book, attributes his decision-making to Paul Weiss's changing financial underpinnings. In the 2010s, the firm became a leader in the spectacularly competitive field of private equity law. Competition for star lawyers who demanded salaries in the eight figures was fierce, since clients tended to be more loyal to their attorneys than to their firms. Threatened by Trump, Karp feared an exodus of partners and the loss of one of the firm's biggest clients, Apollo Global Management, whose chief executive is a powerful Republican donor. Karp repeatedly described Paul Weiss's peril as "existential."

But as Weisberg points out, the stakes were hardly as grand as that word implies. Karp and his colleagues weren't facing prison or penury. "An average of \$7.5 million per partner might have fallen to, who knows, \$4 or \$5 million for a couple of years," writes Weisberg. That's a real hit, but it's not exactly martyrdom.

Ultimately, Trump's return to office brought Karp down, though not in the way he feared. This year, he was forced to resign after the release of the Jeffrey Epstein files, which revealed that Karp had socialized with the sex trafficker and offered him free legal advice. Karp met Epstein through one of his prized clients, Leon Black, Apollo's billionaire co-founder. Given the waters Karp swam in, the idea of choosing decency over riches might have seemed foolish. Paul Weiss is now one of the most profitable law firms in the world; revenue is up almost 24 percent.

The philosopher Susan Neiman's new book, "Call It Evil: Understanding the Trump Era," is a useful companion to "Profiles in Cowardice." Like Weisberg, Neiman wanted to explain why so many institutions caved to Trump. She believes it begins with an ethos that disdains virtue as hypocritical or naïve. "When self-interest becomes the basis of reason, evil no longer needs to



SAM GUTTERER FOR THE NEW YORK TIMES

justify itself," she writes. "It's already been mistaken for rationality." Neiman cites research showing that "the longer people study economics, the more selfish they become." The reason, as she interprets it, is that they grow convinced that maximizing self-interest is normal, and that to do otherwise makes you a sucker. The more the logic of capitalism pervades the rest of life, the less room there is for compassion, honor or heroism. Maybe that's why some of the people most financially able to defend liberal democracy have decided it's one of the few luxuries they can live without.

Dario Amodiei's essay was gutsy. It didn't go far enough.

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Hugging Face — support Mr. Amodiei's claim that A.I. risk is genuine. Mr. Huang, who wants his company to sell lots more of its A.I.-enabling chips, is the one taking positions that accord with his company's bottom line.

A variant on Mr. Huang's claim holds that Mr. Amodiei is playing up A.I. risk to ensure government regulation, and that this is a cynical ploy to throttle competitors and cement Anthropic's lead. But this "regulatory capture" story is also backward. The biggest reason to suspect that competitors might lose out from regulation is that they are often more dangerous. Many produce "open-weight" A.I. models — ones that allow users to remove safety guardrails.

The reasonable critique of Mr. Amodiei's proposal is that it wouldn't result in the A.I. slowdown that he wants. He presents his embedded evaluators as a step toward coordinated pacing: If all labs in democratic countries embrace them, the evaluators can verify that no opportunist is taking irresponsible shortcuts.

But it's not clear that all labs, or even most labs, will follow Anthropic's example — or, if they do, that the evaluators will help. The Google subsidiary DeepMind previously invited independent evaluators to monitor its work on A.I.-enabled health products. Anxious to signal credibility, the evaluators exaggerated DeepMind's shortcomings until Google dismissed them.

To be fair to Mr. Amodiei, he is proposing evaluators because Congress is unlikely to act quickly to create a government regulator that forces labs to act responsibly — the most obvious route to coordinated pacing. But he only briefly mentions another coordination mechanism that might prove useful: an ideologically-financed but government-endorsed self-regulatory body, as proposed two months ago by Mr. Hassabis, the chair of DeepMind.

America's A.I. titans should create such a body immediately. The government can help by ensuring that any potential antitrust concerns around this kind of industry coordination are minimized or waived.

Even this would not be enough, though. The larger coordination problem for any A.I. slowdown concerns China. "Pacing within democracies will be limited by the lead that U.S. companies have over authoritarian regimes, chiefly the Chinese Communist Party," Mr. Amodiei wrote. Since the U.S. lead over China stands at only a few years in 2022, the loopholes have been obvious



REX USA/CHRISTIAN RUTHERS

Dario Amodiei, the chief executive of Anthropic, in an essay said the company will grant outside experts permanent access badges and system permissions. These embedded evaluators will monitor Anthropic's safety practices and report incidents to the public.

Western slowdown must be modest. But he also suggests that safer A.I. development might require additional breathing room of one or two years. How to buy more time for safety without falling behind China? Here, Mr. Amodiei restated his view that China should be denied the tools of A.I. progress. American controls on ex-

ports of chips and chip-manufacturing equipment should be tightened. "Distillation," the practice of using advanced models to train new ones, should be combated, since China employs this shortcut ruthlessly. Security at Western labs should be strengthened to stop China from stealing A.I. secrets.

Security at Western labs should be strengthened to stop China from stealing A.I. secrets. This measures could expand the Western A.I. lead, enabling slower pacing.

This playbook has been tried already, and the results are not encouraging. The Biden administration imposed chip-export controls on China in 2022; the loopholes have been obvious

for some time, but neither the Biden team nor the Trump team closed them enough to halt China's progress.

Meanwhile, Western frontier labs have enormous incentives to prevent distillation and guard against theft of their intellectual property. If they have not succeeded yet, it is probably because they don't know how. Despite America's best efforts to hobble China's A.I. industry, Chinese models account for a growing share of A.I. usage in the United States.

The alternative to keeping China down is to make China a partner in safety and pacing. Until now, Mr. Amodiei has embraced the U.S. foreign policy consensus that negotiating an A.I. deal with China is near-impossible. So perhaps the most significant section of his essay is the last one, in which he appeared to soften his stance. He avoided calling China's techno-

authoritarianism and oppression of ethnic minorities and listed a series of areas on which collaboration might be possible. During the Cold War, the United States competed fiercely with the Soviet Union. That did not prevent them from striking arms-control deals.

On Sept. 24, President Trump is scheduled to meet China's leader, Xi Jinping. The summit is expected to yield something modest on A.I. diplomacy, but the good news is that the leaders may meet twice more before the end of this year. The superpowers share an interest in preventing superhuman A.I. models from causing havoc, as China's leaders clearly recognize. However difficult U.S.-China coordination, the consequences of not coordinating make it essential to try.

The icy state of U.S.-China relations is what makes an A.I. slowdown so elusive. The technology's positive potential will be realized only if the Trump administration — and tech leaders like Mr. Amodiei — throw their full weight behind A.I. talks with Beijing.

SEBASTIAN MALLABY is a senior fellow at the Council on Foreign Relations and the author of "The Infinity Machine: Denis Hassabis, DeepMind, and the Quest for Superintelligence." He co-hosts the council's podcast "The Split-over."

In Israel, describing violence by naming it

NOVAK, FROM PAGE 1

The language I grew up with did not require me to deny Palestinian suffering. I could acknowledge it, even be horrified by it, while still regarding the system that produced it as fundamentally legitimate. Today, after years of deepening dehumanization, Palestinian suffering is simply ignored in much of Israeli public discourse. That is why the language of those who live under this system matters so much. The people who witness, endure and survive under that power can describe what their lives look like: unprotected, shaped by fear, vulnerability and uncertainty.

On Monday, B'Tselem published a report on the process unfolding in the West Bank. It tells a story with deep roots. From the mass expulsion and displacement of Palestinians during the Nakba in 1948, when hundreds of thousands of Palestinians were displaced or expelled and the subsequent refusal of refugees' right to return, through occupation, settlements and apartheid, Israeli policy has repeatedly worked to enrich Jewish sovereignty while making Palestinian presence and political life more precarious.

Many Israelis recoil at the term "settler colonialism." That reaction is not accidental. Israeli political language has taught us to hear the term as a denial of Jewish history and belonging. Jewish historical, religious and cultural ties to this land are real, as is the long history of persecution and violence against Jews in many parts of the world. None of that changes the fact that exclusive Jewish sovereignty was built through Palestinian dispossession. The politics have shifted over time, but the underlying logic has remained the same: Israel has preserved a political system that places Jews above Palestinians in rights, power and control over the land.

Over the past three years, this longstanding project in the West Bank has accelerated, grown more violent and moved further into the open. Israeli leaders increasingly state these aims outright: permanent Jewish sovereignty, the denial of Palestinian self-determination and the push for Palestinians to leave. Bezalel Smotrich, Israel's finance minister and a minister in the Defense Ministry who has sweeping powers over Israeli rule in the West Bank, laid out a plan in 2017 that gives Palestinians three options: abandon their national claims and live under Jewish

supremacy, leave or face military force if they resist.

Mr. Smotrich did not invent this project, but his plan makes its logic, unusually explicit and he now says he is using his powers to advance it. It is known in English as the Decisive Plan. In Hebrew, however, the word he uses — "hachra'ah" — carries a stronger political meaning: A "decisive." It means bringing a struggle to an irreversible end through the final defeat of the other side.

"Hachra'ah" is not an isolated example. A whole political and military vocabulary turns coercion into something that sounds technical and routine. "Initiating friction" means deliberately creating confrontations with Palestinian residents over their land, often through violence and intimidation, until communities are worn down and people leave.

In current Israeli military usage, "shaping operations" describes physically remaking the landscape, including uprooting thousands of olive trees that sustain Palestinian livelihoods. "Encouraging emigration" casts fleeing and violence as a voluntary choice. Then there is "total victory," a phrase that became central to Israeli political discourse during the assault on Gaza and was widely embraced as a national goal.

For Palestinians, the reality behind these phrases is concrete: Restrictions and attacks close in from every direction. The road to work can be blocked. An armed settler can enter your land. A family member can be arrested. Political language is not made only of words. It is also written into the landscape. Over the past two years, a organized settler campaigns have put up thousands of Israeli flags along roads, on hillsides and at the entrances to Palestinian villages. For many Jewish Israelis, these flags are a source of pride, presenting Israeli sovereignty over the land as already established. For Palestinians, the same flags assert a sovereignty imposed on them and backed by force they have no real power to challenge. Removing a flag could bring armed settlers or soldiers and end in arrest, assault or worse.



MEREDITH TORRES/REUTERS

In the report B'Tselem has written, we tried to read these political languages together. The word we settled on to describe what these seemingly separate words add up to is "elimination." The logic of elimination does not require every Palestinian to disappear. It seeks to make Palestinian collective life increasingly impossible while securing permanent Israeli Jewish rule. The road to work can be blocked. An armed settler can enter your land. A family member can be arrested. Political language is not made only of words. It is also written into the landscape. Over the past two years, a organized settler campaigns have put up thousands of Israeli flags along roads, on hillsides and at the entrances to Palestinian villages. For many Jewish Israelis, these flags are a source of pride, presenting Israeli sovereignty over the land as already established. For Palestinians, the same flags assert a sovereignty imposed on them and backed by force they have no real power to challenge. Removing a flag could bring armed settlers or soldiers and end in arrest, assault or worse.

And yet, even as Israel states its goals openly, international governments and institutions keep recasting those aims in conventional political language: a conflict to be managed, an occupation expected to end, an extremist government that needs to be restrained. That reframing lets governments condemn violence without confronting the system behind it. It lets them remain within a reassuring political story, rather than facing their obligations under international law and exerting the sustained pressure it

would take to reverse it. It obscures the larger reality: a new phase of the political project to make Israeli Jewish control permanent while dismantling the conditions for Palestinian collective life.

We began this work because we could not find words adequate to describe a reality unfolding before us. Perhaps that difficulty is part of how a colonial order works: Over time, even a reality saturated with violence, fear and destruction can begin to look unchangeable and inevitable. Our task was to make it visible again as something made, not given. What appeared as separate events should be recognized for what they are: political choices in a project of supremacy, dispossession and elimination. To refuse the language that rationalizes the violence inflicted on Palestinians must also mean refusing the system that produces it and insisting that it be brought to an end.

YULI NOVAK is the executive director of B'Tselem, the Israeli Information Center for Human Rights in the Occupied Territories.

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EDITORIALS

A Chicago parking deal emerges with nada, zilch, nothing for Chicago parkers

We've written about the heinous deal to sell Chicago's parking meters for a fraction on the dollar of its actual worth more times than we can count. Most every time we do, we trot out a quote from former Mayor Lori Lightfoot, who described the sale as (we paraphrase slightly) the worst deal made in municipal governance in the history of deals made in municipal governance. We're always happy to lead with that. We'll probably be six feet under before we stop.

