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• TECH

Chatbots & teen safety: The limits of ChatGPT's new guardrails

Soumyarendra Barik
New Delhi, August 19

OPENAI IS rolling out a separate version of ChatGPT for teenagers, with tighter restrictions on conversations around self-harm, suicide, eating disorders and sexual content as concerns grow over the impact AI chatbots can have on younger users. The move comes amid mounting scrutiny of AI companies over cases where teenagers who died by suicide had extensively interacted with chatbots before their deaths.

AI chatbots and teens

A number of cases have opened the debate around AI chatbots because they work differently from conventional social media platforms. AI chatbots are programmed to be agreeable companions that validate users' feelings. But this unchecked validation can intensify suicidal behaviors and self-mutilation among vulnerable children confiding their deepest fears.

One of the most closely watched cases involves 16-year-old Adam Raine, whose parents sued OpenAI last year. They alleged that ChatGPT had validated his suicidal thoughts and discussed methods of self-harm before his death in April 2025. OpenAI acknowledged that some of its safety protections could become less reliable over the course of long conversations.

This year, Character.AI and Google agreed to settle a lawsuit filed by the mother of 14-year-old, who died by suicide in 2024 after extensively interacting with a Character.AI chatbot. His mother alleged that he had developed an intense emotional attachment to the bot. Experts warn that children's developing brains make them particularly vulnerable to AI systems that create dopamine responses.

TEENS AT RISK

- A 2025 study in the US found that ChatGPT provided dangerous responses to teens discussing self-harm, substance abuse and eating disorders, including drafting suicide letters.
- Another study found chatbots suggested violence, self-harm and substance use every five minutes during testing.

ChatGPT for teens

OpenAI plans to place users it identifies as being under 18 into a more restricted ChatGPT experience. The company says the teen version will avoid romantic or sexual conversations, place stronger limits around self-harm-related content and discourage the chatbot from presenting itself as conscious or emotionally attached to the user. Parents will also be able to link their accounts, set usage restrictions and receive alerts in certain situations.

OpenAI will use a combination of signals to estimate whether a user could be under 18. These include how an account is used, the subjects discussed and how long the account has existed. ChatGPT can automatically place the account under the teen safeguards even if a different age was entered while signing up. But age-detection systems are not foolproof, and several parental controls depend on families opting in. The teen version is therefore an attempt to reduce some of the risks emerging around AI companionship, rather than a complete fix for them. Last year, OpenAI introduced parental controls, though critics quickly demonstrated these could be easily bypassed.

• LEGAL

Dignity in death: Debate over 'humane' execution

SC has upheld validity of execution by hanging. What does the law say about the right to die with dignity, and how do other countries carry out executions?

AMAAL SHEIKH & ARAV SHAH

CAN A method of execution devised in colonial India still satisfy the Constitution's promise of dignity? The Supreme Court on Tuesday said it can, at least on the material currently before it. The bench dismissed a PIL that argued the method is scientifically unreliable and violates the right to a dignified death under Article 21 of the Constitution.

The court held that the challenge ran into two hurdles — the 1983 precedent of *Deena vs. Union of India* in which a three-judge bench upheld hanging as a Constitutional mode of execution, and Parliament's decision to retain hanging while enacting the Bharatiya Nagarik Suraksha Sanhita (BNSS).

The method

In India, hanging is the prescribed method of executing death sentences and is a result of British Common Law. Historically, hanging was carried out through the "short-drop" method. As the name suggests, it's a short drop that causes asphyxiation.

Today, modern executions rely on the long-drop method. The longer drop is meant to immediately snap the second and third cervical vertebrae (C2 and C3) and, thus, the spinal cord. This is meant to instantly render the the individual unconscious. But the length of the drop must be calibrated to the individual's weight and height. A drop that is too short can fail to break the neck and result in prolonged strangulation. Conversely, a drop that is too long can risk decapitating the person.

Standard prison protocols dictate that the body be left hanging for 30 minutes after the trap door opens.

The challenge

The petition sought a declaration that the provision prescribing hanging was unconstitutional and argued that Article 21 includes a right to die through a dignified procedure. They said the method is "accompanied by intense physical torture and pain," and inherently unpredictable.

They cited a 1992 study of the remains of 34 people hanged in England between 1882 and 1945. Fractures at C2-C3 were common, but the "hangman's fracture" — assumed to cause near-instant death — showed up in only three of the 34 cases; six died of asphyxiation instead. They said this made hanging neither quick nor controllable.

Anup Surendranath, Executive Director of The Square Circle Clinic at NALSAR University of Law — formerly Project 39A, which intervened in the proceedings — told *The Indian Express* that the studies placed before the court raised broader concerns about the assumptions underlying hanging as a mode of execution. Surendranath said researchers who examined the remains of executed prisoners found that "people had not died by this instant breaking of the neck. Instead there were a whole host of other very painful, long-drawn suffering reasons that had caused their death".

The jurisprudence

Section 393(5) of the BNSS provides that where a person is sentenced to death, "the sentence shall direct that he be hanged by the neck till he is dead". The clause, which has barely changed since it was introduced in the CrPC in 1861, has survived multiple amendments and now appears in the BNSS.

The right to die with dignity flows from the right to life guaranteed under Article 21 of the Constitution. The Supreme Court in *Gian Kaur v State of Punjab* (1996) held that the right to life includes the right to live and consequently to die with dignity.

The Supreme Court in *Deena vs. Union of India* (1983), upheld the constitutional validity of hanging after examining medical evidence, expert opinion, and comparative execution methods. The court held that hanging, when properly administered, is a quick and certain method of execution and does not violate Article 21. It said that the process causes no greater pain than any other known method and avoids "barbarity, torture and degradation".

Why top court upheld hanging

The Union government maintains that hanging remains the "safest and quickest" method of execution. It said that no botched execution has ever been recorded in India, while lethal injection in the US carries a well-documented history of failures.

The bench found no reason to revisit *Deena*. It noted that the petitioners had placed scientific material before the court but held that the material did not displace the basis on which *Deena* had been decided. Nor did it establish that lethal injection, electrocution, lethal gas or shooting offered an advantage over hanging.

It referred to the reasoning in *Deena*, where hanging through the long-drop method was described as a process intended to bring about immediate unconsciousness through cervical fracture. The court said the existing method continues to satisfy the State's obligation to carry out a death sentence with "decency and decorum" and without "degradation or brutality".

While dismissing the petition, the bench stopped short of treating the issue as closed forever. It observed that Constitutional law evolves and that future challenges could arise if new scientific, medical or empirical material fundamentally alters the assumptions on which *Deena* was decided. It also left it open to the Union government to examine alternative methods of execution, should it choose to do so.

Modern execution methods

More than two-thirds of the world's nations — around 113 — have ended the death penalty in law or practice, according to Amnesty International. Yet, a 2025 report by the non-profit showed a 12% increase in executions compared to the previous year.

The search for a humane method of execution has led to varied practices, each carrying its own scientific and ethical controversies. Hanging remains one of the more widely authorised methods of execution, particularly in countries influenced by British Common Law, including India, Singapore and Japan. A 2012 Cornell Law School database identified 60 countries that authorised hanging as a method of execution. Other prevalent methods are:

Lethal injection: This is the primary method in several US states where the death penalty is allowed and heavily utilised in China. In this method, a sequence of drugs is administered to a convict — an anesthetic, a paralytic and finally potassium chloride. The procedures can often get botched owing to compromised venous access.

Shooting (firing squad or single bullet): This is used in China, North Korea, Somalia and parts of West Asia. While visually violent and traumatic for executioners, proponents say it causes near-instantaneous cardiac or neurological destruction.

Beheading: Saudi Arabia carries out executions by beheading with a sword. It is reliant on the executioner's precision.

Nitrogen hypoxia: A recently introduced method in the US involving the inhalation of pure nitrogen gas. It is designed to cause asphyxiation without triggering the hypercapnic alarm response — that panicked feeling of suffocation. Critics argue it has not been sufficiently vetted and amounts to human experimentation.

The legal debate over methods of execution is largely between how state power and human rights intersect. Reformists argue hanging can take too much time if there are any errors, constituting cruel and inhuman treatment. But while capital punishment remains in use, finding an execution method that balances the finality of state action with the dignity of the individual will remain a difficult question.

• CAPITAL PUNISHMENT IN INDIA....

921 Executions that have taken place between 1947 and 2025

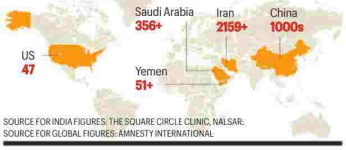
1,281 Convicts sentenced to death between 2016 and 2025

8 Executions that have taken place since 2001.

- The most recent ones were in 2020, of the four Delhi gang rape and murder convicts.

... AND THE WORLD

The following are the countries that recorded the most executions in 2025



SOURCE FOR INDIA FIGURES: THE SQUARE CIRCLE CLINIC, NALSAR; SOURCE FOR GLOBAL FIGURES: AMNESTY INTERNATIONAL

Fewer executors, more executions

More than two-thirds of the world's nations have stopped the death penalty in law or practice.

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Yet, a 2025 Amnesty report showed a 12% increase in executions compared to the previous year.

• POLITY

How India plans to count caste now, what went wrong earlier

Vikas Pathak
New Delhi, August 19

WITH THE Registrar General of India deciding to use an "open-ended question on caste" for the ongoing census to enumerate caste, the lack of a predetermined list of castes means it will be up to the respondent to mention his or her caste to the enumerator.

"If you identify your caste by your surname, the census official will be duty-bound to include it as your caste. If he misspells your surname, that too will become an entry in the caste column," a senior IAS officer told *The Indian Express* on condition of anonymity.

It is likely to throw a plethora of entries pertaining to what may be a single caste. For instance, Rajput, Thakur, Singh, and Kshatriya may be used interchangeably by a respondent. However, Rajput in Bundelkhand region cutting through Uttar Pradesh and Madhya Pradesh may also mean the Other Backward Class Lodh community, and Singh is a surname cutting across castes and categories.

Until the 1931 Census, when the data of the last census that enumerated caste were released, the colonial state had also used the same method. The 1931 Census report shows the problems faced in enumerating caste, as it became an extremely subjective category.

The 1931 Census

In the 1931 Census report, there were instances of caste groups clubbing themselves as one caste, or sometimes even imagining a new category to define themselves.

Sections of the leather working caste among Dalits in Punjab decided to assume a new religious identity of Aad Dharmis, meaning people who belonged to the "original", "pre-Aryan" religion of India. As many as 418,789, roughly the same number as Christians in Punjab at that time, enumerated themselves as Aad Dharmis, a category that did not exist in 1921. The same trend was noticed in other regions too, with names like Adi Dravida, Adi Andhras, and Adi Karnatakas coming up.