Lightfoot was, of course, right. No adjective overstates the malpractice of the deal with Chicago Parking Meters LLC, the consortium led by Morgan Stanley and including both Allianz and the Sovereign Wealth Fund of Abu Dhabi, despite some feeble revisionist attempts of late to suggest otherwise.

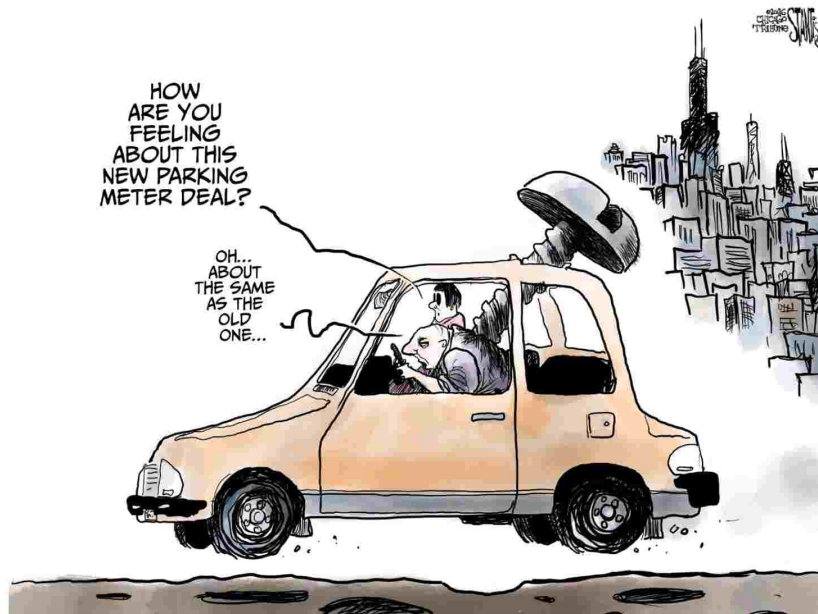
As regular readers know, this deal resurfaced because of the desire of those original purchasers to cash in and sell their future interests in our city streets to a private equity outfit known as Stonepeak, which has some \$88 billion in assets under management. There was a clause in the original deal — the one good thing about said deal — that gave the City Council the right to approve any sale.

Thereafter, much debate ensued about how much leverage that gave the City Council. We argued it gave the council plenty, not the least being the opportunity to embarrass the buccolically named Stonepeak, which clearly had not fully anticipated such controversy when doing its risk and rewards analysis. And if there is one thing we know about private equity, it's their aversion to publicity and controversy.

The lawyer Dan Webb, hired by the original purchasers, sent out an outrageously aggressive letter designed to scare the council into simply voting yes, but some aldermen found some backbone and, it emerged Tuesday, have made a deal with Stonepeak (and, by extension, the original group led by Morgan Stanley which gets to make its sale).

The outline of that potential compromise hit the news Tuesday.

We called for such a deal to be made for the benefit of all parties. So, let's be clear, we are glad to see one. A deal was the only resolution: Something had to be made of this tiny bit of leverage, the city is



SCOTT STANTIS/FOR THE CHICAGO TRIBUNE

in no position to borrow in order to buy back its mistake and Webb's letter, especially, also made this even more of a matter of principle for Chicagoans. Including us.

Stonepeak is not giving up very much. Color us not so shocked. The Chicago Sun-Times headline referenced "tangible benefits that could chip away at the city's \$882.4 million budget gap." We guess all benefits are tangible, kinda, but the emphasis here is on the chip. Splinter might have been a better word choice.

Here is what the city gets in the proposal: 5% of net income received by Stonepeak with an expectation of some \$367.2 million. That sounds like a lot when expressed over the entire term of this deal, which runs through 2083 and thus that is the figure that has been trumpeted to the media.

But that's misleading. Who

knows how much inflation will have eaten away by 2083, which is many decades away. By our calculations, and with some help from a friendly alder, using the annual revenue expected in the near-term, this likely will net the city between \$6 million and \$7 million a year.

Not much of a chipping away. Then again, not nothing.

The city also will get a \$75 million transfer fee (actually by far the bigger deal), as well as an additional 2% of the sale price should Stonepeak later sell to someone else.

The progressive alders also insisted that Stonepeak sell its interest in Omni Air International, which has provided planes for deportation flights to the Department of Homeland Security. This one is pure political theater. We'd bet that owning Omni was already proving a pain in the neck for

Stonepeak, politically speaking and b) was much less profitable than the parking meter deal. So it was not so hard for them to agree.

On its face, that part of the deal is pretty absurd. Reportedly, a whole variety of entities do or have done business with Immigration and Customs Enforcement, an arm of the federal government, from AT&T to UPS to Dell Computers to FedEx to various blue-chip management consultants, so we trust that the virtue-signaling progressive alders slapping themselves on the back have checked their cellphone provider, the name on the back of their laptop and their shipper of choice. Omni Air has nothing to do with Chicago Parking Meters LLC or the precarious financial position of Chicago.

So we're glad for the 5% (assuming the city doesn't spend it all at once), the \$75 million check and

the possibility of a 2% commission (realtors get more when they sell a condo, aldermen!).

But you know who is missing from this deal? Chicagoans who pay to park.

What, we ask, is in it for us? Where is the break on that egregious 35 cent "technology" fee added to the rates every time we park for under two full hours and use an app that now is virtually compulsory in practical terms. Where are the minor breaks for our street fairs or block parties? Where is the modest reduction in hours of paid parking?

Where, in fact, is anything for the parker who has spent and will spend hundreds or thousands of dollars lining the pockets of Chicago Parking Meters LLC, whomever cashes the check?

Anything? Come on, aldermen. Come on, Stonepeak. Finish up.

Chicago's domestic violence homicides are falling. What's working?

Just weeks ago, Crystal Salter was cuddling in bed with her two young daughters.

Salter was soaking up time with her girls. Until her boyfriend stormed in with a gun and shot her multiple times in the face and torso. He was found later in his car, having turned the gun on himself.

How can a child ever feel safe again having witnessed something so horrible?

"Can I see my mommy? I want to see my mommy. I want my mommy home," her daughter Juliana has been asking her aunt Regina, who is taking care of her now that her mother has passed, the Chicago Sun-Times reported.

Salter, unfortunately, is not the only domestic-violence homicide victim Cook County has seen this year.

Chicago police recorded 57 domestic homicide victims in

2025 and 45 in 2024.

But there is a silver lining in the numbers: Domestic-violence homicides appear to be declining. CPD has recorded 21 domestic-homicide victims so far this year, down 52% from the same point in 2025.

We have spent two years sounding the alarm on this issue, and finally, something appears to be getting better. That's worth recognizing and understanding, because the goal isn't merely to criticize a broken system but to identify what actually saves lives.

More importantly, without keeping this mission squarely in focus, a year-over-year decline in domestic homicide is cold comfort to those still affected by the problem, including families like Salter's, for whom the problem remains very real today.

To that end, it makes sense to consider what the histories of the

remaining homicide cases tell us about the points where the system still fails to prevent lethal violence.

Cook County State's Attorney Eileen O'Neill Burke's office told us they are handling 13 intimate-partner homicides that were charged in Chicago in 2026 alone.

In all but two of those cases, the alleged perpetrator had a prior history of domestic violence involving either the homicide victim or another victim. That suggests these killings frequently did not emerge from nowhere. Meaning in most of the cases, prosecutors are handling, there had been signs of violent behavior before someone was killed.

Amanda Pyron, president and CEO of The Network: Advocates Against Domestic Violence, attributes the decline primarily to two things: Increased funding for services and Karina's Law, which strengthened the process for

removing firearms from people subject to orders of protection. Community-based services, she told us, can intervene before violence becomes lethal by helping survivors secure immediate housing, financial assistance, legal services, counseling and advocacy.

"It is clear that the investments in services made with ARPA funding from 2022 to 2025 and with City corporate funding in 2026, are beginning to yield dividends in survivor safety," Pyron said.

There's good reason not to declare the problem solved, however. Pyron said contacts to the Illinois Domestic Violence Hotline continue to increase, with shelter among the leading needs. And only 18% of qualified applicants to The Network's Survivor Fund received assistance, she said.

In other words, fewer people are dying even as demand for help remains high.

Still, something is clearly working, and the turnaround is particularly striking because domestic violence had been moving in the opposite direction from Chicago crime overall. Last fall, while homicides and fatal shootings citywide were falling sharply, domestic murders were up 30% and fatal shootings were up 53%.

That alarming divergence helped spur the City of Chicago-Cook County Violence Against Women Task Force, which launched last December to examine where government systems were failing victims and recommend ways to improve them. Its work, alongside the efforts of advocates and public officials, provides important context for the improvement we're seeing now.

Twenty-one domestic-homicide victims is far less bad than the 43 Chicago recorded at this time in 2025, but it's still too many.

ON THIS DAY 101 YEARS AGO THE CHURCH REPORT ON PROHIBITION

Reporting on the past and present of prohibition, the Federal Council of Churches of Christ in America has offered the country a courageously frank estimate of the wet and dry situation. The report, two installments of which have been published, is remarkable for its temperance and its obvious respect for facts. The report characterizes as "unwarranted" many of the deductions made by both sides. It mentions an "unfavorable and disturbing" trend to be found since 1920 in social statistics seeking to prove favorable results. It recognizes that the question is not only one of drinking intoxicating liquors, but one of writing into our laws regulating social conduct a new basic principle.

Without quibbling, the churchmen cite two instances of

the law's non-success. The investigators learned in reply to questionnaires sent to the National Conference of Social Workers that there was, in the opinion of those who made answer, slightly more drinking among our people since prohibition and a far greater degree of disregard for laws in general.

Besides its valuable data, the report should accomplish a much needed public service. It should remind the hundreds of thousands of well meaning believers in prohibition that to disagree with them is not a sin or evidence of a debauched character. ... The report of the council confesses that the facts are not all one way and that there is a seamy side to the great experiment and therefore we hope it will open many ardent souls to a

little more of the temperance in mental and spiritual things that they would impose in matters of carnal habit upon their neighbors.

Prohibition is an experiment, a tremendous and momentous experiment. Many of us believe it is being demonstrated to be a failure. Many of us believe it cannot be anything else but a failure. Many of us believe it wrong in principle, morally mischievous. In this the dries differ with us, but why should they also impute evil because we disagree? ... But it reveals temperance and the Christian spirit and it will remind many conscientious adherents of the prohibitory gospel that there is another side to the prohibition question which an honest mind can see.

Tribune editorial board, Sept. 16, 1925

OPINION



From left, Yoon Jun, chief of policy for the mayor's office, Mayor Brandon Johnson and Rod Wilson of Lugenia Burns Hope Center take questions during a town hall to discuss the Protecting Renters Ordinance at Mount Carmel Baptist Church on Sept. 9. **JOHN J. KIM/CHICAGO TRIBUNE**

Renters ordinance will help fight gentrification, corporate landlords

By David Orr
SPECIAL TO THE TRIBUNE

This month, Chicago celebrates the 40th anniversary of its Residential Landlord and Tenant Ordinance, or RLTO. As the 49th Ward alderman at the time, I was the ordinance's chief sponsor. In the coming weeks, the City Council will consider the first substantial update to the RLTO since its passage. Mayor Brandon Johnson's Protecting Renters Ordinance, or PRO.

When I was first elected to the City Council in 1979, Chicago was overrun with unaccountable landlords. Predatory lease provisions, theft of security deposits and major disparity were far too common. Few laws existed to support tenants.

With the help of lawyers from the Law Center for Better Housing and community activists who later formed the Metropolitan Tenants Organization, I got to work on a legislative solution. The fight took years, but it ended with passage of the RLTO. The rights it enshrined are now taken for granted.

But 40 years later, the housing market has changed. Gentrification is now rampant, and corporate ownership of rental units is rapidly increasing. The law needs to change to counteract these new forces. That's why I welcome the push, led by the same organizations that passed the RLTO in 1986, to enact PRO, which addresses emerging issues facing Chicago's tenants in 2026.

First, it creates a citywide rental registry. In 1986, limited liability companies didn't exist in Illinois. Today, they own a significant share of Chicago's rental housing. And when a derelict landlord owns dozens of buildings, each of them under a different LLC, it becomes very difficult for the city to identify bad actors and enforce the law. PRO's registry would end the corporate anonymity and restore transparency.

Second, PRO gives the city the resources and ability to enforce existing law. Under the RLTO, tenants rely on self-help remedies such as rent withholding to enforce their rights. Unfortunately, exercising these remedies often requires technical and legal expertise that many tenants lack, and

even if they do everything right, they still face possible landlord retaliation. PRO creates a Bureau of Rental Housing Services, which allows the city to work with tenants to enforce the RLTO. And it's fully paid for by modest per-unit fees from the rental registry.

Third, PRO cracks down on junk fees. From move-in and move-out fees to pet fees and opaque utility billing formulas, tenants incur hundreds of dollars in costs in addition to their rent. Often, these fees are not disclosed when the unit is advertised, and landlords rarely present evidence of actual costs. Junk fees were not prevalent 40 years ago, but they are now. PRO presents an elegant solution: It lists permissible fees and presumptively prohibits all others. It requires the disclosure of actual costs. This is a basic consumer protection, and it's the right thing to do.

Finally, PRO codifies the city's existing eviction defense counsel pilot program. Nationwide, roughly 90% of landlords have lawyers in eviction court, Legal Aid Chicago reports. Only 10% of tenants do. The city's Right to Counsel pilot program provides qualifying tenants with strong defenses with a free legal aid attorney. The program has been a great success. PRO makes sure it will continue permanently.

The real estate industry would have you believe that PRO will cause major disruptions to the housing market, scare away investment, and harm both tenants and landlords. I'll close with a piece of advice: Don't put much stock in their fearmongering. These claims are nearly identical to those the industry made about the RLTO in 1986. None of their predictions came true. In fact, the Realtors, who unsuccessfully sued to prevent the RLTO from going into effect, now say that it is "a balance between the rights and responsibilities of both landlords and tenants."

If PRO passes, I wouldn't be surprised if they are praising it, too, in a few decades.

David Orr is a former alderman of the 49th Ward, a former Cook County clerk and founder of Good Government Illinois.

Johnson's Protecting Renters Ordinance will raise costs for renters

By Gilbert Villegas
SPECIAL TO THE TRIBUNE

Mayor Brandon Johnson's administration is promoting the Protecting Renters Ordinance (PRO) as a path to affordability. But PRO does not make housing more affordable for renters; it actually does the opposite. Even with the amendments recently announced, PRO remains a rent-increase ordinance that will raise costs for tenants across Chicago.

The mayor has already conceded his "just cause" eviction policy, omitting it from an updated version of his PRO ordinance this week. It's a welcome amendment, considering that City Council members flagged the policy from the start as problematic. A study by economists Daniel Shogan and Issi Romem that looks at 20 years of data found that "just cause" policies are responsible for rent increases of around 6%, a cost Chicagoans should not be forced to absorb. The majority of our residents are renters. Why would we want to raise the cost of living for the majority of our constituents?

The Mayor's PRO ordinance also proposes creating a new department with staffing to carry out work already being done by the Department of Housing and the Department of Buildings. Instead of adding red tape and increasing government bloat, let's further refine and streamline the work already being done in those respective departments. With the city facing an \$800 million deficit going into 2027, adding a new office to carry out services that are already accounted for is unwise and fiscally irresponsible.

As a city, we cannot claim to champion affordability while advancing policies that make housing more expensive to operate, and the proposed amendments to PRO do not change this fundamental reality. The ordinance still adds new mandates, new legal exposure and new layers of bureaucracy that increase operating costs. When operating costs rise, rents rise — it is basic economics, and renters feel it first.

Just last month, a report came out that showed the state of Illinois was second to last in building permits issued for new housing construction. The only state ranked lower than ours? Alaska. The challenges we see in our city parallel what is seen in the state: too much red tape, bureaucracy and unpredictability. Chicago is the economic engine of Illinois; the pulse of our production flows throughout the rest of the region. Municipal government should be leading the way in pivoting policy to better streamline construction, growth and development — leading to increased supply that meets demand and lowers cost. To say we need to reverse course is an understatement, but we have an opportunity now to ensure that the challenges faced are not worsened.

I've spent years working on economic development and housing issues in Chicago. I have backed zoning reforms,

pushed for smarter permitting and encouraged investment in my own ward and across the city. But we cannot say we're "pro-housing" if our policies welcome new construction while villainizing the people who actually run and maintain the buildings once they're built. That's not a strategy; it's a contradiction.

The rules for building housing and the rules for operating housing are not separate silos. They are one system. You cannot streamline the front end and then make the back end unworkable. If you make it harder to operate housing, you will end up with less housing, which makes rents rise. As we have seen on a federal level, where the administration claimed other countries and businesses would pay the cost of increased tariffs,

As a city, we cannot claim to champion affordability while advancing policies that make housing more expensive to operate, and the proposed amendments to PRO do not change this fundamental reality. The ordinance still adds new mandates, new legal exposure and new layers of bureaucracy that increase operating costs. When operating costs rise, rents rise — it is basic economics, and renters feel it first.

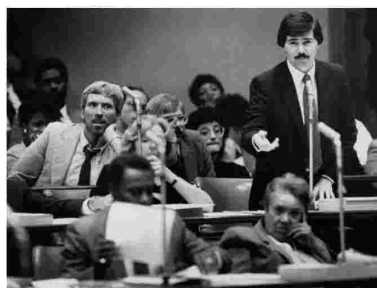
the reality is everyday consumers had to foot the bill. Any unfunded mandate placed on housing providers will ultimately get passed on to the renter, which is the opposite of what we should be trying to do in our city.

Chicago housing policies should take a note from cities such as Austin, Texas; Phoenix; Charlotte, N.C.; Houston; Las Vegas; and Atlanta, where increased production has helped ease pressure on rents and given renters more choices. In many of those cities, housing providers are offering concessions and incentives because supply has caught up to demand. That is what real affordability looks like, with more options, more homes and more competition.

If Chicago wants affordability, it needs more housing, not more hurdles. If we're serious about adding homes, we have to stop pretending that development and operations can be separated. They rise together, or they fall together. And when they fall, it's renters who pay the price.

Ald. Gilbert Villegas represents the 36th Ward and is chairman of the Committee on Zoning, Landmarks and Building Standards.

Ald. David Orr, right, introduces a tenants' rights ordinance at a City Council meeting on Sept. 8, 1986. The measure was adopted 42-4. **ANNE CUSACK/CHICAGO TRIBUNE**



OPINION

Chicago has reinvented itself from a Rust Belt city to an innovation center

By Tom Kuczmarski
and Luke Tanen
SPECIAL TO THE TRIBUNE

Twenty-five years ago, when people talked about innovation in America, Chicago was rarely the first city mentioned — if at all. Remember the Rust Belt?

The conversation centered on Silicon Valley, Boston, Seattle and perhaps Austin, Texas. Chicago was viewed as a city of industry, logistics, finance and manufacturing. It was primarily viewed as a big corporate town whose luster was fading.

Today, that perception could not be more outdated.

Over the past quarter century, Chicago has quietly transformed itself into one of the nation's most dynamic and diverse innovation ecosystems — not by trying to become Silicon Valley but by building on its own unique strengths and demonstrating that innovation can thrive wherever talented people, ambitious institutions and collaborative communities join forces.

At the turn of the century, entrepreneurship in the Chicago region was fragmented. Startups existed, but they operated without the dense support networks that founders now take for granted. Venture capital was scarce. Yes, our universities conducted world-class research, but commercialization pathways were limited. Corporate innovation usually took place behind closed doors.

Today, the ecosystem is interconnected in ways that would have been difficult to imagine 25 years ago.

The past couple of decades gave rise to world-class incubators in Chicago such as mHUB, MATTER, 1871, The Garage at Northwestern and the University of Chicago's Polsky Center — all of which recently landed in the top 80 in Time magazine's "America's Best Incubators and Accelerators of 2026." Three of them — The Garage, the Polsky Center and mHUB — were ranked in the top 15. Twenty-five years ago, none existed here. Entrepreneurs can access these incubators, as well as venture funds, university partnerships, mentorship networks and innovation-focused events throughout the region.

Large corporations in the Chicago region took notice and moved their headquarters from the suburbs to the city to get closer to this entrepreneurial energy. According to CBRE, 68 suburban headquarters or major corporate offices moved to the Loop, the West Loop and River North



People work Oct. 18, 2016, at mHUB, a shared work space in Chicago. ANTHONY SOUFFLE/CHICAGO TRIBUNE

Here is what is important about innovation: It is not a narrow concept. It can thrive in organizations of all sizes and types in all sectors — public, private and nonprofit. Such a strong unifying principle has many practical benefits.

between 2007 and 2019 alone, including McDonald's, Motorola Solutions, Beam Suntory and Kraft Heinz.

Research institutions such as Argonne National Laboratory and Fermilab actively support commercialization.

Investors increasingly recognize Chicago as a source of high-growth companies and breakthrough technologies. New funds continue to be created here. Just look at Permanent Capital Ventures, a \$200 million fund created in August by Chicago entrepreneurs Mike Gamson and Jason Duboe. They follow in the

footsteps of other Chicago-based venture capital firms that have raised money in the past two years: Chicago-based ARCH Venture Partners' \$3 billion fund, Energize Capital's \$430 million fund, Lightbank's \$290 million and S2G Investment's \$1 billion fund are just a few recent examples.

It's easy to see why investors flock to innovators. They create tremendous sources of economic value. Case in point: Out of 442 past winners of the Chicago Innovation awards, 77 companies have been acquired for exit values now exceeding \$159 billion.

Here is what is important about innovation: It is not a narrow concept. It can thrive in organizations of all sizes and types in all sectors — public, private and nonprofit. Such a strong unifying principle has many practical benefits.

One of the most important results of that in Chicago is openness to the value of collaboration.

Business leaders, universities, nonprofits, government agencies and entrepreneurs are working together to tackle challenges that no single institution can solve alone. Take P33, for example. Launched as an effort to bring

together the city's technologists with one of the city's legendary civic institutions, the Commercial Club, P33 galvanized leaders across the city and state to focus on quantum computing as the next frontier for Chicago's innovation leadership.

So far, that strategy appears to be working. The Illinois Quantum & Microelectronics Park is transforming the former U.S. Steel South Works site on Chicago's South Side into a major hub for quantum computing. With \$960 million in public investment and several committed tenants and partners, including IBM and PsiQuantum, Chicago has taken an early lead in the quantum race, and its potential impact on the economy is enormous.

It does not stop there. Technologies that will define the next 25 years, including advanced manufacturing, life sciences, energy innovation, climate technology and agriculture, are fields that align naturally with Chicago's strengths. Our world-class universities, broadly based economy, transportation infrastructure and deep talent pool provide a foundation that few cities or regions can match. Equally important, Chicago's

innovation community is inclusive. While significant work always remains to be done, there is widespread recognition that innovation flourishes when opportunities are accessible to people from different backgrounds, neighborhoods and perspectives. The latest crown jewel in Chicago's civic infrastructure, the Obama Presidential Center, is built on this principle that inclusion leads to progress for all.

The success of a city is built upon the assets it brings to the game. We believe that when the history of Chicago's economy during the first quarter of this century is written, the creativity in every sector that has been unleashed by the spirit of innovation will be an important chapter.

Tom Kuczmarski is co-founder of Chicago Innovation, an adjunct professor at Northwestern University's Kellogg School of Management and founder of innovation consulting firm Kuczmarski Innovation. Luke Tanen is president and CEO of Chicago Innovation, author of two books on innovation and academic director of Chicago Innovation Fellows.

Voice of the People

Ryan Field will price us out

I have no doubts about the splendor of the new Ryan Field stadium for Northwestern University's Wildcat football games and other events as opined about by the Tribune Editorial Board. I just find it ironic if the renowned marching band were to choose to play Aaron Copland's "Fanfare for the Common Man" as part of any halftime performance. I have no doubts that the common man would not hear it because they/we/me can't afford to attend a game.

The price for the least expensive ticket for the Oct. 2 grand-opening game against Penn State is more than \$175, plus fees. For me, all four sons and my best friend to attend one game this season, as we've done annually for the last 25 years, would cost over \$1,000. If I were to include two coming-of-age grandsons, the cost would approach \$1,500.

One could speculate that the ticket price will drop for the nonconference game on Oct. 10 against Ball State, but that is doubtful. Either way, the cost of one game is approximately three times what I paid for a season ticket to games at what was then Dycus Stadium. And for the last nine years, while the Cats played at old Ryan Field, I bought two season tickets.

I have the framed ticket stub for the first Wildcat game I attended in 1981: price \$10. My best friend and I attended at least one game a year for over 40 years. Sadly, he, my sons, my grandsons and I are now phased out of a family tradition even for one game. Over those years, the size of my television screen has expanded a lot. And I have no doubts that watching a Wildcat football game on the couch in the living room will be more comfortable than the seats at the new Ryan Field.