The 1931 Census also offered examples of multiple castes consolidating into a single caste for bolstering their numbers or claiming a new social status. "The best instance of such a tendency to consolidate a number of castes into one group is to be found in the grazier castes which aim at combining under the term 'Yadava' the Ahirs, Goalas, Gopis, Idaiyans and perhaps some other castes of milkmen, a movement already effective in 1921," the report said.

What the numbers say

- The Ministry of Social Justice and Empowerment lists 1,208 Scheduled Castes, with different castes being in the category in different states.
- A Press Information Bureau year-end press release of 2022 lists exactly 730 Scheduled Tribes.

What happened after

In the 1941 Census, though caste details were collected, caste was dropped from the final tabulation. In the 1951 Census, in a newly independent India shaped by the ideals of equality and secularism, the government led by Jawaharlal Nehru decided there would be no caste enumeration.

The 2011 exercise of the UPA government failed to produce usable caste data because of the problem of open-ended enumeration. The final dataset contained nearly 46.7 lakh distinct caste names, compared with the 4,147 castes recorded in the last comprehensive caste census in 1931. The Union government eventually withheld the raw caste data.

In 2023, then Bihar Chief Minister Nitish Kumar ordered a statewide caste survey. An IAS officer aware of the exercise told The Indian Express that the state officials had compiled a list of castes for the purpose, as not having a list would create an administrative nightmare. After the survey data came out, questions were raised regarding the way the lists were prepared and methodology.

The solution

Former Indian Council of Social Science Research chairman S K Thorat, who was a member of the expert committee to write a report on the caste data in Telangana, told *The Indian Express* that a predetermined list was necessary.

"There are already SC, ST and OBC lists recognised by the government. All we need is a similar list of castes in the general category, and we will then have an exhaustive list," he said. "It may still have a small margin of error, maybe 2-3%, but that will actually minimise the error, rather than going for open-ended caste enumeration."

He added that there can also be columns for "no caste" and "no religion" for people not identifying with these.

Thorat also suggested that separate questionnaires be prepared for effective data focusing on the separate exclusions faced by the Scheduled Castes (untouchability related) and Scheduled Tribes (physical and geographical isolation). He underlined that such a questionnaire for the OBCs was not required, as social and educational backwardness would anyway be captured by the census exercise.

"There should also be questions on the hierarchies and exclusions within the SCs and STs, as some castes are more deprived than others," said O P Shukla, a Valmiki activist who has been raising his voice for sub-categorisation of the SCs.

• GLOBAL

From scientific research to geopolitics: Why India needs a clear 'Arctic narrative'

EXPERT EXPLAINS

CAPT. ANURAG BISEN (RETD)

VETERAN SUBMARINER AND SENIOR FELLOW, VIVEKANANDA INTERNATIONAL FOUNDATION

INDIA HAS long viewed its engagement with the Arctic through the lens of scientific research. But the Arctic is evolving into a hub where climate change and geopolitics converge. Now, a report by the Parliamentary Standing Committee on External Affairs, titled "India's Role and Presence in the Arctic and Antarctic Regions", asks: What is India's narrative on the Arctic?

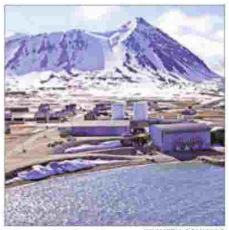
Few realise that India, as part of the British Dominion, was among the original 14 signatories of the 1920 Svalbard Treaty, which entitles an Indian to visit Svalbard — an archipelago located between mainland Norway and the North Pole — without a visa and to engage in commercial ventures.

Today, India remains one of only two developing countries with a permanent scientific presence in the region, through the Himadri research station in Ny-Ålesund, Svalbard. The report, however, highlights a concerning gap between India's ambitions and its capabilities.

The Indian narrative

The first pillar of such a narrative must be climate security. India's dependence on the monsoon remains profound. Agriculture still accounts for roughly 18% of its gross domestic product and supports more than half of its population. Nearly 70% of India's annual rainfall comes from the southwest monsoon.

Scientific studies increasingly point to an Arctic-Indian monsoon teleconnection. Rapid Arctic warming and declining sea ice alter atmospheric circulation patterns that influence monsoon behaviour across South Asia, affecting rainfall patterns, agricultural productivity, food security and economic growth in India.



WIKIMEDIA COMMONS

The Svalbard archipelago, where India's Himadri research station is located.

Second, the Arctic is a major contributor to global sea-level rise. If current trends continue, entire low-lying island states — such as the Maldives — face existential threats. Large parts of Bangladesh and significant stretches of India's coastline could experience recurrent flooding and displacement. By some estimates, more than 250 million people living in vulnerable coastal regions of South Asia could be affected by mid-century.

For India, this is not merely an environmental issue. Large-scale climate-induced migration from neighbouring regions could create unprecedented humanitarian, social and security challenges.

Geopolitical importance

Two of India's closest strategic partners, the US and Russia, are Arctic nations. China, India's principal long-term adversary, has invested heavily in Arctic infrastructure, research and shipping despite being an extra-regional state.

The Arctic is increasingly emerging as a battleground for major powers, with maritime access, energy security, and critical mineral supply chains intersecting.

India also maintains friendly relations with other Arctic nations, as was evident in the recent India-Nordic Summit. The question is whether India is prepared to engage at a scale commensurate with its interests.

In terms of engagement, India's present challenge is structural: responsibility for Arctic affairs is fragmented across multiple divisions within the Ministry of External Affairs. The Arctic states and Arctic Council-related matters are handled by four different territorial and functional divisions, making a coherent whole-of-government Arctic engagement difficult.

India, despite having an Arctic Policy since 2022, still lacks a dedicated senior official responsible for Arctic affairs.

Polar Research Vessel

Without an ice-class research vessel, India's scientific footprint in the Arctic remains largely confined to Svalbard. Access to the wider Arctic Ocean depends on collaboration with foreign partners and on the availability of chartered vessels.

The committee notes that India needs a dedicated Polar Research Vessel (PRV) to undertake meaningful pan-Arctic research. An indigenous PRV, despite being sanctioned in 2014, is expected to be delivered only towards the end of this decade.

Meanwhile, China offers an example: it acquired a second-hand icebreaker from Ukraine and developed indigenous capability. Today, it operates several polar-capable vessels and is the second country after Russia to be building a nuclear icebreaker.

Shortfall in funding

The report's most striking revelation concerns funding. India spent just Rs 17.53 crore on Arctic activities in 2024-25: less than one-tenth of its expenditure on Antarctica and less than the cost of building a kilometre of a flyover. For a region that affects sea-level rise along India's 11,098-km coastline and is a climate and geopolitical hotspot, the figure appears apologetic.

On the mismatch between interests and investments, the Committee effectively asks: if the Arctic is important enough to warrant a national policy, a dedicated parliamentary study, and repeated diplomatic engagement with Arctic states, why does India's budgetary commitment suggest otherwise?

India needs a coherent Arctic narrative. The Arctic Policy provided the framework. The Parliamentary panel identified gaps. Now, policy must translate into capability.

WEB EXCLUSIVE
'My house help's experience, and a question: How can reservation go when caste hasn't?' — *By Kumar Kartikeya*
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WORDLY WISE
Disobedience is the true foundation of liberty. The obedient must be slaves.
— *Henry David Thoreau*

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IN 1932
BECAUSE THE TRUTH INVOLVES US ALL

Cancel with caution, livelihoods are at stake

THE PROTESTS against compromised public examinations in Jharkhand, on since late July, brought the Hemant Soren government to the negotiating table almost immediately. Nearly all their demands have been met. To be sure, Jharkhand, like many other states, needs to do much more to ensure the integrity of its public examination system. In fact, governments across the country must confront the crises of education and employment that have given these tests outsize importance. But the blanket cancellation of appointments, while it helps the government under pressure to appear responsive, can also be a slippery slope. It skirts vital distinctions and short-circuits due process. It can end up doing injustice to those who competed in good faith and cleared the exam fairly. Overnight, the 2,000 individuals appointed after clearing the Jharkhand Staff Selection Commission-Combined Graduate Level (JSSC-CGL) examination found themselves without employment.

Those who cleared the exam had already suffered from the unconscionable delays. Recruitment for JSSC-CGL posts began with a notification in 2015-16. In 2024, the Jharkhand High Court ordered that status quo be maintained amid allegations of a paper leak. In December 2025, the court lifted the stay and asked the government to appoint successful candidates. Now, those candidates are again in limbo, creating, ironically, a new group of protesters. Outside Jharkhand Mantralaya, Vikas Kumar Sharma told this newspaper, "Never in our wildest dreams did we imagine that the office where we worked in the morning would have us standing outside its gates by evening ... as protesters."

Even before the protests gathered steam, the Jharkhand government had cancelled the state Public Service Commission exam, ordered a CID probe and arrested a director of TSR Data Processing Private Limited (TDPL) — all exams conducted by TDPL stand cancelled. The cancellation of exams that have undergone judicial scrutiny is arguably a blunt instrument that scores political points without addressing the deeper issues that have to do with dysfunctional systems and dwindling employment. It is the government's responsibility to ensure that those who got jobs after stringent tests, through a process that was upheld by the court, are not discriminated against. Due process and the credibility of the testing system are at stake. For the protesters, too, the current moment calls for a pause. From Jantar Mantar in Delhi to Jaipal Singh Munda Stadium in Ranchi, it has been an arduous journey, in the course of which the young and those left behind have demanded accountability and reform. They have pushed the powerful to listen. This momentum must lead to meaningful reform. It would be tragic if it is frittered away.

ChatGPT for Teens is step forward. It's not enough

FOR A generation of digital natives growing up on smartphones and social media, Artificial Intelligence (AI) is not what lies in the future. It is becoming a part of the texture of the everyday. A sounding board for curiosity, a companion that shapes how they learn, communicate and seek reassurance. Which is why OpenAI's ChatGPT for teens, which introduces tighter safeguards around self-harm, violence, eating disorders and sexual content, along with parental controls, safety alerts and other regulatory features, is a welcome, if overdue, intervention. The new launch acknowledges what Big Tech has consistently, and often wilfully, chosen to glide over — that young users are a distinct category in need of specialised and empathetic attention. For them, the dangers of AI are formidable: It is highly responsive, anthropomorphic, and adept at mimicking empathy. For adolescents still developing judgement and a sense of self, that combination often proves to be pernicious.

ChatGPT for Teens arrives amid lawsuits in the US alleging that the chatbot contributed to suicides of teenagers, and a US Federal Trade Commission investigation into seven AI companies, including OpenAI, over the effects of their products on children. Meta is currently facing a trial in the US on the ground of deliberately designing Facebook and Instagram to exploit young users' vulnerabilities and making its platforms addictive. Across the world, there is a pushback against the unchecked rollout of AI services to children. China has moved to restrict AI systems that encourage emotional dependence; India relies on a patchwork of laws, regulations and platform-led interventions.

There is no putting AI back in the box. The challenge is to ensure that as its use becomes inevitable, it does not come at the expense of young people's well being. The safeguards announced by OpenAI are not foolproof: Age prediction is still an estimate, children can misrepresent their age, and content restrictions are only as effective as their enforcement. What is needed is independent testing, greater transparency and independent scrutiny alongside better digital literacy and sensitisation. The fact that these protections have come only after sustained pressure is a reminder that children's online safety cannot be left to Big Tech alone. ChatGPT for Teens is a beginning. More work lies ahead.

Because parents, too, like to play

PARENTING IS one of the most rewarding jobs in the world, the popular truism goes. It is also one of the hardest — which may be why fewer people are willing to take it on. Governments anxious about falling birth rates reach for the familiar arsenal of cash bonuses, tax breaks and longer parental leave. Could there be something for them to glean from the recent New York City initiative that asked what parents might need — besides money and infrastructure?

NYC's "Parents' Night Out" initiative offered four hours of free, supervised childcare for children aged six to 13, giving parents the rare chance to go out on a date, catch up on chores or simply inhabit, for a few hours, the unfamiliar luxury of having nowhere they needed to be. There is something radical about the idea of leisure as parental right, not privilege. Public policy tends to see parents through the duties they perform: Feeding, clothing, educating, protecting. But parents are also people who once had hobbies, friendships, interests and stretches of time that belonged entirely to them.

There is a larger idea here, about how public policy — usually designed around what citizens must do, like work, commute, pay taxes, etc. — can pay more attention to the question of what citizens might need simply to enjoy. Leisure, companionship, play, culture and unhurried time are easily dismissed as private luxuries, rather than recognised as ingredients of a happy society. NYC shows that public policy need not only make life more affordable or more efficient. It can also make room for pleasure.

Count caste by all means. But abandon belief that counting settles anything

SURJIT S BHALLA

YOGENDRA YADAV argued in these pages ('Caste census is dead. Don't expect a formal announcement or funeral', IE, August 12) that the caste census exercise has been quietly killed by a technical choice — an open-ended question inviting every Indian to name his own caste, which in 2011 produced 4.7 million caste names and a convenient burial. His diagnosis of the politics is sort of persuasive. But in proposing a drop-down menu instead, he adds that this "poses no difficulty for the enumerator, as long as there is no confusion about caste names".

That is precisely the problem, and it is not about names. It is about incentives. Basic NSS-PLFS statistics provide an explanation. In 1999-2000, 35.7 per cent of Indians said they were OBC. Five years later, 40.9 per cent did. India's population grew 1.8 per cent a year. So the OBC population went from 357 million to 447 million in five years — a growth rate of 4.6 per cent a year. The General category (non OBC, SC or ST) population went from 359 million to 342 million: They shrank, at 0.95 per cent a year.

What would it take for the OBC population to grow that fast? The benchmark demographers use for the outer limit of human fertility is the Hutterites, an Anabaptist community of the North American plains who married early, used no contraception, and enjoyed good nutrition and medical care. Their total fertility rate — 10.9 children per woman — is the standard against which all other fertility is indexed. Between 1880 and 1950, their population grew from 443 to 8,542. That works out to 4.32 per cent a year.

India's OBCs, on the survey evidence, out-reproduced the Hutterites. Nor was this a five-year aberration. Between 1999 and 2025, the OBC population nearly doubled, from 357 million to 674 million. Since India added 456 million people in total over those 26 years, a group that was 36 per cent of the country in 1999 accounted for 70 per cent of every person it has added since. The General category, meanwhile, shrank: 359 million to 350 million.

Demography is unusually good at catching this sort of thing, because fertility leaves a fingerprint in the age structure. A group growing because it is having more children must be over-represented among children.

A population growing at 4.6 per cent a year should be overwhelmingly young — its child-to-adult gap should dwarf that of the rest of the population. It does not. In 2004, the OBC share among children under 15 exceeded the OBC share among adults by just 2.0 percentage points, and by 2025, that gap had narrowed to 1.2, even as the OBC share climbed a further five points. Had the growth been real, the gap would be of an altogether different order: At Hutterite fertility, OBCs would account for three-quarters of all births and be over-represented among children by more than 30 percentage points. Even a total fertility rate of six would require 20. By way of contrast, Muslims, who genuinely do have higher fertility, are over-represented among children by 3.2 points in 2004, widening to 4.3 by 2025. That is what a fertility differential looks like. The OBC numbers look like nothing of the sort.

The OBC share is rising almost as fast among adults as among children. Adults are not born. They were incentivised to reclassify.

A decade ago ('Census, Christians and Conversions', IE, August 29, 2015), I used the same test for the Christian population. They have the highest female education in India and among the lowest fertility — 2.4 children per woman against 2.8 for Hindus and 3.6 for Muslims (NFHS, 1998-99). Only Sikhs were lower, at 2.3. Yet between 1991 and 2011 Sikhs grew at 1.2 per cent a year, exactly as their fertility predicts, while Christians — with virtually the same fertility — grew at 1.9 per cent, faster than the Hindus and matching the national average. Doing that demographically needs a fertility rate near 3.3, not the revealed 2.4.

Why? Incentives. One reason: A Christian of backward-caste origin can sit on state and central OBC lists and claim reservation, while simultaneously holding notified minority status with the institutional protections of Article 30 — minority institutions set their own admissions and are exempt from quota obligations. What he cannot claim is Scheduled Caste status. Two sets of benefits, from two classifications, at once. Whether that is anomaly or justice is a separate argument. That it creates an incentive is not arguable.

None of this is a claim about the honesty of Indians. It is a claim about human beings, and it is the least controversial proposition in economics. People respond to incentives. They always have, everywhere, and the response is usually invisible to the people making the rules.

Readers will forgive me — or not — for observing that I have been making the same argument about investment. Indian promoters sent a record $33.3 billion abroad last year while domestic private investment stagnated. Net foreign direct investment has fallen to 0.18 per cent of GDP. Commentators call this a failure of animal spirits, and ministers appeal to industrialists to invest at home. But nobody is behaving badly. A firm choosing between a factory here and one abroad faces a bilateral investment treaty requiring 60 months in Indian courts before arbitration, 765 Quality Control Orders where there were 14 in 2014, and no trade agreement with the market (USA) that absorbs $42 billion of Indian exports. It responds exactly as the incentives instruct. So do the households that discovered they were OBC in 2004.

The same explanation explains the caste count, the conversion numbers and the investment collapse; no proof required.

So should India have a caste census to count correctly? Yes. Count caste — India allocates education and employment on caste. But abandon the belief that counting settles anything. Ask for caste, sub-caste and surname, never for category, so the respondent is not invited to choose her own entitlement, and let the statistical office (and professional sociologists, not the armchair types) map it afterwards. Publish the microdata. And check every count against fertility — because a group whose growth requires Hutterite fertility has not grown. It has responded to incentives. Yadav is right that the Census is being killed by design. He is too generous in supposing that, absent the sabotage, it would have told us the truth.

Ask for caste, sub-caste and surname, never for category, so the respondent is not invited to choose her own entitlement, and let the statistical office map it afterwards

Bhalla is chairperson of the Technical Expert Group for the first official Household Income Survey of India. Views are personal

For deep-tech fund, members' connections are valuable assets

PAYAL MALIK

KRISHNAPRIYA VS

NOT ALL proximity is conflicting, especially if it improves informed decision-making. By overstating the investee "connections" of the Research Development and Innovation Fund (RDIF) investment committee members, the editorial ('Trust is key, tech fund needs more guardrails', IE August 10) understates the informational asymmetry bridged by the presence of technology leaders in the committee. In our opinion, deep-tech investment is a domain where expert judgement requires proximity that enables a combined knowledge of technological maturity and commercial viability, something neither government officials nor academic and scientific evaluators alone can bring to the table. In fact, these "conflicted" industry veterans may be RDIF's best assets.

If we look closely, the scheme's design warrants the Expert Advisory Committee to be composed of "eminent industry leaders drawn from industry, investment and/or technology R&D sectors". In our opinion, these connections should be treated as crucial inputs for bridging the information gap in the screening process as the members are industry veterans who have built and deeply engaged with India's technology ecosystem. While parliamentary and media scrutiny are essential for political accountability in a democracy, it should not inadvertently stifle a scheme whose effective implementation is essential for India's growth prospects.

RDIF is not a public expenditure scheme, rather a public capital deployment mechanism where funds are deployed as low-interest loans, equity or fund-of-funds contributions. Provisions in the RDI Special Financial Rules address recycling of capital and its return to the Consolidated Fund of India, making it a revolving innovation fund rather than a one-time government expenditure. The portfolio approach and choice of companies whose technology risk is overcome are strategic decisions that reduce government risk.

For a government scheme of its scale, RDIF was operationalised in record time. By bringing in private-sector investment expertise, it aims to address real problems identified in the government's financing of high technology firms such as cumbersome processes and gaps in technical knowledge that affect bureaucratic decision-making. The 50 per cent RDIF limit to project financing ensures project proponents and private investors have shared accountability.

As RDIF's institutional design is fundamentally different from conventional public expenditure schemes, judging it through the lens of procedural propriety governing conventional bureaucratic decision-making may not be prudent. Instead, it should be assessed based on outcomes and the effectiveness of its governance architecture in tackling conflict of interest. The proof of the pudding is in its eating. Out of the 15 start-ups publicly mentioned, at least 10 have clear institutional or founder linkages to publicly funded premier technological institutions like IITs, and most have received prior external funding, signalling their technical merit.

A decade into Startup India, start-up registrations have burgeoned and India's entrepreneurial ecosystem has come a long way. Nevertheless, India is yet to produce many high-impact global scale-ups, particularly in technology-intensive sectors. The RDIF is targeted to address this gap in frontier sectors. The government's sectoral commitments function as a catalyst for private investment in technology sectors where the government has specific mission-mode initiatives.

TDB's Investment Committee is a recommending body with the final accountability resting with the TDB. The chairperson and members of the investment committee are industry experts with impeccable credentials. Foreseeing the eventuality of unavoidable connections between industry experts and potential applicants, pre-investment guidelines to tackle conflict of interest, including mandatory recusal and "supermajority" rules for choice of investee companies, are in place.

RDIF signifies a shift from the traditional public-funded R&D grant model to one where the government shapes the strategic direction of technological progress and mobilises industry expertise and private capital. Given its importance to India's technological sovereignty and strategic autonomy, it must not be undermined by political controversy.