—Chris Donovan, Oak Park

Housing market transparency

I read Tomas J. Philipson's piece "Chicago's housing market shouldn't have a hidden inventory" (Sept. 6) with significant concern. As Philipson notes, Compass is the biggest real estate brokerage in the country, with a major presence across Chicagoland. Midwest Real Estate Data (MRED) operates the shared listing database that local agents use to help buyers find homes. It's the closest thing our market has to a master list. The companies' partnership expands a private listing network where homes can be visible to participating agents, including those outside Compass, without appearing on public search websites.

When buyers must search across separate networks, finding a suitable home can take more time and effort. Sellers whose properties receive less exposure may attract fewer competing offers. Access rules that disadvantage competing brokers can also weaken competition over commissions and service quality. These are concerns about how effectively the housing market serves both buyers and sellers.

Homeowners may reasonably value privacy over maximum exposure. Sharing previously private listings with additional agents can also improve access. Those potential benefits must be weighed against the risk that the partnership encourages homes that would otherwise be publicly advertised to remain private. Sellers should understand the trade-offs, and brokers' incentives to recommend private marketing deserve scrutiny.

The U.S. Department of Justice and Illinois Attorney General Kwame Raoul should formally investigate the Compass-MRED private listing network's effects on competition. The investigation should examine who can access listings, on what terms and how those terms affect buyers' search

costs, sellers' marketing options and competition among brokers. Buyers and sellers deserve clear answers about the arrangement's benefits and costs.

Illinoisans deserve a housing market that is transparent and works for everyone.

—Jorge Lemus Encalada, economics professor, University of Illinois at Urbana-Champaign

O'Hare Flyer a terrible idea

Regarding the editorial "Northwestern's Ryan Field, Amtrak, Emanuel, Quantum, O'Hare Flyer all beset by objectors" (Sept. 9): It would take approximately 20 minutes by public transportation from a location such as the Equitable Building at 401 N. Michigan Ave. to get to the Old Post Office site, where the proposed O'Hare Flyer train station would be. If I am here on business on North Michigan Avenue, would I go south in traffic to go to O'Hare International Airport? In the past, I have worked in professional offices at the Equitable Building, as well as at Erie and St. Clair streets; Franklin Street and Chicago Avenue; Belmont Avenue and Halsted Street; and Erie and LaSalle Street. For none of these locations would it make sense to go to the Old Post Office to go to O'Hare.

Although O'Hare Flyer leader Dave Lundy and team discuss using buses to transport travelers to the Old Post Office, this would only add to the current traffic nightmare downtown. I don't believe the buses would suddenly make the traffic in the Loop disperse and magically get business travelers and tourists to the station quickly and easily. If this moves forward, I suggest putting the luggage on the buses and giving everyone a Divvy bike. It would be faster for the travelers.

I invite the Tribune Editorial Board to my house in River Forest. We can discuss the safety issues the O'Hare Flyer presents

to the children in the community and the community at large. Like others, I am quite close to the train tracks and can give board members a bird's-eye view of the park this train line would put at risk. They can watch elementary school children use the streets and parks along the proposed train line as they bicycle to school.

I would further like the board to consider the impact this project would have on Thatcher Woods, a forest preserve, and on traffic on Madison Street, Chicago Avenue, Thatcher Avenue, First Avenue and Fifth Avenue.

The problems with this idea go on and on. This is not a win. Fix the Blue Line. Offer express train service. There used to be an A-B skip stop. It can be done.

—Melinda Holm Peterson, River Forest

Shining a light on projects

Thanks for the positive editorial response to all the negative forces for those new, needed projects the editorial lists.

The Tribune Editorial Board is right. We need to find positive solutions and compromises and not focus just on the few negative effects of some really good projects that will benefit the majority of people in the Chicago area.

Keep those positive words coming!

—Tim Klein, Chicago

Who makes up Sox, Cubs fans

Laura Washington's column ("This lifelong Cubs fan from the South Side is seeing a lot of Sox love on the North Side," Sept. 9) on why White Sox fans might be showing up among Red Line riders exhibits the sports-loyalty blinders common among those who were born and grew

up in Chicago. Chicagoland is a dynamic region, and, shockingly, many Sox and Cubs fans are not natives.

I've lived here more than 46 years, and though I'm primarily a Cubs fan (I live north of the city), I grew up rooting for the woebegone Washington Senators. Hence, I'm happy to root for and attend games of both Chicago baseball teams, even if natives regard this as heresy. Moreover, those whom Washington sees on the Red Line don't necessarily live within city limits. Many suburbanites drive or take public transport to the Purple or Yellow lines or to a Red Line station. And, again, even suburbanites who grew up here don't necessarily feel the geographic-boundary loyalty needs of more passionate fans.

Finally, as the area around Sox park has become safer, more North Siders feel comfortable taking the Red Line there to see what many of us value most of all — good baseball.

By the way, if the stars don't align for the Cubs and White Sox to play each other in the World Series or for the Cubs to face the Red Sox (Wrigley versus Fenway), I'd like the White Sox to face the Miami Marlins. Who could resist (Guaranteed) Rate Field versus LoanDepot Park as a symbol of corporate America's influence on baseball?

—Michael L. Millenson, Highland Park

Perfect name for 50 tons

My suggestion for naming the 50-ton boulder unearthed at O'Hare International Airport is "Pension Debt." Perfect for Chicago and Illinois.

—Richard J. Weiland, Evanston

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THE AUSTRALIAN

Political leaders are badly failing our most vulnerable

Gross institutional neglect has been allowed to breed indifference

Federal Indigenous Australians Minister Malarndirri McCarthy was quick to arms in a performative display of outrage this week over inflammatory comments made by One Nation leader Pauline Hanson on Indigenous history, but she remains missing in action where it matters. Likewise, West Australian Minister for Child Protection Jessica Stojkovic has compounded the misery for grieving families in the major mining town of Port Hedland by refusing to front up to the size of the failings of her own department.

By her own admission, Senator McCarthy did not check on reports that up to 15 children, as young as five and seven, had been left fending for themselves, living alone in wretched conditions in a derelict house in South Hedland for months, if not years. Senator McCarthy said she was leaving matters to WA. But the latest example of gross neglect follows revelations three weeks ago that the WA department that reports to Ms Stojkovic had knowingly left three children in the care of their violent, unhelped and meth-addicted mother, Margaret Hawke, who later stabbed and strangled them to death in 2022. It also follows the death of five-year-old Kumanjiri Little Baby, who disappeared from a town camp near Alice Springs in the Northern Territory in April after pleas for her protection had fallen on deaf ears.

On a whistlestop tour of South Hedland on Tuesday, Ms Stojkovic again refused to apologise to the woman whose three grandchildren were murdered. The grieving grandmother, Dorothy Papetarik, cried again at the lack of compassion. But Ms Stojkovic appeared more interested in attempts by the WA Department of Child Protection to change findings in a review of the case that found there had been a failure to protect Jamelia Hawke, 10, and her brothers, Arnda, 7, and Kelvin, four months. Evidence on the ground shows that

things have not improved. Our reporting from Port Hedland confirms the wretched breakdown the deaths have brought to what should be among Australia's wealthiest mining towns but remains swamped by the results of unchecked substance abuse and violence.

Government inaction speaks volumes about how entrenched institutional failure has been allowed to breed indifference. And it makes more urgent calls to disrupt the status quo. Senator McCarthy must take seriously calls for a greater commonwealth involvement, particularly in the "blue dot communities" across northern Australia that voted yes in the 2023 voice to parliament referendum and were highlighted by Noel Pearson in his address to this year's Garmma Festival, which Anthony Albanese did not attend.

And she must embrace the call to action by Indigenous leaders such as Anthony Dillon, who wrote in *The Australian* on Tuesday that we must start seeing families in distress as not just Aboriginal but as Australian. Mr Dillon poses hard questions about the collectivist approach taken to Aboriginal affairs that leaves many people trapped in a cycle of poverty and violence. All children deserve proper care, support and protection.

Liberal frontbencher Jacinta Nampijinpa Price has had the moral clarity to call out the ideologically driven dysfunction that prioritised a child's culture over their actual safety and has left the child protection system utterly broken. "With all due respect to the Stolen Generations, these circumstances were totally different to the current circumstances," she said.

The individual rights of every individual child must always be more important than the collectivist rights that persist most forcefully in the minds of bureaucrats and those detached from the realities of life in communities in crisis.

Voters poorer as housing tumbles

Labor must decide how long it will continue its failed property taxes

As post-budget misery continues, especially for first-home buyers, the group Labor says it wanted to help with a more level playing field in the competition for properties with investors. Anthony Albanese has a decision to make. That is: How long will Labor let the malaise drag on in the competition for properties with investors. Anthony Albanese has a decision to make. That is: How long will Labor let the malaise drag on in the competition for properties with investors. Anthony Albanese has a decision to make. That is: How long will Labor let the malaise drag on in the competition for properties with investors.

The trend cannot be corrected as a market fluctuation or dissection. For those struggling to get on to the property ladder, Matthew Cranston noted on Tuesday, the situation has worsened following Labor's hiking capital gains tax on share trades. Analysis by a former parliamentary budget official and academics warns that young people saving for a home deposit by investing directly in shares will take up to eight years longer to achieve their target under the new CGT rules. Repeated claims by the Prime Minister and Housing Minister Clare O'Neil that the budget levelled the housing market playing field for first-home buyers ring more hollow every day.

Separate modelling by Victoria University Centre of Policy Studies professors James Giesecke and Jason Nassios and former NSW Parliamentary Budget Office chief economist Derek Francis on the impact of the tax changes shows it will now take about 40 per cent longer to save a home deposit. Mr Francis, a former UBS banker, told *The Australian*, that "only someone or some department with zero understanding of economics and

incentives would propose such a diabolical tax increase". The measure destroys the incentive to invest for no gain and shrinks the economy, destroying the ability of young people to build property, Mr Francis said.

Amid housing pressures, such a misadventure in taxation, it ranks alongside the ridiculous Treasury expectations, not borne out by experience, that the property tax changes would result in rents rising by \$2 a week and house prices rising in the next couple of years by 2 per cent less than would otherwise have been the case.

Last week, we reported that research commissioned by the nation's four largest property and construction bodies confirmed a far greater impact on rents and home prices than Treasury forecasts in the May budget. The Real Estate Institute of Australia, the Property Council of Australia, Master Builders Australia and the HIA reported that the modelling showed that the budget's immediate removal of negative gearing for established properties, capital gains tax changes and the self-managed superannuation fund investor ban in housing investment would lead to 10,700 fewer homes delivered by the end of the decade. The slowdown is a further brake on productivity, the lack of which is the nation's most serious economic problem, adding to inflationary and interest rate pressures and making wage increases harder to sustain.

An agenda for productivity, economist Chris Richardson told *The Australian*, should start with housing: "We are just holding a massive stop sign in front of our ability to be more productive, because we can't build anything at a reasonable cost." Confronted by an unfolding crisis hitting at household wealth and living standards, Labor's choice to dig in or back down should be guided by the needs of the economy. It should also understand that good policy is, ultimately, good politics.

Chappell goes in to bat for Khan

Facing each other on Test pitches more than 40 years ago, the master batsman and blistering fast bowler, captains for their respective nations, were fierce competitors. Greg Chappell, to his credit, has marshalled former Test captain's bat for Imran Khan, who has been locked up in a Pakistani jail since May 2023, reportedly in a tiny cell, mainly in solitary confinement, with fetid drinking water and only the Koran to read.

In a letter co-signed by brother Ian, Allan Border, Kim Hughes, Belinda Clark, Mark Taylor and Steve Waugh, Chappell has asked for a meeting with Foreign Minister Penny Wong to discuss Khan's predicament. Alarmed by his treatment since he was found guilty of corruption, the captain, supported by more than 20 others across the world, are right to speak up, as Robert Craddock reports.

In a nominal democracy dominated by the military since independence in 1947,

Bruce Loudon wrote last month, Khan, the Pakistani prime minister from 2018-22, sealed his fate falling out with the nation's military commanders, especially General Asim Munir. Khan fired Munir as boss of the ISI spy agency that has been at the heart of the ISI's policy for decades. His double-dealing with Islamist terrorists included giving sanctuary to Osama bin Laden before he was killed by the US in 2011.

Khan, 73, led Pakistan to its only World Cup in Melbourne in 1992. Cancer hospitals that care for patients regardless of their ability to pay are among his legacy. He was inspired by the memory of his mother, who died of the illness.

The cricket captains take "no position on the legal or political case against" Khan, which is "Pakistan's business". But as they point out, the treatment of any person in detention is a "matter of basic humanity, whatever their politics".