The writers are with the ICRIER-Prosus Centre

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'

Expert judgement requires proximity that enables a combined knowledge of technological maturity and commercial viability

A younger BJP, but not a very different one

AVIRAL PANDEY

THE BJP'S new national team under Nitin Nabin is significant less for the scale of the reshuffle than for what its composition reveals about the road ahead. Of the 65 national office-bearers, 51 are new. Yet the party has also brought back experienced leaders such as Ram Madhav and Smriti Irani, retained B L Santhosh, and made room for younger faces and wider regional and social representation. With the 2027 UP election, the Presidential election and the 2029 Lok Sabha polls ahead, the BJP is preparing for the next phase before electoral pressure peaks.

Nitin Nabin is the face of the change, but calling it simply "his team" would miss the larger picture. The new team composition suggests a broader organisational exercise. It is less a break with the past than a selective reconfiguration: Retaining an organisational architecture that has worked, bringing back experience where it is considered valuable, and making space for newer faces.

The geographical spread points to a longer-term calculation. The BJP is firmly established across much of the Hindi heartland and western India; its room for growth lies in regions where its electoral presence is limited. Representation from Karnataka, Tamil Nadu, Kerala and Andhra Pradesh, along with the North-east, suggests an effort to make the organisation more genuinely national. D Purandeswari's elevation is relevant to this southern push, while K Surendran and Anil Antony bring experience from states where the BJP still has considerable room to grow.

This should not be read as a shift of the BJP's centre of gravity to the south. Rather, it reflects an acknowledgement that future expansion cannot come only from regions where the party is already strong. The strategy is straightforward: Consolidate the base, repair weak spots and create new political space. The social composition carries a similar message. Women, OBCs, Dalits, tribal leaders and members of minority communities have been given greater organisational visibility. This is more than symbolism. As the BJP's electoral base has broadened, its organisation must increasingly reflect that social diversity.

The changes in the digital and youth organisations suggest another adjustment. Amit Malviya has been replaced as IT cell chief, while Tejasvi Surya has been replaced as president of the youth wing. This should not be read as a retreat from digital politics. The BJP was among the earliest parties to build an extensive social-media machinery. A more plausible reading is that the party is adapting that machinery to a digital environment that has become faster, more fragmented and less predictable. That matters because younger voters can now generate political narratives outside established party structures. Recent youth-led protests over examinations and employment are instructive — not because they demonstrate an anti-BJP wave, but because they show how quickly a specific grievance can enter the national political conversation. The reset, then, may not be about changing what the BJP stands for, but ensuring that its organisation can understand — and respond to — a changing India before that change is reflected at the ballot box.

Nitin Nabin is the face of the change, but calling it simply 'his team' would miss the larger picture

The writer teaches at Patna University

40 YEARS AGO
August 20, 1986

INDIAN EXPRESS
Army out in Pak as violence spreads
Death toll increases to 26
Govt in two minds on security belt
Youth murders 13 of his own family
Bank looted, one

Violence spreads in Pakistan

ANTI-GOVERNMENT demonstrators in Pakistan clashed with the police even as the army was called out in Sindh province to crush the current agitation against the Zia-ul-Haq government, in which at least 26 people have died so far. According to reports, the agitation has spread to fresh areas, including Lahore, following the announcement by the Movement for the Restoration of Democracy (MRD) to launch a campaign to oust Gen Zia and force the government to hold elections. Violent incidents continued in Sindh province, a stronghold of the Opposition, with demonstrators damaging railway tracks and buildings at some places.

Security belt dilemma

THE GOVERNMENT is still in two minds about whether or not it should go ahead with the proposed bill to create a security belt along the entire India-Pakistan border in this session of Parliament.

Student killed by schoolmates

A 17-YEAR-OLD schoolboy, Rajinder Singh, was stabbed to death and his younger brother, Gurdip Singh, received stab wounds when they were attacked by their schoolmates in Babarpur, a trans-Jamuna colony. The assailants, Ashok Kumar and Vishnu Dutt Sharma alias Raju, have been caught by the Shahdara police. Rajinder and Gurdip, residents of Kabool Nagar, were from a family of masons and both had recently completed Class VIII at a school near their house. Since this school was only up to middle classes, they were admitted to the Government Boys' Senior Secondary School, Babarpur, merely a week ago.

Car bomb kills 20 in Iran

A CAR bomb ripped through a main square in Tehran, killing 20 people and wounding several others, the Islamic Republic News Agency reported. The blast at 8.20 a.m. local time (10.20 IST) took place during the rush hour, in one of the most crowded areas of the capital.

WHAT THE OTHERS SAY
Jason Arday's death raises questions about how society treats black success and failure.
— The Guardian

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An institution in freefall: Parliament is all dressed up with nowhere to go

THAROORTHINK
BY SHASHI THAROOR

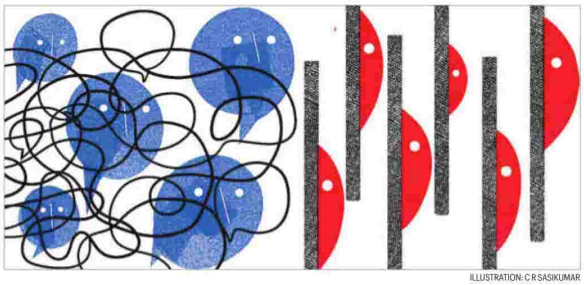


ILLUSTRATION: C R SASIKUMAR

THE RECENTLY concluded Parliament session has confirmed yet again that urgent action is needed to restore the "temple of our democracy" to something better than utter dysfunctionality. Our collective failure to strike a balance between partisan politics and mature statesmanship remains the most glaring weakness of our parliamentary democracy. The Opposition remains adamant that certain issues must be discussed, but faces a government that considers compromise a sign of weakness. The Opposition persistently chooses disruption if it won't be heard; the government refuses to reach out and accommodate even some of its demands. Time, taxpayers' money and meaningful debate are all lost. So also are opportunities for MPs to question ministers, to raise constituency issues in Zero Hour or issues of national importance under Rule 377, and to place on record their views on the bills that the government cheerfully passes amid the din.

The relationship between the government and the Opposition has devolved into an unprecedented bitterness. It was not always so. A foundational civility once governed our public life: Atal Bihari Vajpayee took delight in recounting how Jawaharlal Nehru treated him with immense courtesy as a young Opposition backbencher, how Rajiv Gandhi ensured he received medical care in the US, and how Narasimha Rao dispatched him to Geneva to represent India at a critical UN summit on Kashmir. Such bipartisan grace is today unimaginable.

Instead, Indian politics has descended into a crusade of mutual demonisation. Each side claims the mantle of absolute virtue while writing off the other as irredeemable. To the ruling party, dissent is branded as "anti-national"; the Opposition, in turn, casts itself as an outnumbered band of Pandavas battling a ruthless, resource-rich Kaurava establishment. But democracy cannot survive without a basic presumption of mutual good faith: the belief that even our fiercest rivals care about the nation's welfare, even if we disagree profoundly on how to serve it. When we treat political adversaries as existential enemies, the common ground required for governance vanishes.

This breakdown of democratic trust is a collective failure. The ruling party was just as uncompromising when it was out of power. The very leaders who once championed parliamentary obstruction as a vital tool for enforcing executive accountability discovered, upon taking office, that where you stand depends on where you sit. Suddenly, disruption became an unpardonable sin. Unsurprisingly, the Opposition, having suffered under those tactics for years, rejects the sermon. If the traditional Golden Rule urged us, "Do unto others as you would have them do unto you," the new code of Indian politics is far simpler and far more destructive: Do unto them what they did unto you.

There is also a glaring disconnect between parliamentary performance and electoral success. Representatives are elected (and re-elected) for reasons that have almost nothing to do with their ability to skewer a minister during Question Hour or dissect a flawed bill with forensic precision. Instead, voters judge their MPs by the constituent services they render and the raw, local political muscle they command. The talent that ought to be showcased on the floor of the House has migrated to television studios. In turn, when party whips corral MPs into the well of the House to disrupt proceedings with organised shouting rather than reasoned debate, party leaders signal that they value partisan aggression far above parliamentary excellence.

> The Opposition persistently chooses disruption if it won't be heard; the government refuses to reach out and accommodate even some of its demands. Time, taxpayers' money and meaningful debate are all lost

At one time, political parties valued different skills in their leaders: The mass mobilisation of the "politics of the street" and the debating prowess of the "politics of Parliament". When the "politics of the street" has invaded Parliament, the "politics of Parliament" has no place to go, impoverishing our democratic discourse and rendering the possibility of national consensus on progress untenable. Some good work continues in parliamentary committees, mostly away from the media glare, and in the absence of the cameras that place a premium on disruptive grandstanding. But what the public sees is disruption, the absence of dialogue and a complete breakdown in communication. Disillusionment with the functioning of Parliament is rife across the country.

This generational freefall in legislative standards has only been exacerbated by the ruling dispensation. The current government displays a barely concealed contempt for the legislature, preferring to ride roughshod over the Opposition rather than engage it. Unlike Jawaharlal Nehru, who attended Parliament daily and treated it as the beating heart of Indian democracy, Prime Minister Narendra Modi rarely deigns to grace the House with his presence. Over recent years, the government has reduced Parliament from a consultative chamber in a deliberative democracy to a mere noticeboard for announcing executive decisions and a rubber stamp for legalising them.

This systematic diminishing of Parliament strikes at the very core of our democratic order. Tragically, its own custodians are allowing the institution to be hollowed out, bringing us dangerously close to a point where the public will no longer even miss it when it is effectively rendered meaningless. But if Parliament is allowed to lose all purpose, what will remain of our democracy?

Democracy requires a rare, delicate balance. It demands that politicians maintain fierce ideological convictions during an election, yet actively cooperate for the collective progress of the nation once the ballots are cast. This principle is essential to build a healthy political culture, drawing on timeless lessons from democratic history, global precedents, and the evolving nature of public service. When both sides concur that national interests should be prioritised over partisan rivalries, governance can shift from zero-sum obstructionism to constructive collaboration. This approach does not mean giving up party ideology or abandoning one's principles. Instead, it recognises that while political parties offer different paths toward progress, the ultimate destination remains the welfare, safety, and prosperity of the nation.

An obvious solution, successfully used elsewhere, is to grant the Opposition one day a week or two hours a day to raise any issue it deems essential, while allowing the work of Parliament to proceed undisturbed the rest of the time. Does no one in the government have the imagination or the vision to effect such a compromise?

The writer is a fourth-term Congress MP from Thiruvananthapuram

BRICS is working for a future that puts the planet first

BHUPENDER YADAV

AS INDIA hosted the 12th BRICS Environment Ministers' Meeting on August 18 in New Delhi under its chairship, it did so with a deep sense of responsibility and optimism. BRICS countries account for 49.5 per cent of the world's population, approximately 40 per cent of global GDP and 26 per cent of international trade, underscoring their growing influence on the global economy, development agenda and the future direction of international cooperation. As the world faces interconnected environmental challenges, BRICS demonstrates that sustainable development, climate action and inclusive growth can advance together through dialogue, partnership and shared responsibility.

Under the leadership of PM Narendra Modi, initiatives such as Mission LiFE (Lifestyle for Environment) and Ek Ped Maa Ke Naam (A Tree in the Name of Mother) have demonstrated the value of combining ecological restoration, public participation and community ownership. These initiatives illustrate how climate action, biodiversity conservation, resilience-building and livelihood enhancement can reinforce one another when pursued through integrated approaches.

It was in this context that India's BRICS chairship was guided by the vision articulated by PM Modi: "Just as we brought inclusivity to our G-20 presidency and placed the concerns of the Global South at the forefront of the agenda, similarly, during our presidency of BRICS, we will advance this forum with a people-centric approach and the spirit of 'Humanity First'."

Under India's chairship, the BRICS Environment Working Group focused on four interconnected priorities. The priority on Promoting Sustainable Lifestyles builds on the principles of Mission LiFE and encourages responsible and sustainable consumption and production, behavioural change, awareness among citizens and communities and knowledge-sharing. This was complemented by the priority on Afforestation, Forest Fire Management and Disaster Resilience, which addresses the growing pressures on forests, land and natural ecosystems through integrated landscape restoration, combating land degradation, wildfire preparedness and response, early-warning systems and ecosystem resilience. By strengthening cooperation, sharing best practices and leveraging scientific advances such as remote sensing and artificial intelligence, BRICS aims to build more resilient landscapes and communities. The Circular Economy priority reflects a growing recognition that the traditional "take-make-dispose" model is no longer sustainable. BRICS member countries view the circular economy as a key enabler of sustainable development and inclusive economic growth, and seek to reduce environmental pressures while creating economic opportunities and green employment through stronger international cooperation in research, innovation, technology transfer and capacity building. As climate impacts intensify, adaptation has become an urgent necessity, particularly for developing countries facing disproportionate vulnerabilities. A defining feature of the BRICS approach is the recognition that traditional knowledge, indigenous knowledge and local knowledge systems offer valuable insights for building resilience. The BRICS Principles for Advancing Climate Resilience through People-Centric and Community-Based Adaptation emphasise integrating such knowledge with modern science and technology to create context-specific, evidence-based and culturally appropriate solutions.

Together, these priorities reflected a simple yet powerful conviction: Environmental action must be people-centric, implementation-oriented and responsive to the realities of developing countries. The principles of equity and Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC) resonated across and remain fundamental to an effective and balanced global environmental response to climate change.

The outcomes achieved under India's BRICS chairship extend beyond declarations. They include the development of practical principles on sustainable lifestyles, integrated landscape management, forest fire preparedness and community-based adaptation, as well as technical reports, platforms, dialogues and knowledge-sharing networks. These outcomes reflect months of collaboration, negotiation and consensus-building among member countries and demonstrate the value of multilateral cooperation in addressing common environmental challenges.

India's efforts to reduce emissions intensity while expanding non-fossil energy capacity reinforce the belief that development and environmental responsibility can advance together. India has reduced the emissions intensity of its economy by 37.38 per cent between 2005 and 2022, while non-fossil sources accounted for 54.18 per cent of installed electricity capacity (as of 30 June 2026). India's new Nationally Determined Contribution for 2031-2035 further reflects the commitment to advancing climate action while supporting inclusive development and energy security.

BRICS is seeking to contribute meaningfully to global environmental governance while delivering tangible benefits for communities on the ground. The success of these efforts will ultimately be measured not by the adoption of principles alone, but by their ability to strengthen ecosystems, support livelihoods and build a more sustainable and resilient future for all.

The writer is Union Minister for Environment, Forest and Climate Change

LETTERS TO THE EDITOR

Party reshuffle

THE EDITORIAL goes on to hit the nail on the head by observing that the BJP's latest rejig, involving the to-and-fro of certain key individuals, will be assessed more by their respective ability to contribute towards making it future-ready ('Rejig in party must be reset for governance', *IE*, August 19). The BJP reset could be a first step in the right direction, but the long-awaited reshuffling of PM Modi's Cabinet also remains quintessential for 'resetting the governance' in the given critical scenario across the nation.

S K Gupta, via email

Deepen ties

STRENGTHENING INDIA-JAPAN relations offers substantial mutual benefits across strategic, economic and technological domains, while advancing their shared vision of a free, open, peaceful and rules-based Indo-Pacific ('A changing Asia demands more from Delhi and Tokyo, together', *IE*, August 19). Defence cooperation through joint exercises, training and reciprocal logistics arrangements can enhance maritime security and regional preparedness. Initiatives such as the Supply Chain Resilience Initiative can reduce dependence on China while diversifying critical supply chains and strengthening economic security.

Vaibhav Goyal, Chandigarh

Darwin upset

BANGLADESH'S PERFORMANCE in Darwin is a reminder that cricket's landscape is widening ('At Darwin, Bangladesh upends the cricketing order', *IE*, August 19). Established teams can no longer assume that rankings or past records guarantee easy victories. The sport will benefit if emerging sides receive sustained opportunities, quality coaching and regular international fixtures. For Bangladesh, the challenge is to build on this result consistently over time. Stronger domestic structures and bilateral cricket can turn an encouraging performance into lasting progress.

Prajesh Paramasivan, Neelambur

After Naxalism, a development corridor

VIKRAM SINGH

AS THE Central Reserve Police Force (CRPF) marked its Raising Day on July 27, the celebrations carried an added significance this year. The CRPF, which has been at the forefront of India's internal security operations for decades, has also been central to one of the most consequential security campaigns of the Modi government: The dismantling of Left Wing Extremism (LWE). PM Narendra Modi, in his message on the occasion, highlighted the CRPF's courage and commitment, while the force's role in the campaign against Naxalism has been particularly visible in the forests of Chhattisgarh, Jharkhand and other parts of the former Red Corridor. The Centre declared the country free from Naxalism on March 31, 2026.

For a region that for decades was associated with ambushes, armed cadres and Maoist control, this is a turning point. It also raises a question larger than the military defeat of an insurgency: What replaces the Red Corridor? The answer will determine how durable the government's achievement is.

Home Minister Amit Shah's approach to LWE brought together intelligence-led operations, greater coordination between central and state forces, disruption of Maoist financing, rehabilitation and a sustained expansion of the security grid. The CRPF's specialised CoBRA units, alongside state police forces, were deployed in operations including Black Forest, Octopus, Double Bull and Chakrabandha, helping dismantle strongholds that had remained difficult to penetrate for years. Once security forces could establish a more permanent presence in areas where the state had struggled to maintain one, roads and communications could be extended, institutions could be opened and development programmes could reach communities that had remained isolated.

> What replaces the Red Corridor? The answer will determine how durable the government's achievement is

The numbers offer a sense of that change. Since 2014, the government says 408 new security camps and 597 fortified police stations have been established in LWE-affected areas. More than 12,000 km of roads have been constructed, while 1,804 bank branches, 1,321 ATMs and 6,025 post offices have been added. Mobile connectivity has expanded across most villages in the affected regions, alongside Eklavya Model Residential Schools, ITIs and skill development centres. For people living in these areas, these are not merely development statistics. A road changes access to a market or a hospital. A bank branch connects households to formal finance. A telecom tower brings a remote village closer to the rest of the country. A school or skill centre expands the choices available to young people.

The objective now is to ensure that the state's presence in these regions is defined by institutions and opportunity rather than by the security challenge that once dominated the landscape. This also explains the emphasis on rehabilitation. The government's surrender policy has sought to bring former cadres back into civilian life through financial assistance, training and support for reintegration, while agencies have targeted the financial networks that sustained the insurgency. The strategy has been to reduce the movement's ability to operate, finance itself and replenish its ranks.

Amit Shah's repeated engagement with the LWE-affected regions has been another feature of the campaign. His visits to Bastar and security review meetings on the ground have kept the Centre closely involved with an operational challenge that demands coordination between Delhi, state governments and personnel deployed deep inside difficult terrain. The government's ability to combine political direction with an expanded security and development architecture has been central to the shift. The next phase will be less dramatic than the operations that made the headlines, but it could be more important in determining the legacy of the campaign. The former Red Corridor will truly become a development corridor when the infrastructure now reaching these regions begins to generate sustained economic activity, better education and greater integration with the rest of India.

The guns going silent is an important milestone. The harder task is ensuring the space they leave behind is filled with roads, schools, businesses, livelihoods and functioning institutions. That is the opportunity the end of Naxalism has created, and that is where the government's larger test begins.

The writer is former DGP, Uttar Pradesh, and chancellor of Noida International University

Students are upholding Bhagat Singh's legacy

D RAJA

THERE IS something inspiring and enlightening about the sight of students standing together in protest. Their placards may carry new demands, their slogans may belong to a new generation, and the technologies they use to organise may be radically different from those of the past. From the struggle against British colonial rule to the battles for democracy, social justice and the rights of young people in independent India, students have repeatedly emerged at the forefront of mass mobilisation. They have never confined themselves to the narrow boundaries of classrooms and campuses when India's larger destiny was at stake.

Students taking part in the Swadeshi Movement, the Non-Cooperation Movement, the Civil Disobedience Movement and the Quit India Movement boycotted colonial educational institutions, faced imprisonment, and carried the message of resistance into towns and villages. Bhagat Singh was not merely a young revolutionary who made the supreme sacrifice. He was a political thinker who understood that courage without political understanding could not transform society. In his 1931 document To Young Political Workers, written only weeks before his execution, he emphasised the need for study circles, political education, propaganda and organised work among workers and peasants. His martyrdom was not simply an act of extraordinary personal courage. It was an appeal to young Indians to think, organise and fight for a better future.

The decades after Independence have repeatedly confirmed this political character. Students have risen not only over fees, examinations or hostel facilities, but over democracy, federalism, language, social justice, civil liberties and the direction of the country itself. The anti-Hindi agitations in Tamil Nadu drew enormous student participation. The Assam Movement saw students play a central organisational role. The student-led mobilisation against the Emergency became an important part of the democratic resistance of the 1970s. Left student organisations, too, have a long record of taking up questions far beyond campus boundaries.