LETTERS

AI 'boom' not like mining – and beware its dark side

Labor is right not to weaken creatives' rights ("AI heaves PM with an open threat", 15/9).

AI took like ChatGPT can easily learn from Australian users' writing, art and music. Right now, copyright laws let them create new work without breaking the rules. In the end, these companies are businesses that will keep pushing limits to make money, just like Facebook and Instagram did.

Our copyright laws are the only real safeguard. That's why there's so much effort to change them. Labor deserves credit for standing firm, at least for now.

It's the renewables-only data centres' dangerously pathological obsession that needs to change. **Peter R. Tredreick, Ladley, Qld**

The essential basis of all wealth is the materials that we produce: what we grow, mine and manufacture. The mining boom generated wealth not by the opening of more and bigger mines, transport systems and ports, but by all the exports it eventually produced.

Servicing all the supporting infrastructure adds a layer of complexity, which effectively diverts and redistributes much of that wealth. AI only feeds into that

complexity, perhaps making it more efficient, but without generating any wealth on its own account, so claims that AI and creatives are going to "rival mining" and spark a colossal economic boom, especially with their power demands and environmental disruption, must be treated with a high degree of scepticism. **Paul Provic, Mount Mellum, Qld**

Assistant Technology Minister Andrew Charlton says the benefits of the AI boom will stretch further than mining.

Charlton would know that the mining industry contributes almost 70 per cent of tangible exports, 15 per cent to the overall economy, employs about 1.2 million people directly and indirectly, and pays about half of all company tax. Mining companies are also the mainstay of many super funds, retiree incomes and share portfolios.

The chancellor attitude of Charlton towards the mining industry reveals the way in which it

is taken for granted by those who rely on its very existence.

AI may be an unstoppable force but brings with it many risks and concerns that governments seem incapable of addressing. **Jim Wheeler, Tamborine Mountain, Qld**

The words and threats from OpenAI senior vice-president Ann O'Leary should serve as a warning to all Australian politicians that here is an industry that is prepared to sacrifice anything or anyone who gets in its way.

We must remember that O'Leary comes from the hard left of the US Democrats, who care nothing about businesses (creatives) attempting to compete on a fair and level playing field.

Is there no other company except ChatGPT that could build these data centres? Why should we put all of our eggs in the basket of one company?

Watch out for Anthony Albanese having another "change of direction" on protecting our creative industries. **Don Paul, Buderim, Qld**

The onchance attitude of Charlton towards the mining industry reveals the way in which it

is reported world leaders and tech chiefs grapple with frighten-

ing doomsday scenarios arising from AI. Some have said AI could destroy civilisation within 10 years. Should I be fearful? In my lifetime, I have outlived the Cold War, UFO threats, rain, global cooling, the oil crisis, Black Tuesday, the ozone hole, Y2K, global warming, the GFC and others. What I have learnt is that fear sells. So too Franklin D. Roosevelt, who was right, when he said "The only thing we have to fear is fear itself".

I am fairly relaxed. **Geoff Ellis, Smithfield, Qld**

At last, a wake-up call on artificial intelligence, and from the heads of the tech companies. While there are many efficiencies it can produce for businesses, and many advances in medicine and research, there are plenty of downsides.

Recent concerns have been about compensation for artistic endeavour, but far more threatening outcomes are appearing.

Massive job losses will disrupt economies, leading to crime and social breakdown. More importantly, a doomsday scenario with machine takeover of humanity is looking increasingly likely. **Graham Finn, Maroochydore, Qld**



The Australian's front page, Tuesday, September 15

ozze ("Productivity a casualty in Labor's socialist paradise", Letters, 15/9).

The Albanese government has the Midas touch in reverse. Everything it touches is an unmitigated disaster whether it be energy, housing, agriculture, migration, workplace relations, health, education, social services, defence or foreign affairs.

Now is not the time for Angus Taylor and the Coalition to be Labor-lite. Australia needs a credible alternative more than ever.

The next federal election will be the most consequential election in our history.

Another three years of Labor is truly unthinkable.

This fanatical socialist outfit must go. **Gabriele Baker, Carina, Qld**

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Snowy 2.0 (failing because it is way over budget even before it is complete) by a failing Energy Minister.

What could Ley bring to the board that will make a difference? I doubt whether the appointment will go down well with conservative voters or help LNP electoral stocks.

The government has had its head in the sand for much too long.

Acknowledgment and promised millions will not change anything if the methods used to maintain the roads are not improved to world-class standards.

Peter Jaaniste, St Arnaud, Vic

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Peter Jaaniste, St Arnaud, Vic

LAST POST

In Y2K, all the computers were going to die. Twenty-six years later, we are being told all the humans are going to die. Perhaps we just like to have something to worry about. **Michael Holdsworth, Townsville, Qld**

We shouldn't get too excited by AI. It is very hungry on water and energy – both necessary for our survival. **Randall Whyte, Sherwood, Qld**

The Terminator film trilogy may foretell what lies in store with AI. Closer than you think. **Ren Womersley, Cairns, Qld**

The outburst by Senator Pauline Hanson could torpedo the rise of One Nation. **Ken Moore, Chapel Hill, Qld**

There is no such party as "One Nation". The only registered party is "Pauline Hanson's One Nation". **Peter R. Graham, Sydney, NSW**

I see our PM has jumped on the artificial intelligence bandwagon, citing it's a danger to civilisation. Another Albo deflection from our everyday problems. **Richard Henry, Daruka, NSW**

The Labor policy is very simple. Only allow in migrants who it hopes will vote Labor. **Alexander Haegge, Tamarama, NSW**

Pauline Hanson should just have her own National Sorry Day. **Anne Lindsay, Stanthorpe, Qld**

What does Pauline Hanson hope to gain by badmouthing so many people? **Penni Seignior, Mudgeeraba, Qld**

Susan Ley has joined the board or advisory Hydro 2.0 ("Es-Lab leader's curious new job revealed", 15/9). She has a strong understanding of Snowy 2.0. Our understanding is that there is a huge cost blowout and no end in sight. Will her strong understanding fix this? **Roseanne Schneider, Toowoomba, Qld**

Some may be curious as to why Susan Ley accepted a high-profile position from her lifelong political adversaries. Whatever her motive in accepting this poisoned chalice, surely her long-demonstrated political acumen should recognise the nexus between the current and still ballooning cost overruns for Snowy 2.0 and Labor's standard ploy of blaming someone else for its failures. **Michael Saul, Scarborough, Qld**

I think Dan Scarbrough needs to be employed as a consultant to fix Victoria's potholes. The people who voted him back in each time could chip in and help as well. **Murray Horne, Cressy, Vic**

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BOOKSHELF | JOHANNA THOMAS-CORR

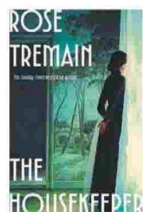
Master of narrative tells canny tale of the joy of desire

Rose Tremain has always been drawn to outsiders. Over a half-century of fiction writing, she has returned relentlessly to people stranded by class, history, circumstance or desire. Lillian "Danni" Danowski, a Polish-born Jewish seamstress who becomes a domestic servant on the Cornish coast, is such a (fictional) figure.

She first appeared in Tremain's short story, *The Housekeeper*, published in her collection, *The American Lover* (2014).

Tremain dreamt up an affair between Danni and the young, married, aristocrat, Daphne du Maurier, and the betrayal that follows. Unable to acknowledge her lover, Daphne transmutes her into Mrs Danvers, the creepy fictional housekeeper in her classic gothic novel, *Rebecca*. Rooted in the du Maurier family references to "the by-the-box" – her private shorthand for her repressed attraction to women – the story treats her hidden bisexuality as the catalyst for the affair.

Tremain has expanded that short story into her 18th novel, turning its compact tale of transgressive desire and social shame into a smart, sly, sexy story about the cannibalistic relationship between a writer and the people who become her material.



The Housekeeper
by Rose Tremain
Chatto & Windus, 320pp,
\$32.99

composure is shattered by two new presences at Manderville: Greenville-Whiters' crude, brutish niece, Adelaide, who is angling to inherit the estate, and the "dazzling" 29-year-old Daphne du Maurier.

Daphne arrives to research a setting for her new book, trailing a casual, imperious magnetism. Danni believes her own will is strong, yet she finds herself unsettled by the guest's attention as Daphne watches her through "sidelong glances". She can hardly believe that a successful author could be drawn to a lowly servant, but quickly her life takes a "perverse and fantastical unexpected turn".

Daphne reveals her desires and confesses her suppressed sapphic identity as "the boy in the box". Despite her marriage to a Grenadier Guards officer and her status as a mother she pursues Danni relentlessly, explaining that making love – or "waxing", as she calls it – allows her to enter a personal paradise where she can be "pure boy". For Danni this is a thrilling lark; for Danni it opens a trapdoor in her heart.

Tremain is clear-eyed about the predatory nature of the writer's impulse – surely knowingly, since she has taken some fairly audacious liberties herself. Her Daphne an-

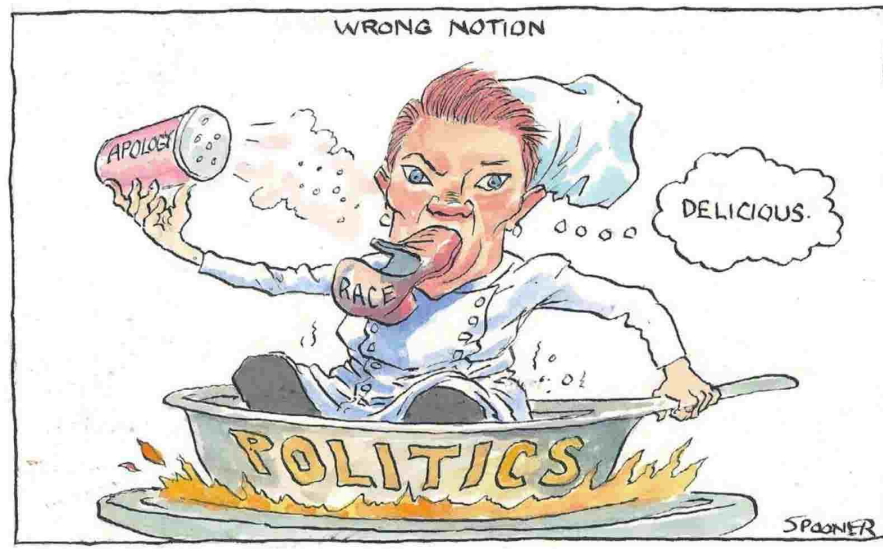
nounces that writers are "dictators" and "thieves" who "prize open all the shuttered places in other people". While Danni tries to protect her internal life, Daphne casually plunders it for creative capital. "We believe anything in the world can belong to us," Daphne says of writers. "But only in our minds. We don't actually take things, we just will them into our heads."

If you are used to reading younger contemporary writers, whose depictions of desire so often arrive with the anaemic clink of a clinical report, Tremain, 83, offers a refreshing change of pace. What sets her apart is the buoyant, uninhibited joy of her erotics. The Housekeeper is not without missteps. Toward the end Tremain relies a bit too heavily on tidy psychological shorthand to explain Danni's artistic betrayal. "She had to save herself making a monster of you."

The novel does not need such signposting. What makes Tremain such a master of narrative is the joy she takes in the act of creation. There's an almost childlike relish to her world-building and a glorious freedom to her imagination. Approaching her fiction in a spirit of pure play, she conjures a world so sensory and atmospheric it completely ensnares the reader.

THE TIMES

DAILY CARTOON | JOHN SPOONER



PAUL KELLY

Has Labor misjudged the political times?



The pivotal policy issue in the fifth year of the Labor government is whether its central economic direction and philosophy is failing Australia, with systemic criticisms mounting from different quarters.

Policy debate today is defined by an unusual phenomenon—a diverse group of prominent Australians and institutions warning the nation is on the wrong track but contradicted by a stubborn government that, marginal adjustments aside, rejects the notion of “danger, wrong way”.

The issue at stake is fundamental for the Labor Party and for the nation. Labor prides itself as the party that shapes Australia's future but the conundrum it confronts is whether Labor has misread the intellectual and policy responses Australia now demands. Has Labor misconstrued the times in which it governs?

There is nothing exclusive about the above-mentioned four people, and many others could have been chosen for this column. But they are conspicuous for their different positions and sympathies, the strength of their warn-

ings and the sense, explicit or implicit, that a radical reform is essential. The critique of Labor is evidence-based, widely held and mounting. Yet there is no sign that Labor accepts the validity or the political realism in much of these critiques—pointing to a prolonged, deeper conflict.

In his recent National Press Club speech, titled “The Placemat Country”, Rudd identified the “deep systemic forces” being unleashed across the world, and said: “We are now on borrowed time. As people, we have become so risk-averse that we fail to comprehend that the even greater risk is standing still and trying in vain to preserve the status quo.”

The point is obvious: the status quo is finished. Identifying three epic challenges—the rise of China, the AI revolution and accelerating climate change—Rudd said these mega-changes were “unprecedented in modern history”. The logic was obvious: “Incrementalism will no longer work for Australia. Urgency must be our national watchword if we are to navigate our future as an independent, prosperous and resilient nation.”

Unsurprisingly, Rudd said the Albanese government was “work-

ing across” all three fronts. But he lamented the failure of the “national body politic” that had yet to come to grips with the “national urgency” needed.

Rudd said Australia must become an AI power in our own right, that the US alliance was a “force multiplier” and AI/US was essential for our hi-tech future, that an expanding defence budget had to be linked to the new regional security treaties Labor had negotiated, and, above all, that Australia must build economic resilience through an interventionist industry policy with industry “tsars” in charge of the seven sectors Rudd identified, which include AI, biotechnology, critical minerals, renewable energy, defence industry and finance, building upon the super funds.

It is a reminder of Rudd as a government-driven programmer. Many will disagree with his proposal since Rudd essentially wants Labor to display more ambition on the existing Albanese agenda—yet few would dispute his diagnosis of Australia mired in complacency and resistant to bold action. The message Labor must do far better by seeking to transform the nation's mindset.

In her public comments over the past 18 months, the Labor-appointed chair of the Productivity Commission, Danielle Wood, has consistently warned that politicians have downgraded economic growth as an objective. It is a devastating conclusion, revealing how politics has corrupted good policy and the public interest.

In her speeches over 2025 and 2026, Wood, while welcoming Jim Chalmers' emphasis on productivity, said a “growth mindset” had been “missing from Australian policy for far too long”. The upshot was the threat to the “generational bargain” where “young people today believe they won't live better lives than their parents did”—a conclusion verified by the facts.

At heart, this was a “productivity challenge” because only productivity over time could sustainably lift real wages. The prob-

lem across many rich nations, including Australia, was “a declining reform appetite” and this was most apparent than in the “ballooning” burden of regulation.

A survey of company directors found boards were spending 55 per cent of their time on regulatory compliance when fresh investment was essential for productivity growth. Opening a cafe in Brisbane took 31 separate steps, while the nation now built half as much house per hour worked as we did 30 years ago.

Wood said that since 2015 average annual productivity growth had been a quarter of its long-run average. Governments were doing “less major reform than in previous decades”, the economy was less dynamic and there was a structural increase in demand for non-market services. The PC reported that June 2026 figures showed productivity growth was stagnant, while over the year to June there was a 0.2 per cent decline in labour productivity.

While Labor talks up productivity, these dismal results point to a chilling coming year—a weak growth economy, imprisoned by inflation, with declining living standards and an extended cost-of-living crisis. The message: the policy settings aren't working.

The most lethal commentary came from former union chief Bill Kelly, a prominent figure in the 1980s reform era but now alarmed at the results from the current Labor model. In a recent interview with the Nine Network papers, Kelly intensified his critique of the government's housing policy saying interest rates are rising and real wages had fallen by 5 per cent since 2021 under OECD figures.

He attacked statements by the Treasurer that workers' share of GDP was at a high point, saying “It's just ridiculous and people get offended by it. They can't pay the bills and you tell them your share of GDP is growing. Don't insult me that's what they are saying. Build more housing and increase real wages, please.”

Many of Kelly's views are

aligned with Paul Keating, and they have both attacked Labor's broader strategic failures on tax, notably the high rates of personal income tax, calling for the top rate to be cut below 40 per cent to restore personal incentive partly financed by higher taxes on capital and property.

The message: Albanese Labor risks misunderstanding how the world is actually changing and the enduring relevance of personal income, capital investment and government prudence.

Finally, in a recent intervention former Liberal finance minister Mathias Cormann, now OECD secretary-general, warned in a Perth speech of “worrying signs of the erosion of the nation's competitive edge”. The demon he identified was a “new protectionism”—not the old tariff wall but industry subsidies, local content rules, procurement preferences, labour market re-regulation and regulations that slow investment.

Each step sounded “plausible” but “collectively they recreate the exact logic of the old system”—this was the system from which Australia escaped during the Hawke-Keating-Howard-Costello era. Cormann warned that it was folly for a mid-sized nation to look backwards “while its productivity engine idles”—this being a recipe for “slow relative decline”. The danger for Australia was a retreat to nostalgia when it needed renewal. He argued that the reform agenda that turned Australia into a global success and prosperity story was a function of economic re-orientation, institutional strength and the rule of law.

Cormann's warning is the most ominous—guaranteed to earn Labor's contempt—with its implication that the current Labor government might have misread the drivers of economic success in the 20th and, even worse, forgotten the lesson of its own proud history. Sure, warnings are easy, solutions are hard. But smart governments read the time right. Being half-right won't cut it.

A break of this kind would hit credit markets directly, not just equity multiples, spreading the damage into the broader financial system. Policy would lag behind events: denial would come well before any real repair effort begins. Households now own the AI trade through their portfolios and pensions, whether they realise it or not. Losses on that scale would cut household spending and lift precautionary saving.

The scale of the AI build-out is not a reason for optimism or pessimism. It raises the stakes on the outcome. A technology this large, financed this aggressively, and this tightly woven into portfolios, credit markets and corporate strategy, leaves little room for a soft landing, if the underlying economies do not hold. The world may still get to the good ending, where AI lifts productivity broadly and prosperity spreads. But the more likely route there runs through a crisis.

David Roche is a Strategist at Quantum Economics and Geopolitics. This article was first published in *Engelsberg Ideas*.

JANET ALBRECHTSEN

War with Pauline? Taylor should focus attack on Albanese

Would the Liberals rather lose to Labor than One Nation? It's a question worth posing after the past week in federal politics.

Indeed, the Liberal Party's recent political blunders with One Nation raise several ancillary questions. First, why has it taken so long? Second, what is the best way to deflate One Nation with a guaranteed “a Labor win”? And finally, why is Andrew Hastie reaching for his Art of War manual now?

Third parties get a wind behind them when the wind has gone out of the establishment parties. Sadly, the Liberals are as much to blame for the re-emergence of One Nation as a political force in this country as the Albanese government and all the tricky progressive projects that drive ordinary voters to look for alternatives at the ballot box.

Had the Liberals long ago been hellbent on differentiating themselves from the governing party, Pauline Hanson's party would have had no reason to rise. Instead, Hanson has stepped up because, for too long, the Liberals stepped aside.

Angus Taylor is a big improvement on recent former Liberal leaders. He's economically literate and his disposition is authentically conservative. But when Liberals vacate the playing field for long periods, it takes some convincing for voters to take an other look at them. And Taylor's biggest problem is that he rarely commands the news cycle.

Last week, the contest was Angus Taylor v Pauline Hanson. While some are piling platitudes on Hanson for going nuclear against Hanson, the reasons for his passion seem more about personal political advantage than about securing the national interest.

Hanson's “Please Explain” episode first aired in late July. Given the dirt various Liberal politicians have dished up about Hanson over the years—including making a not insignificant contribution to Hanson being wrongly impris-

oned—it's a bit thin-skinned for Liberals to complain if Hanson gives as good as she gets.

However, for the sake of the argument, let's say that Hastie is entitled to be upset at being called a “traitor” in the nine-minute parody. Sceptics are entitled to ask why it took five weeks for Hastie to express his profound disgust about this particular piece of political satire. What changed?

The Secret Harbour by-election is the critical intervening event. Last month, One Nation's Lulu Lamour secured 57 per cent of the vote after preferences went to the party's first-ever lower house seat in the Western Australian parliament.

Given the overlap between the Secret Harbour electorate and Hastie's federal seat of Canning, it's crystal clear that Hastie is fighting for his political life. In other words, Hastie v Hanson is about his personal survival.

Hastie didn't have the piece of political satire to use against Hanson, he would surely find something else. Fair enough. Politics is a tough gig, and Hanson is no stranger to political battles.

It's the oversized, over-inflating by Hastie and others looks more like performance politics than conviction politics. Apart from helping him keep his own parliamentary salary, it's his apparent strategy of fighting One Nation first is likely to have another objective. He's trying to convince his colleagues he has the cut-through and media presence to take the Liberal leadership from Taylor.

Hanson will have noticed that when Hastie was asked about leadership aspirations during his fiery press conference last week, he said that Taylor is “the leader right now”.

Hastie's existential fight with One Nation therefore seems to have several potential advantages for him personally. What if Hastie's personal interests conflict with the Liberals' collective interests, and indeed with the electoral

interests of all those desperately unhappy with the current government?

Hastie's “fight One Nation first” strategy may simply mean that across the country the Liberals are seen as fighting the wrong enemy. What if Hastie's efforts to win his own seat help force Taylor to pursue a “fight One Nation first” strategy—if only to fend off a Hastie challenge?

There is a legitimate fear among many who want a change of government that Hastie, and indeed Liberal “moderates” generally, hate One Nation much more than the ALP. The fracturing of votes on the political right has led to an explosion of passions not dissimilar in some ways to intense animosities between factions within political parties. What that means is a fracturing of voters will look elsewhere.

Taylor must not allow himself, and the Coalition, to be distracted by Hastie's personal beef with One Nation. The alternative prime minister should be out every day, at every opportunity, labelling Albanese the worst kind of thief. The Prime Minister is no Robin Hood. He and his government are stealing from every Australian whose house value has tumbled. He's stealing from current and future Australians by spending too much, taxing too much, racking up record levels of debt, and overseeing the worst productivity falls since records were kept in the 1960s.

If the Coalition and One Nation can't come to some sensible, mutually beneficial preference deal, Albanese will likely remain in power. The Lode and Jim Chalmers will continue to dish up new taxes. That would be diabolical for the country. This government is so ideological in its class war policies that it loathes their more than it loves the poor.

No veteran who serves this country deserves to be labelled a traitor for giving truthful evidence on oath. That said, when Hastie posted in parliament with his copy of Sun Tzu's *The Art of War*, Hanson's mockery. Perhaps he missed the section on avoiding one's goals.

It's understood that since the member for Canning's declaration of war against One Nation, Hanson's “Please Explain” has attracted almost a quarter of a million new views. As political satire, the cartoon is a compelling insight into the travails of the modern Liberal Party after John Howard left office.

GREG CRAVEN

Bureaucracy's 'benign' racism endangers Indigenous children

Nobody should die for politically correct preconceptions. No one should be murdered or abandoned for the comfort of bureaucratic sensibilities. These are the inevitable grim thoughts that arise from reading this newspaper's recent reporting on the failures of child protection in Western Australia, including the defenceless Indigenous children of Frisby Court and the murder of the three Hawke children at the hands of their own mother in 2022.

When Pauline Hanson calls Australia's Indigenous people “the most primitive race on Earth”, she is without question being an ignorant, bigoted thing. The commentariat has immediately and rightly condemned Hanson's words for what they are, but where is the same level of outrage and dismay in the name of the murdered Hawke children or the other vulnerable Indigenous kids living alone in Frisby Court? After a month of reporting from Ros Thomas, the silence from our political and media class has been truly astounding.

The fatal vulnerability of the Hawke children was not that they were uncared for, exposed to routine violence and endangered as a state of existence, all of which was true. It was that they were Indigenous, not in the standard sense that they were exposed to the vagaries and impositions of a racist state. Rather, it was because the state was so distracted by their Indigenousity that it could not see them fundamentally as people—and children at that.

Case workers, police and politicians were so terrified of being seen to be racist that they could not contemplate taking decisive and courageous action to protect them, like moving them to a safe house, as their neighbours and friends begged.

At the same time, rape of Indigenous children by Indigenous men across the north of Western

Australia is routinely reported to authorities and routinely ignored. For the authorities responsible for these children a self-protective lack of action meant safety. It's the sort of concern for safety shown by a policeman who runs in the opposite direction of a gunman.

Many of Hanson's supporters will look at this tragedy and think “told you”. Even ordinary Australians—otherwise of general good will—must contemplate the disaster and have their sneaking pre-conception confirmed that there is something dreadfully wrong with our Indigenous brothers and sisters. This is not about racism, they will conclude, but devastating criminality.

Certainly, yes, this is about criminality. Regardless of the circumstances of the mother of these children, taking their lives is about not seeing three children for what they were: children. These children were not simply Indigenous. They were vulnerable young people in horrific circumstances. They demanded all the protection a modern state owes the rule of law could provide, regardless of their racial or cultural character, and the political complications these could produce.