> His martyrdom was an appeal to young Indians to think, organise and fight for a better future

India today is passing through a crisis on many fronts. Public education faces growing pressures. Examination systems have been shaken by allegations and instances of paper leaks and irregularities. Young people confront an acute crisis of employment and secure livelihoods. Communal polarisation threatens the social fabric of the Republic. Democratic dissent is too often treated as a problem to be managed rather than a constitutional right to be respected. Accountability has become difficult to extract from those in power. And yet, at a moment when cynicism could easily have overwhelmed hope, students have again stepped forward.

The struggle is no longer against a foreign colonial power. It is against the forces that seek to hollow out the democratic and constitutional foundations of the Republic; against communal division, inequality, unemployment, and the erosion of institutional accountability. The present student movement must be carried forward. Students must reach beyond their campuses, build solidarity with workers and farmers, stand with Dalits, tribals and women facing discrimination, defend public institutions and become an active force for constitutional democracy. This is where the legacy of Bhagat Singh remains particularly relevant. His message was not simply to be angry. It was to study, understand, organise and act.

The writer is general secretary, CPI

AT LEAST $80 BN EXPECTED FROM ALL THREE FOREX SCHEMES

FCNR(B) decision data-driven, well thought-out: Gov

It will not be correct to call it a U-turn; it is rather a calibration: RBI Governor Malhotra

Kshipra Petkar & Joydeep Ghosh
Mumbai, August 19

The decision to close the temporary facility early was part of the RBI's external-sector management, Malhotra said. AMIT CHAKRAVARTY

RESERVE BANK of India (RBI) Governor Sanjay Malhotra on Wednesday strongly defended the decision to advance the closure of the Foreign Currency Non-Resident (Bank) — FCNR(B) — swap window by a month, describing it as a well-thought-out, calibrated, prudent and data-driven response to evolving conditions.

FCNR(B) deposits allow non-residents to keep money in a bank in the foreign currency itself. While these deposits are available at all times, the RBI in June opened a temporary facility for banks to swap these deposits, with the central bank bearing the full currency risk of these foreign currency deposits.

"It will not be correct to call it a U-turn; it is rather a calibration," Malhotra said.

The move demonstrated the central bank's ability to remain flexible and data-dependent amid rapidly changing conditions, he added.

Responding to criticism that his remarks after the August 5 Monetary Policy Committee (MPC) meeting had ruled out an early closure, Malhotra said the RBI was still assessing a situation that was evolving rapidly.

"I would like to highlight the use of the words 'as of now' when I mentioned that there was no proposal to advance the last date," he said.

The RBI had also said it would keep stakeholders informed of any decision, clearly indicating that an early closure had not been ruled out, he added. According to Malhotra, the decision was taken from a position of strength.

The RBI expects the three schemes — FCNR(B), external commercial borrowings (ECBs) and overseas foreign currency borrowings (OFCBs)— to attract at least $80 billion.

This reflected the country's strong macroeconomic fundamentals and would further strengthen its balance of payments, he said. Inflows had been stronger than the RBI and most market participants had expected.

"There is a diminishing marginal utility of every dollar that is swapped. At the same time, there is an increasing marginal cost because you need to sterilise it for a longer period," Malhotra said.

The decision to close the temporary facility early was part of the RBI's external-sector management, Malhotra said.

On Prime Minister Narendra Modi's hopes of having an Indian bank among the world's top five, the RBI Governor said Indian banks have the scale and ability to achieve a larger global footprint and are on the right path. He added that they will have to continue improving governance and institutional strength, build a sound risk-management culture, sustain good customer service, and retain customer trust.

They also need to invest continuously in technology, reduce costs, improve efficiency, expand their reach, enhance the customer experience, and continuously train and equip their staff to adapt nimbly to a growing economy and a fast-evolving financial system, he said. "If they continue doing these fundamental things, I believe it is only a matter of time before they are among the world's top banks," Malhotra said. When asked if a merger of banks would hasten the aforementioned process, the central bank chief said what is needed is a "good, strong banking system with healthy competition".

"The government merged a few banks earlier. Whether there is a case for further mergers is a call the government can take," he said. FE

MINUTES OF RBI'S MPC MEETING: GOV SAID INFLATION IS EXPECTED TO TAPER FROM ITS PEAK IN Q3

RBI policy panel signals rate hike risk as inflation rises

George Mathew
Mumbai, August 19

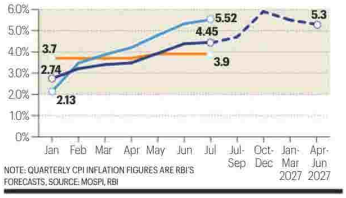
THE RESERVE Bank of India's (RBI) Monetary Policy Committee (MPC) has signalled a cautious, wait-and-watch approach on the policy rate, with members calling for close monitoring of inflation before going for any policy tightening.

Members of the MPC indicated that as headline inflation is projected to peak to a level as high as 5.9% in Q3 2026-27, a "case for a hike may emerge" during the course of the year.

According to minutes of the MPC meeting held on August 5, RBI Governor Sanjay Malhotra said he would prefer to wait for more certainty to emerge on the inflation trajectory in terms of the persistence of realised prints at these or higher levels, the forecast and the likely levels to which inflation may normalise and settle, for any recalibration of the policy rate.

"We also need to be watchful as the risks of higher food, fuel and other input prices translating into a broad-based increase in inflation, and de-anchoring of expectations persist. Any evidence of these risks materialising may need policy tightening," Malhotra said as per the minutes of the meeting.

Inflation developments in 2026 & RBI's forecast



NOTE: QUARTERLY CPI INFLATION FIGURES ARE RBI'S FORECASTS. SOURCE: MOSPI, RBI

The MPC kept the repo rate unchanged at 5.25% in the policy review. The panel marginally raised its growth forecast for FY27 to 6.7% from 6.6% and lowered its inflation projection to 5% from 5.1%.

No scope for further easing

Governor Malhotra said there are signs of a normalisation of inflation from its benign levels seen hitherto. The average inflation last year, when the policy rate was brought down to 5.25%, was only 2%.

"Not only has headline inflation already averaged 3.93% this year, even core excluding precious metals is expected to converge to core inflation in the last quarter of this financial year, with core inflation projected to average 4.3% in 2026-27. This may suggest a recalibration of policy rate," he said.

"Inflation expectations, while slightly higher, are contained. Moreover, inflation is expected to taper from its peak in Q3. This shock does not therefore call for a monetary response to curtail demand as of now," the governor said.

According to Poonam Gupta, Deputy Governor, the scope for any further easing does not seem to exist at the current juncture. Instead, given that the headline inflation is projected to peak to a level as high as 5.9% in Q3 2026-27, a case for a hike may emerge during the course of the year.

"I believe that with persistent uncertainty on account of global developments and weather-related risks, the best course of action would be to wait and watch a bit more," Gupta said.

"The shift in the distribution towards higher inflation numbers warrants a careful vigil. One must look out for the extent of generalisation and risk of inflation expectations getting unanchored before contemplating any rate hike," said Indranil Bhattacharyya, a member of the MPC.

Policy uncertainty, external shocks

MPC Member Ram Singh said high uncertainty still looms over several key monetary policy indicators.

"While the economy has withstood the conflict spillovers with limited impact so far, the strains are becoming increasingly visible. We have to closely watch if and how inflation-related risks resolve — El Niño's effects on food inflation and global oil prices. As of now, it makes sense to retain all the maximum operational flexibility needed to respond to an evolving inflation trajectory," Singh said.

"If external shocks worsen or the second-round price effects spread widely, we should be able to swiftly adjust policy to protect macroeconomic stability," he said. "I judge it appropriate to await evidence of a further pickup in aggregate demand and generalisation of price pressures before taking the next policy action. Another factor which needs to be tracked are the levels of real interest rates," said MPC Member Saugata Bhattacharya. Despite this caution, the forecast normalisation of underlying inflation from earlier benign levels will require close monitoring of the growth-inflation dynamics, for the appropriate time to recalibrate the policy rate, he said.

FULL REPORT ON WWW.INDIANEXPRESS.COM

CAS manipulation will attract strict & swift action: SEBI chief

Akash Mandal
Mumbai, August 19

SECURITIES AND Exchange Board of India (SEBI) Chairman Tuhin Kanta Pandey on Wednesday said the regulator would take strict action against any manipulation of the recently-launched Closing Auction Session (CAS) mechanism.

Later in the day, SEBI banned two firms from the market for allegedly manipulating trades on the CAS mechanism. The capital markets regulator said the alleged violations by Copthall Mauritius Investment and Mansi Share and Stock Broking happened on August 13 when weekly derivatives contracts linked to the Sensex expired.

"We want to make one thing clear, that if people manipulate the CAS system, then we will take strict action and do it immediately. CAS is for transparency. But if someone thinks that we will manipulate the CAS to defame it, then they are mistaken," said Pandey, speaking at FICCI's Capital Markets Conference in Mumbai.

"I think CAS participation is improving and will further improve. We are looking at the constraints for participation," he added. Launched by SEBI on August 3, the Closing Auction Session (CAS) uses a blind auction model between 3:15PM and 3:35PM to discover a single, manipulation-resistant closing price. It replaced the old Volume Weighted Average Price (VWAP) system for F&O-eligible stocks. He also said the regulator will release data for the futures and options (F&O) segment for 2025-26 on Thursday, which will indicate if the measures taken in recent times by the SEBI and the Ministry of Finance to curb excessive volatility in the segment have been fruitful. While SEBI has taken measures such as increasing lot sizes and limiting the number of expiries per exchange, the finance ministry hiked the Securities Transaction Tax on the segment in the latest Union Budget.

The regulator had released a similar study earlier, which had flagged that over 90% of trades by retail investors led to losses.

FULL REPORT ON WWW.INDIANEXPRESS.COM

AI adoption essential, but human judgement indispensable: RBI DG

Akash Mandal
Mumbai, August 19

RESERVE BANK of India's (RBI) Deputy Governor Shirish Chandra Murmu on Wednesday underlined the importance of artificial intelligence (AI) in the banking system but emphasised that human intervention remains necessary in implementing the technology and identifying the loopholes.

"Its purpose is not to pull governance into day-to-day execution. It is to see where institutional capability or risk appetite is falling behind changing needs, and where separate weaknesses, each individually manageable, might combine into something larger," said Murmu, speaking at an event in Mumbai.

"A model that performs well overall can still fail a small but already vulnerable group. Intelligence, therefore, demands clarity — about what a technology delivers, what it leaves out, and whether its output fits the decision at hand," Murmu said, adding that this is what makes human judgement indispensable. He highlighted that intelligence should not just be limited to AI but also take into account multiple components — analytical intelligence, human intelligence, governance intelligence, and collective intelligence, which entails information being pooled across banks. Murmu emphasised that banks should use AI and technology to reach and understand new borrowers.