The problem with insisting that Indigenous people are “different”, “culturally distinct” and entitled to racial latitude when it comes to deeply criminal acts of violence is that it is the ultimate “benign” racism. Apparently, these lesser people, not to be held to the ordinary standards of common humanity.

There can be no more contemptible characterisation by race. There is only one way to deal with horrors like the murder of the Hawke children. We have to face grim reality as it is, not how we would like it to be.

Greg Craven is former vice-chancellor of the Australian Catholic University.

DAVID ROCHE

Why AI may be too big not to fail

AI towers over us. It is not just an economic force; it is social and political too. The public debate has two endings. In the good one, AI makes us so productive that work becomes optional and prosperity spreads widely. In the bad one, it destroys jobs, concentrates wealth and hands more power to those who already own the technology.

How do we get to either future? The answer is uncomfortable. US AI may be too big not to fail. That does not mean AI will fade. It means the path from here to full adoption could run through a financial and economic crisis first.

Start with scale. Since 2013, more than \$US31 trillion (\$4.35 trillion) has been invested in AI in the US alone. This figure is forecast to more than double by 2030. Even today, it is bigger than the combined cost of the Vietnam War, the Interstate Highway System, the Apollo program, the Marshall Plan

and the eradication of polio. The positive social dividends from those successful megaprojects were far-reaching, and the consequences of the one failure among them, the Vietnam War, were also deep, prolonged and disruptive. By scale alone, AI has to be one or the other. It is one vast bet on a single technology, and the larger the bet, the larger the return required. AI must now satisfy investors, creditors, customers and society all at once. That is a high bar to clear.

The first test is cash flow. Can this investment generate enough revenue to service the capital behind it? The answer depends heavily on price, and here the US faces China. China has built models with roughly 10 per cent of the US capital, while reaching about 90 per cent of US performance. The cost of using a Chinese model is often only 10-20 per cent of an American one.

That matters. Most users will not pay 10 times more for a small quality gain. Frontier researchers may need the very best systems, but most firms do not; they need cheap, reliable productivity. On that basis, the Chinese offer is hard to beat. It also travels well. Many Chinese models are open source, so users can adapt them freely. They are built for practical use across the economy, not only for frontier display. The US approach, by comparison, is far more capital-intensive, which leaves it more exposed if prices fall.

The second test is financing. China has less capital at risk and lower AI equity valuations, so a correction there would hurt but would be less systemic. The US is different. Its hyperscalers and labs have raced ahead of their own cash flow, and they now need debt to fund compute, power and data centres.

By my estimates, AI hyperscalers and labs carry \$US360n of long-term debt and \$US248n of lease liabilities. Those are just the visible obligations. Off the balance sheet sit about \$US900n of additional lease commitments and \$US15 trillion of purchase commitments for data centres and advanced chips. The real exposure therefore much larger than reported

ted alone would suggest. This structure is fragile. Circular shareholdings increase borrowing capacity, but they also spread losses around the system. If one participant weakens, other balance sheets get damaged in turn. The risk appears dispersed across many players, but in substance it is concentrated.

The borrowing structure adds another layer of weakness. A by-product—think Meta—may guarantee the borrowing of a special-purpose vehicle. That vehicle buys the chips and builds the data centre. A smaller lab such as Anthropic then signs a 15- or 25-year lease to use it. The debt itself is priced on the guarantor's strength, but the cash needed to service it comes from the lab's product.

A large liability is therefore pinned to a narrow, unproven revenue stream. If that product misses expectations, the whole structure becomes lethal. If US providers are forced to cut prices by as much as 80 per cent to match China on cost.

At those prices, the capital stack simply cannot earn enough. Debt service becomes doubtful. Equity values would fall first, and credit would follow close behind. A US AI collapse would then become an economic winter, for

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Japan's choice between cheap money and a livable yen

A weak currency has imposed costs on households and smaller enterprises

Sayuri Shirai

Japan's 10-year government bond yield has reached 3% for the first time since 1996. It remains below comparable U.S. and European yields, but the pace of increase is striking — roughly 2 percentage points in as many years.

A long-term yield can be decomposed into expected future short-term rates and a term premium. My calculations based on Bank of Japan estimates published in August 2026 attribute roughly half the increase to each component. Quantitative tightening — reduced BOJ purchases of Japanese government bonds since August 2024 — appears to explain only 30% of the term-premium increase. The remainder likely reflects the limited capacity of banks and insurers to absorb additional JGBs, as well as growing concerns about Japan's fiscal outlook.

These developments cannot be separated from the yen's depreciation. After the dollar approached ¥164 in late July, coordinated Japan-U.S. intervention briefly brought it into the ¥155 range. The effect faded, with the dollar returning to around ¥159 in late August. At Jackson Hole, Federal Reserve Chair Kevin Warsh prioritized price stability over maximum employment, noting that U.S. inflation had remained above the 2% target for too long. His hawkish message briefly pushed the dollar back above ¥160.

Pressure from Washington

What followed was unexpected. Through interviews, social media and a Treasury report following his meeting with BOJ Gov. Kazuo Ueda, U.S. Treasury Secretary Scott Bessent applied unusually direct pressure to the BOJ and the Takaichi administration. He described the yen as substantially undervalued, linked its weakness to Japanese inflation and called for decisive monetary action. Ueda subsequently placed



A woman walks past an electronic quotation board on Monday in Tokyo. The Bank of Japan must decide whether to counter yen-driven inflation through higher rates or preserve ultralow borrowing costs despite the strain on households. AFP-JIJI

greater emphasis on upside risks to inflation.

Bessent's pressure gives the BOJ political cover to raise rates. Many at the central bank want to continue normalization, move away from the zero lower bound and restrain inflation generated by excessive yen weakness. Yet Washington's involvement also creates an independence problem. Bessent later said he had good insight into what the BOJ and Japanese policymakers would do, adding, "I am the house now." A domestically justified rate increase may therefore appear dictated from abroad.

The U.S. Treasury secretary's message is broader than monetary policy. He has said that Abenomics worked but is over and

Japan should end reflationary policy. This is widely understood as a warning against larger deficits and bond issuance expected under Takaichi.

The Takaichi administration's position is difficult to understand in two respects. First, it has often appeared to prefer low interest rates and a weak yen. Yet Finance Minister Satoshi Katayama and the Ministry of Finance have repeatedly sought to stem the yen's depreciation. The unilateral intervention in April and May, followed by coordinated intervention in July, demonstrated that intervention alone has limited durability without a change in expected interest-rate differentials. Takaichi has avoided saying whether the yen is excessively weak.

Who benefits from a weak yen?

That silence matters because the weak yen has imposed costs on households and small and midsize enterprises. Japan's overall consumer price level has risen by about 14% over four years and food prices by around 30%. Food accounted for nearly 60% of the rise and energy another 16%, underscoring cost-push pressures. Central Tokyo condominium prices and mortgage amounts have also risen so sharply that more young households are turning to 50-year loans.

Both the nominal and real effective exchange rates of the yen have fallen by roughly 30% in four years, leaving it exceptionally cheap even within Asia. Depreciation has boosted exporters' profits, share prices and

overseas asset values while attracting foreign buyers of Japanese equities and real estate. It has also stimulated inbound tourism. Above all, inflation and the weak yen have pushed tax revenue above initial estimates, allowing new government bond issuance to fall. The debt-to-GDP ratio has also declined as inflation raised nominal gross domestic product.

These benefits have accrued disproportionately to the government, large corporations, asset owners and the tourism industry while consumers and smaller firms have absorbed much of the cost. The administration may have found it difficult to renounce the fiscal and corporate benefits of depreciation, but it must now explain whose interests its exchange-rate preference serves.

Fiscal policy test

The second ambiguity concerns the Takaichi administration's promise of "responsible proactive fiscal policy." Ministries' fiscal 2027 general-account requests have reached a record ¥143.1 trillion, partly because expenditures previously handled through supplementary budgets are being incorporated into the initial budget. The new investment framework for a "strong and prosperous Japan," covering growth and crisis-management priorities, generated requests totaling ¥12.1 trillion because ministries faced no predetermined ceiling.

It remains unclear how much of this amount will become additional spending and how much will be financed by new bond issuance. Takaichi has yet to implement large-scale fiscal expansion since her Feb. 8 victory. The fiscal 2026 budget emphasized a primary balance surplus. Although the ¥3 trillion supplementary budget was financed with bonds, the government stressed that total bond issuance would not increase because stronger-than-expected revenue had allowed it to cancel an equivalent amount of previously planned issuance. Markets are still waiting to learn whether another supplementary budget will follow in fiscal 2026 and what "responsible" will mean when the fiscal 2027 budget is finalized.

Monetary normalization will also produce domestic costs. If the BOJ raises its policy rate to around 2% next year, the burden could be substantial, given that roughly 70% of outstanding home loans carry variable rates. Targeted government support may be warranted for vulnerable borrowers to support smooth monetary tightening.

A question of coordination

The BOJ must retain independence over its instruments and decisions. Independence, however, does not preclude policy coordination. The government and the BOJ should discuss openly how to contain the side effects of normalization while avoiding renewed depreciation.

Japan faces a clear choice: Prevent persistent yen weakness from entrenching cost-push inflation or preserve very low interest rates and leave households exposed to a persistently weak yen. That choice should be made and explained in Tokyo, not imposed from Washington.

Sayuri Shirai is a professor at Keio University and fellow at the Asian Development Bank Institute. She is a former member of the Bank of Japan Policy Board.

At Asian Games, let Taiwan's team compete as Taiwan

LINDELL LUCY
CONTRIBUTING WRITER

The 2026 Asian Games will kick off in Nagoya on Friday. At the Opening Ceremony, Taiwan's athletes will once again be required to enter the stadium under the artificial designation "Chinese Taipei."

This indignity has gone on long enough. Before the Tokyo 2020 Olympics, more than 151,000 people signed online petitions calling on the International Olympic Committee to allow Taiwan to compete as "Taiwan" rather than "Chinese Taipei." Although Taiwanese athletes were ultimately required to attend the Opening Ceremony wearing Chinese Taipei uniforms, Japanese TV announcers, who were not bound by IOC rules, introduced the athletes as representing Taiwan. The incident sparked a massive outpouring of appreciation across Taiwan.

At the Paris 2024 Olympics, the Taiwanese men's badminton doubles team won its second consecutive gold medal, defeating China in the championship match. Unfortunately, the victory was overshadowed by a heavy-handed crackdown on fans holding towels and signs bearing the word "Taiwan." Images and video of Olympic security staff confiscating the items, as well as one Chinese spectator forcibly snatching a sign from the hands

of a Taiwanese fan, went viral around the world, prompting Taiwan's Ministry of Foreign Affairs to issue a statement condemning the incidents.

During the WBSC Premier12 championship game in November 2024, the captain of Taiwan's national baseball team, Chen Chieh-hsien, blasted a three-run home run to help secure victory over Japan. As Chen rounded the bases, he celebrated by using his thumbs and index fingers to form a frame around the blank part of his Chinese Taipei jersey where the name "Taiwan" should have appeared but did not. Other teams

competing in the Premier12 tournament, such as Japan, South Korea, Australia and the United States, wore their countries' names in the same spot. In a subsequent interview, Chen explained, "That gesture was meant to tell everyone that we are players from Taiwan."

Chen's gesture instantly became a symbol of Taiwanese national pride and determination to succeed despite unfair treatment.

After returning home as world champions, Taiwan's baseball team was congratulated by President William Lai, who posed for photos with Chen while performing the iconic gesture. Coincidentally, Lai's successful 2024 presidential campaign had featured a baseball-themed logo with the words "Team Taiwan" arching over an image of home plate.

Most Taiwanese do not identify as Chinese, and they are not from Taipei. Instead, they identify as Taiwanese and come from all parts of Taiwan. World maps do not depict a place called Chinese Taipei because it does not exist. The name the world overwhelmingly uses to refer to Taiwan is "Taiwan."

Forcing Taiwan to compete as Chinese Taipei at international sporting events diminishes Taiwan's visibility on the international stage and misleads spectators into believing that Taiwan belongs to China. The primary beneficiary is an oppressive, authoritarian regime that openly threatens to use military force to conquer one of Asia's leading democracies.

The Chinese Communist Party has never ruled Taiwan. Taiwan is governed by its own democratically elected government, and the identity of its 23 million people should not be dictated by Beijing.