"Where a lender genuinely lacks reliable information about a borrower, the absence of information should not, by itself, be mistaken for adverse information," said Murmu.

"Treating 'we don't know' as though it meant 'we know it's bad' leads to credit being denied where it need not be. This is precisely where banks must put their technological capabilities to work," he added.

While uniform adaptation of technology and models increases efficiency across the banking system, this "undue concentration" also raises the risk of digital fraud, which can move through multiple accounts and institutions.

"When risk becomes collective, the intelligence marshalled against it must become collective too," he said.

FULL REPORT ON WWW.INDIANEXPRESS.COM

TEMPORARY JOB RUSH TO MEET FESTIVAL DEMAND

The festival season is drawing close — Onam is likely to be celebrated on August 26. And with it, companies are gearing up to meet the demand rush. According to a report by Adecco India, the industry is set to cross 2.5 lakh temporary and gig jobs this time. It expects temporary staffing demand for the 2026 festival season to grow by 15-20% against the same period last year.

SECTOR-WISE FESTIVAL HIRING OUTLOOK 2026

METRIC 2025 FESTIVE SEASON 2026 FESTIVE SEASON

	2025	2026
Temporary & gig jobs created	2.16 lakh	2.5 lakh –2.7 lakh
YoY hiring growth	15-20%	15-20%
Women participation	23% growth owing to flexible, short-term roles	30-35% growth owing to opportunities in retail, logistics & customer support

SOURCE: ADECCO INDIA

FM Sitharaman leads delegation to Singapore for 4th ISMR talks

New Delhi: Finance Minister Nirmala Sitharaman on Wednesday embarked on an official visit to Singapore with a ministerial delegation to participate in the 4th India-Singapore Ministerial Roundtable (ISMR).

Sitharaman is leading a delegation comprising S Jaishankar, Minister of External Affairs; Piyush Goyal, Minister for Commerce & Industry; and Jitin Prasada, Minister of State for Electronics & IT and Commerce & Industry. The roundtable is scheduled for August 19-20, the finance ministry said in a post on X. Established in 2022, the ISMR is a key high-level economic mechanism between India and Singapore.

It provides a platform to review progress and explore new areas of collaboration across six pillars: advanced manufacturing, connectivity, digitalisation, healthcare, and medicine, skills development, and sustainability. "The 4th ISMR will build on the progress made under these pillars and explore new opportunities," the ministry said. PTI

•BRIEFLY

Hyundai Motor India to raise car prices by up to 1% from September

New Delhi: Hyundai Motor India said on Wednesday it will increase vehicle prices by up to 1% across its portfolio from September this year, with the extent of the hike varying by model and variant. The company attributed the increase to rising input and commodity costs, higher operational expenses, and continuing geopolitical uncertainties. Hyundai said it has been trying to absorb cost increases and optimize expenses but is now passing on part of the burden. REUTERS

Skoda CEO says VW aims to finalise India partner this year

New Delhi: Volkswagen expects to sign a deal with a local partner in India this year, the CEO of its Skoda brand, Klaus Zellmer, said, as the German group struggles to build scale in the world's third-largest car market. Skoda is in charge of the group's strategy in India, where VW is in talks on a joint venture with India's steel-to-autos group JSW, which has indicated it wants a majority stake. REUTERS

Outgoing Air India CEO Wilson to join Air New Zealand board

New Delhi: Air New Zealand has appointed outgoing Air India CEO Campbell Wilson as a director on its board. Wilson, who has been steering loss-making Air India and its transformation efforts, will be stepping down as CEO and MD of the airline in September. Air India had announced his resignation on April 7. "Former airline executives Campbell Wilson and Robert McDonald have been appointed by the Board with effect from, and subject to their re-election by vote at the ASM," Air New Zealand said in a regulatory filing on Wednesday. PTI

SpiceJet's bankruptcy cases to be reheard

New Delhi: A court on Wednesday said bankruptcy petitions filed by aircraft lessors against SpiceJet will be heard afresh by a new bench, after the airline reached a last-minute settlement with one lessor. The order is a setback for aircraft leasing companies that have waged a years-long battle against India's fourth-largest airline to recover debts, but is a reprieve for the airline, SpiceJet. PTI

IndiGo website hit by snag, online bookings & check-in hit

New Delhi: The reservation platform of the country's largest airline IndiGo was hit by technical issues on Wednesday, affecting its online booking and web check-in services.

Several people complained on social media that they were unable to make bookings or perform web check-ins on the IndiGo website and mobile application, and even on some of the third-party online travel booking portals.

The airline, which has a domestic market share of over 65% and operates about 2,200 daily flights, said that the issues were intermittent and its teams were working with the service provider to fix them on priority basis.

According to sources in the know, while the issues — which they said prima facie don't appear to be major — impacted the booking platform servers, IndiGo's airport and flight operations remained unaffected. ENS

•MARKETS

Sensex	NIFTY	Gold ▼	US Dollar ▲
76,909.68	24,078.30	₹1,53,868	₹95.76
-325.78	-76.60	Silver ▼	Oil ▲
-0.42%	-0.32%	₹2,29,225	$92.11

NOTE: GOLD, SILVER RATES AS PER INDIA BULLION AND JEWELLERS ASSOCIATION GOLD PER 10G, SILVER PER 1 KG; CRUDE OIL (INDIAN BASKET) AS OF AUGUST 18, 2026

• INDIA, THE WORLD'S BIGGEST CRUDE STEEL PRODUCER AFTER CHINA, MEETS 95% OF ITS COKING COAL NEEDS THROUGH IMPORTS

Steel mills face margin squeeze as global coking coal prices rise

Reuters
New Delhi, August 19

INDIAN STEEL mills are facing mounting pressure on margins as higher coking coal prices, driven by supply disruptions in Australia and China and the Iran war, raise steelmaking costs, executives and analysts said.

India, the world's biggest crude steel producer after China, meets 95% of its coking coal needs through imports, with at least half shipped from Australia. Coking coal accounts for nearly 40% of steel production costs.

Squeezed margins could impede investment and delay capacity expansion as Indian steelmakers step up spending to meet buoyant domestic demand driven by infrastructure and strong economic growth.

Premium hard coking coal prices jumped 25% from last year to average $236 per metric ton freight on board (FOB) Australia in the first seven months of 2026, said Banmeet Khurmi, lead, metallurgical coal and coke market service, at consultancy CRU in Sydney.

"Prices have been higher this year due to supply disruptions in Australia, slower-than-expected ramp-up at new mines, price support from the conflict in the Middle East and, more recently, a large accident in Shanxi, China," Khurmi said.

Every $10 jump in coking coal price adds $7-$9 per metric ton to steelmaking costs. REUTERS

Costs are likely to remain high in the second half of the year, partly due to the loss of supply following the Shanxi coal mine disaster, said Freddie Brooks, commodities analyst at BMI, a unit of Fitch Solutions. For blast furnace-based steelmakers, every $10 a ton increase in coking coal prices adds approximately $7 to $9 per metric ton to steelmaking costs, said an executive at a large steel mill, who was not authorised to speak to the media.

Higher coking coal prices have squeezed margins, three other executives at leading steelmakers said, with little headroom to raise steel prices, given competition from cheap Chinese steel.

Shipments from China have increased despite import tariffs on some grades. Coking coal imports are expected to rise by between 2 million and 3 million tons in 2026-27 from 64 million tons a year earlier, commodities consultancy BigMint said. With the higher demand for imports, comes higher transport costs, partly due to disruptions from the U.S.-Iran war.

"Trade flows have tightened with high demand from India and higher diesel, freight and insurance costs," said Hui Ting Sim, vice president at Moody's Ratings. Australia is expected to continue meeting at least half of India's coking coal needs, although imports from Russia, Mozambique and the United States are also set to rise.

Discounts on Russian coal, which accounted for 24% of India's coking coal imports in recent years, have diminished over the past two years, Khurmi said.

Vote of trust

Clean electoral rolls are a must, but must not be weaponised by state

President Donald Trump's appreciation of India's election mechanism has put the spotlight on a highly divisive debate over election integrity in the two democracies. Mr. Trump is pushing for an SIR-like exercise in the U.S., but its highly federalised electoral process is governed by fragmented rules and politics that resist the idea. His curious social media post citing India's Chief Election Commissioner, Gyanesh Kumar, as having wondered how the U.S. could conduct elections without a valid photo identity, has renewed concerns over election integrity in both the U.S. and India. While no one can disagree that the process should be fair and transparent, the agreement ends there. Partisan politics in both countries have fostered political mistrust, leading election losers to repeatedly question electoral integrity. The liberal and progressive strands, and the conservative and nativist strands in both countries, want to purify and streamline the electoral rolls and the processes, but in different and often contradictory ways. India and the U.S. could lead a shared democratic agenda on election rules, but only after restoring trust and integrity in their electoral processes.

India's nationalised election administration system has largely worked well, though it now faces a crisis of legitimacy. The U.S.'s decentralised system leaves too many loopholes in the process of enrolment and voting, and it could benefit from a more robust national framework like the ECI's. The expanded Safeguard American Voter Eligibility (SAVE) Act was passed in February and is pending in the Senate. The Constitution grants each State its own methods: "...but Congress may at any time by law make or alter such regulations", unlike the Indian Constitution, which establishes the ECI as a constitutional body. Though there is no ambiguity in existing law either in the U.S. or in India that only citizens may register and vote, the process of ensuring this has become hugely controversial in both countries. The proposed federal law would require proof of citizenship for voter registration and photo ID for voting. In India, the SIR is trying to sneak in this requirement without transparency, adequate consultation or sufficient time. The very fact that SIR is meant to be conducted only once in 20 years means it should be carried out carefully and inclusively. While ruling dispensations in both countries think that the election process is too permissive and allows foreigners to obtain voting rights, their opponents point to systematic and premeditated efforts to target social groups in the name of election integrity. What is needed is an acceptance that clean electoral rolls of citizens, and voting with photo ID, are elementary requirements of a fair process. In both countries, the state must not selectively weaponise these requirements against those not in power.

Due diligence

Curbs on surrogate advertising must avoid regulatory overreach

Maharashtra Food and Drug Administration (FDA) Commissioner Tukaram Mundhe's attempts to disrupt the marketing chain, by targeting the celebrities who prop up the brand recall of manufacturers' products, is an encouraging counterpoise to the consumer goods advertising landscape of today. This landscape has long suffered the consequences of a gross asymmetry: the person with the persuasive power suffers almost none of the economic downsides of consuming certain goods, a situation sustained as much by uncritical endorsement as by inequities in the public health-care system. But the FDA must still prove its suspicions. According to it, Vimal Elaichi – which Shah Rukh Khan, Ajay Devgn and Tiger Shroff have endorsed – does not have a market identity independent of its association with tobacco and that endorsing it amounts to a surrogate endorsement of tobacco products. While this seems a reasonable reading of the Cigarettes and Other Tobacco Products Act (COTPA) Rules, the Delhi High Court, in *DGHS vs Som Pan Product Pvt. Ltd.* (2024), had held that the state had a responsibility to prove a case of surrogate advertising. That is, neither could brand registration alone prove surrogate advertising nor could the mere existence of a technically legal product permit a particular advertisement.