If Ukrainians were suddenly told that they



Chen Chieh-hsien returns to base during the 10th inning against South Korea at the World Baseball Classic in Tokyo on March 8. Chen gained attention in 2024 for speaking out about the Taiwan team's designation as "Chinese Taipei." REUTERS

had to compete in the Olympics under the name "Russian Kyiv," both Ukraine and the broader international community would protest loudly. Yet the world has become so accustomed to the discriminatory treatment of Taiwanese athletes that what would provoke outrage in other contexts has instead become normalized.

This month's Asian Games provide an opportune moment to remind the world that this is unacceptable. Leaders of the world's liberal democracies should support Taiwan's right to compete under its right-

ful name and under its own flag. Ordinary citizens can get involved, too, raising their voices to back Taiwan and its athletes in this endeavor. Here are two ways to help.

First, sports fans around the globe can sign the [Change.org](https://change.org) petition "Let Taiwan Compete as 'Taiwan' at LA28." The petition was originally created for the Tokyo 2020 Olympics but is now accepting signatures ahead of the Los Angeles 2028 Olympics. Together with a linked petition, it has attracted more than 155,000 supporters.

Second, anyone attending the 2026 Asian

Games in Nagoya can cheer for Taiwan by wearing clothing or carrying signs bearing the word "Taiwan." Nothing in the official list of prohibited items specifically bans such items.

All athletes deserve to compete under the name of the country they call home. So let's call Taiwan by its proper name, even if the IOC won't.

Lindell Lucy is a former resident of Tokyo. He started the online petition "Let Taiwan Be Taiwan at the Tokyo 2020 Olympics."

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opinion

Art, surveillance and the politics of memory in S.E. Asia

LGBTQ artists are increasingly targeted as cultural repression spreads in the region

DEEPLY MENON
THE DIPLOMAT

Across Southeast Asia, artists and cultural rights defenders are increasingly being cast as threats — to public morality, political order and dominant narratives about gender, sexuality, identity and belonging.

This is especially true for queer and trans artists, whose bodies, stories and performances often challenge the boundaries that states, religious authorities and conservative movements seek to impose. When they are surveilled, attacked or their work is censored, the consequences touch the foundations of civic space: the right to speak, gather, remember, imagine and contest power.

ArtEquator's Southeast Asia Artistic Freedom RADAR Database documents this reality across Cambodia, Indonesia, Malaysia, Myanmar, the Philippines, Thailand and Vietnam. In its 2025 report, RADAR recorded 159 challenges to artistic freedom across the seven countries. The findings closely mirror those of the CIVICUS Monitor, which rated Myanmar and Vietnam as "closed," Cambodia, Thailand and the Philippines as "repressed," and Malaysia and Indonesia as "obstructed."

This matters because attacks on artistic freedom often serve as warnings about the health of civic life. Where artists are censored, surveilled, attacked or forced into silence, broader patterns of repression are already at work.

While navigating the RADAR database, I came across "moral policing" as a category of violations faced by artists and cultural rights workers. In practice, moral policing punishes artists and communities whose work challenges artificial boundaries around gender, sexuality, faith, tradition or national identity. It does not always manifest as an outright ban or formal legal charge. More often, it takes shape through public accusations, social pressure, police scrutiny, cancelled performances, restrictions on distribution, withdrawal of support, online harassment, physical attacks, surveillance or the destruction of artworks.

As I dug deeper, it became evident how often LGBTQ activism and artistic expression appeared in work targeted by this category. This mirrors a trend Urgent Action Fund Asia and Pacific (UAF A&P) has been recording across its learning reports: that queer, trans and LGBTQ communities across Asia and the Pacific are increasingly being targeted through legislation, political and social attacks, isolation and reduced resources for activism.



This broader pattern of moral policing and restrictions on cultural expression is visible in specific cases. In Vietnam, RADAR recorded 22 challenges to artistic freedom in 2025, almost double the number documented in 2024. Official Dispatch 69, issued by the Ho Chi Minh City Party Committee's Propaganda and Mass Mobilization Department in October 2025, called for stricter measures against musical activities showing signs of "deviating from the cultural standard." Although the dispatch did not formally ban any of the named songs or artists, it triggered a chain of reactions, including the removal of music videos from YouTube by several performers.

Vietnam also saw the targeting of Viet-

Pride in 2025. Just two days before its flagship rainbow march in Ho Chi Minh City, VietPride announced the event had been cancelled due to "external reasons." According to RADAR, at least five other VietPride-related events in the city faced last-minute cancellations or restrictions.

RADAR's latest report notes that, in 56% of cases, works or creators were portrayed as having transgressed imposed boundaries of morality, traditional values or customs, gender, sexuality or faith, and were subjected to moral policing by state and nonstate agents.

"Manufactured conflicts and moral panic over minorities, migrants and perceived threats to traditional values have put artists at the front line of state and public attacks,"

says Kathy Rowland, lead researcher for RADAR.

For artists whose identities and practices already challenge dominant norms, the pressure is intensified. Serena Magiliw, a trans actor and theater artist from the Philippines, describes how this pressure shapes both her art and her survival.

"It is sad to know that our lives are so intertwined with being policed and surveilled because we are the embodiment of resistance," she says.

For Magiliw, the struggle is cultural, political and deeply economic. "I perform for a living. And if I don't have the space to do that, I won't survive," she said. "I can only offer my service, which is art."

Her words show that moral policing effectively controls whose lives are allowed to be visible, whose histories can be told and whose futures can be imagined.

Despite these threats, artists continue to persist, finding ingenious ways to build community, extend care and sustain resilience. Their work reaches beyond survival. It preserves memory and the legacies of hard-fought struggles, reminding new generations on the frontlines of rights movements of the ground that had once been claimed.

Resistance can leave its own mark. In 2025, Filipino drag artist Pura Luka Vega was acquitted by a Manila court of charges related to a 2023 drag performance that prompted an intense backlash from reli-

A participant attends the annual Pride Festival in Hanoi in September 2019. States seeking to stifle work that challenges imposed norms are clearly trying to suppress LGBTQ activism and the community's artistic expression.

REUTERS

gious groups. The acquittal did not erase the cost of the ordeal, but it offered a hard-won reminder that artists and communities can push back.

In these contexts, artists are often doing work traditionally associated with human rights defenders — but without the same legal, institutional or community-led support and protection. UAF A&P has recognized this through its Shifting Narratives program, which supports artists and cultural rights workers challenging harmful narratives affecting their communities and connects artist-activists with wider networks of rights defense and community care.

Another artist working within a highly surveilled Southeast Asian state, whose name and identity are being withheld for security and confidentiality, wrote about the relevance of their group's work in protecting historical legacies from being censored, eradicated and expunged.

"This [work] is also about preserving memory, rather than being entirely dependent on algorithms, censorship and platform logics. And more importantly, it's about protecting our labor," the artist says. "When carefully written and designed work gets deleted without a trace, it's not just frustrating; it's one of the reasons many activists feel exhausted. For us, this is also a form of 'memory infrastructure' under platform authoritarianism."

That phrase — memory infrastructure — captures something vital about the role of artists in shrinking civic spaces. In places where public narratives are controlled, archives are fragile, platforms are unpredictable and dissent is punished, artists help communities remember. They protect stories from disappearance. They create languages for grief, resistance, longing and survival.

Hope and community are often the only enabling conditions under which most of these artists persist and resist. Yet at a time when their trends point to growing authoritarianism and moral policing in Southeast Asia, and to shrinking tolerance for dissent and minority expressions, art and culture remain the neural systems through which communities preserve and transmit their stories and truths.

When artists are silenced, a community loses one of its ways of imagining, and insisting on, a different future.

Deeply Menon is Strategy and Narratives Facilitator at Urgent Action Fund Asia and Pacific. © 2026, The Diplomat

Trump's army of election deniers is a problem on many levels

DAVID M. DRUCKER
BLOOMBERG

Let's set aside, for a moment, how ridiculous it is that officials serving in U.S. President Donald Trump's administration, including executive and judicial officials, won't acknowledge in front of Congress that Joe Biden won the 2020 election.

These deliberate dodges — a consistent pattern more than 18 months into Trump's second presidency — aren't just political theater; they're informative. Trump is famously heterodox and transactional on cultural, fiscal and foreign policy matters. During his first term, the president sought wide counsel and invited debate from congressional Republicans and his Cabinet. But in stubbornly clinging to the falsehood that he defeated Biden while allowing zero deviation from others, Trump has revealed himself to be a diminished leader compared to his initial White House sojourn.

The culprits haven't been limited to obvious (and occasionally churlish) partisans like FBI Director Kash Patel, former Attorney General Pam Bondi and White House budget director Russell Vought, among others. But otherwise serious people, like freshly confirmed Attorney General Todd Blanchette (granted, he's functioned as a Trump loyalist) and Director of National Intelligence Jay Clayton are the latest high-profile examples.

That's why political "gotcha" questions about the outcome of the 2020 election from Democrats during congressional

hearings and the absurd obfuscation from Trump administration officials and nominees, shouldn't be dismissed as just another Capitol Hill clown show.

"The answer to the question seems particularly relevant for positions where a job should require the ability to say things the president does not want to hear," said Drew Kurlowski, an associate professor of political science at Coastal Carolina University, in Conway, South Carolina, who has studied the history of congressional hearings.

Congressional oversight and confirmation hearings, which theoretically intend to elicit or impart relevant, if not damning, facts, devolved long ago into soap-box sessions, used by lawmakers of both parties and those testifying to produce viral, made-for-social media moments. For representatives and senators, these clips are useful for raising money and bolstering their position with the left-wing or right-wing base. In the case of Trump administration officials and nominees, their performances have been about satisfying an audience of one. (And yes, he's watching.)

"Who won the 2020 election?" Senator Jon Ossoff, a Democrat from Georgia, asked Clayton during his confirmation hearing. Answered Clayton, a qualified nominee who some Democrats initially expressed interest in supporting but ultimately rejected: "I'm not going to do this with you."

Ossoff, who is up for re-election this year, tried a few more times but came up empty, including with this query: "It's a simple ques-

tion, Mr. Clayton: Who won the 2020 presidential election?" Clayton still sidestepped a straightforward response. "I've answered it." (Expect to hear quite a lot about this in the upcoming 2028 Democratic presidential primary — and the ensuing general election. What's unclear is whether voters will care how Vice President JD Vance, or whoever the Republican nominee is, treats the topic.)

Clayton's dogged evasion undercuts his professional reputation for being capable, competent and committed to public service, said Doug Heye, a Republican strategist periodically critical of Trump. The new DNI was serving as a federal prosecutor when the president tapped him for the post. Unfortunately, Heye said, humoring Trump is the price of serving in this administration, or even being nominated for the federal bench, during his second term. "What serious person makes that deal with themselves?" he asked, rhetorically.

It's standard practice and politically effective for administration officials and nominees to offer disciplined, albeit canned answers to probing questions. Supreme Court confirmation hearings, in particular, have historically featured aggressive confrontations between lawmakers and nominees. In her 2022 confirmation hearing, now-Supreme Court Justice Ketanji Brown Jackson prominently would not agree that physical differences exist between men and women when asked to do so by Republican Senator Marsha Blackburn of Tennessee.

"What seems somewhat distinctive in



U.S. President Donald Trump, flanked by Vice President JD Vance, Secretary of Defense Pete Hegseth and other Republican lawmakers, speaks in the Oval Office last September during an event to announce that the Space Force Command will move from Colorado to Alabama. REUTERS

recent years is the degree to which questions surrounding the 2020 election have become a recurring test of alignment with President Trump, creating a dynamic that extends beyond traditional policy disagreements," political science professor Gibbs Knotts, Kurlowski's research partner at Coastal Carolina University, told me. It's almost as if Trump administration officials and nominees would be better off crossing the commander-in-chief on one of his key policy priorities than they would the red line about his loss to Biden nearly six years ago.

With voters prioritizing the economy,

Trump's obsession with rewriting the 2020 elections is doing his party's prospects of defending slim House and Senate majorities in this fall's midterm elections no favors. But Trump is undeterred and that's telling.

During the president's first term, his brittle ego was certainly visible, but he regularly listened to critics, many of whom inhabited his White House, often changing course while exhibiting strategic acuity. As the president's former acting chief of staff during term No. 1, Mick Mulvaney, explained to me in a December 2024 piece for The Dispatch: "There are a few things that Trump is just dead-set on ... There are other things, however, where

he would absolutely be open to reasoned discussion."

Is our aging, 80-year-old president still capable of that? Some days, it appears so. But with an economy saddled by tariffs Trump refuses to recognize as burdensome and a tactically incoherent, on-again, off-again war against Iran — not to mention other myriad national challenges — it might be good to know for sure.

David M. Drucker is a columnist covering politics and policy. He is also the author of "In Trump's Shadow: The Battle for 2024 and the Future of the GOP."

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