While Mr. Mundhe's efforts are commendable, the FDA should follow through with inquiries under COTPA and the Food Safety and Standards Act 2006 that withstand scrutiny. India bears the world's largest burden of oral cancer, and the FDA is right to treat certain advertisements as unfair trade practices with significant consequences for consumer health. The endorser liability created by the Consumer Protection Act 2019, together with hefty financial penalties, has also undermined celebrities' ability to invoke ignorance of a manufacturer's intentions as a defence. The FDA's decision to have celebrity endorsers explain their decision-making is a logical extension of this principle in the domain of enforcement. The problem exemplified by tobacco also extends to products making unsubstantiated claims (e.g., "boosts immunity"), and educational and financial products. Unfortunately, India's regulatory regime is fragmented across a slew of Acts and Rules; problematic advertisements often invoke legal and administrative instruments to draw the judiciary's intervention. Penalties or bans in the FDA's case could significantly narrow the space exploited for surrogate advertising. If the FDA fails to act fairly, however, it could become yet another example of regulatory overreach that strengthened the practices it sought to end.

A Palestinian state is the foundation for regional peace

C.R. Gharekhan

Former United Nations Coordinator for Occupied Territories and Special Envoy of India for West Asia

The road to peace in West Asia runs through Palestinian statehood

There is one, and only one solution to the decades long, volatile and bloody situation in West Asia: the creation or the establishment of a sovereign, independent, viable Palestinian state. In essence, it is no different from the oft-touted two-state solution. But the two-state formula speaks of the establishment of two states living side by side in good neighbourliness. However, one state already exists. What is needed is to establish or create a new, second state, namely Palestine. There will never be peace and stability in the region unless this is done. All the conflicts in the region – Israel's war on Gaza, the Iran war, the Hezbollah-Israel war, the Houthi phenomenon – will not be resolved unless a viable Palestinian state comes into being. Israel's relations with its Arab neighbours will remain strained until it accepts the reality of a Palestinian state, just as the Arabs have reconciled to the reality of Israel.

United States President Donald Trump seems to have recognised the importance of working towards the creation of a Palestinian state. Resolution 2803 setting up a Board of Peace (BoP), which was adopted by the United Nations Security Council in November 2025 has the following provision in its annex: "While Gaza re-development advances and when the PA [Palestinian Authority] reform program is faithfully carried out, the conditions may finally be in place for a credible pathway to Palestinian self-determination and statehood, which we recognize as the aspiration of the Palestinian people."

On Iran and Israel

A major player in this conflict-infested region is Iran. Iran has not always been hostile to Israel. Indeed, under the Shah, Iran's relations with Israel were cordial and there was a sizeable Jewish community in Iran. Since the Islamic revolution of 1979, most Jews left for Israel. But there are still about 15,000 Jews in Iran. Iran's Constitution provides for a seat for the Jewish community in Parliament.

Historically, there has not been perpetual enmity between Islam and Judaism. The Koran mentions many prophets and patriarchs from the Hebrew bible, such as Moses, and Abraham. The Crusades were fought between Muslims and Christians; the Jews were not a party to them. Jews were persecuted in countries professing Christianity. The Arabs bore no responsibility for the Holocaust which was carried out by Nazi Germany and its collaborators. It would not be an exaggeration to say that but for the Holocaust, and the sense of guilt felt by the western countries, Israel might not have been born. It is well known that most western countries, including the U.S., barred the entry of Jews seeking refuge from Hitler's Germany.

The transition from holy land to homeland started with the infamous Balfour Declaration of 1917 when the British expressed support for a homeland for the Jews, expressly limiting the indigenous Arab population only to civil and religious rights.

The roots of regional hostility

The hostility of Iran and the Arab countries towards Israel is based on the fact that Israel was created and imposed on the region at the expense of the indigenous Arab population. It is argued that the Palestinians were offered a state in the UN resolution of 1947 and a few times subsequently, but they rejected all offers. An Israeli Foreign Minister, Abba Eban, famously said that the Arabs never miss an opportunity to miss an opportunity. But one can hardly blame a landlord if he rejects an offer of a few rooms from an intruder who has occupied the whole house. Indeed, the slogan of the Zionists was: land without people for a people without land

It is noteworthy that Hezbollah, a Shia movement, and Iran, a Shia-majority country, support Hamas, a Sunni movement. This is easily explained by their commitment to the right of self-determination for the Palestinian people. Israel naturally comes in for hostility as the only power that stands in the way of the emergence of an independent Palestine.

Hezbollah began launching rockets and missiles against Israel just after Israel started its war on Gaza after October 7, 2023. It follows that if Israel accepts the reality of a Palestinian state at some time, Hezbollah will have no reason to make the life of people in northern Israel difficult.

In that case, Iran too will stop supplying weapons to Hezbollah. This is not to suggest that if the Palestinians are able to exercise their right of self-determination, Iran and Israel will become friends. But without that, their mutual enmity will never abate. If an irreversible road map to a Palestinian state emerges and is accepted by all the parties, secondary issues such as the Strait of Hormuz will be much easier to resolve.

Since Hamas' terrorist attack on Israeli civilians in October 2023, whatever little support some in Israel had for the concept of a Palestinian state has evaporated. Israel's disproportionate and ruthless strikes on Gaza, post October 7, might have almost isolated Israel, but in the process, the Gaza strip has been devastated and the possibility of the emergence of Palestine has receded by many years, perhaps decades. Consequently, peace and stability in the region have become an illusion.

Mediation is the key

The only way to have a realistic possibility of resolving the conflict is through external mediation. And the only external power that has the required influence and even goodwill with both sides is the United States. It is true that there is no such thing as an honest broker. But brokers, even non-honest ones, do manage to sell the transaction to the satisfaction, or equal non-satisfaction, of both parties.

Israel has insisted on bilateral talks, adding at the same time that there is no one on the other side to negotiate with. Usually, the stronger side insists on a bilateral approach, and the weaker side prefers an outside agency to help. The only time progress was achieved was when the Oslo Accord was concluded in 1993. Oslo was negotiated with the mediation or good offices of Norway.

Under Oslo, the Palestine Liberation Organization formally recognised Israel and the PA was created; it is this PA, albeit a reformed one, that is often mentioned as a possible caretaker government of Palestine. The Oslo Accords paved the way for Jordan's recognition of Israel and eventually the Abraham Accords.

The other viable broker is the UN. Israel at the moment is dead set against the UN and has even declared the UN Secretary-General *persona non grata*. But Israel owes its existence to the UN. There is nothing permanent in international relations. Positions evolve with evolving situations.

Israeli Prime Minister Benjamin Netanyahu has his own personal reasons for opposing the idea of an independent Palestine. He had voted against the Oslo Accords and is implacably opposed to the idea of a Palestine state.

Let us hope that in due course, enlightened leadership will emerge in West Asia on all sides. If the leaders do not have the wisdom and the courage to make the necessary decisions, however difficult, the people of the region will remain doomed to suffer and be denied the peace and stability they need. Without these, they will never be able to realise the full potential for development that new technologies have to offer.

Before new taxes, making every rupee count

Americai V. Narayanan

National Spokesperson of the Tamilaga Vettri Kazhagam (TVK), a certified public accountant (CPA) and a certified management accountant (CMA) with an MBA (all from the U.S.)

Before Tamil Nadu asks for more, it must collect better and spend smarter

Every Budget season in Tamil Nadu produces the same refrain: the State needs more money, the Centre owes the State more, and taxpayers must prepare for new levies. The first Budget of the Tamilaga Vettri Kazhagam (TVK) begins with a different question: before asking citizens for another rupee, has the State collected every rupee legally due to it – and spent what it has as well as it should?

The data, the facts

Tamil Nadu's fiscal position is genuinely difficult. Debt is high, the revenue account remains in deficit, and salaries, pensions, welfare and interest payments leave limited room to manoeuvre. None of that is in dispute. What is in dispute is whether the response should begin with new taxation, or with making the State's existing revenue collection and expenditure substantially more efficient.

The Comptroller and Auditor General of India's (CAG) own numbers make the case. In 2023-24, Tamil Nadu budgeted about ₹4.47 lakh crore and spent roughly ₹4.14 lakh crore – a net underspend of ₹33,302.53 crore. Separately, ₹1,078 crore in supplementary provisions across 81 cases in 26 grants was found to be unnecessary because the original allocations had not even been exhausted.

The same audit records that 2.89% of revenue expenditure and 6.14% of revenue receipts had not been reconciled with the Accountant General's own records. None of this is proof of corruption. It is evidence that budgeting and accounting systems can be considerably more disciplined.

This is the argument for zero-based budgeting: an allocation should not continue automatically because it appeared in last year's Budget; it should justify its continuation and its amount. This writer has seen the idea take shape first-hand in the United States, where Jimmy Carter used zero-based budgeting as Governor of Georgia and later introduced it into the federal budget process as President. Tamil Nadu adopted the same principle on paper in 1988, the very year Carter's own experiment had long since faded from Washington. It never became the governing discipline of the Budget here. Paired with performance-based budgeting – not how many crores were released for road works, but how many kilometres were built, at what cost, and to what standard – it stops to be an accounting exercise and becomes a management tool.

Data-driven governance standards

Numbers discipline government only when they are measurable and comparable. As a starting point, the TVK government should work toward department-wise performance data alongside comparable figures from other States and, where available, the Union government – cost per kilometre of road, cost per household connected to piped water, administrative cost per welfare rupee delivered. It can begin where data is most readily available and expand as systems improve, rather than promise a complete comparison on day one.

There is already a live example of what competition does to cost. When the Greater Chennai Corporation opened smaller road-restoration contracts to wider bidding, a ₹25 lakh Ambattur project drew nine contractors and closed 25.9% below the official estimate. That is not proof that the whole system was previously running 25% over cost – a lower bid still has to deliver the same specifications, and one tender cycle is not a trend. But it is a working demonstration that transparent competition can create real fiscal value without a single new tax.

The same logic applies to revenue. A separate CAG audit flagged ₹1,538.18 crore in irregularities across 337 Goods and Services Tax (GST) cases, of which only ₹8.64 crore had been recovered at the time of audit, alongside 244 taxpayers operating outside the GST net altogether.

These are audit findings requiring verification and due process, not revenue the government can book today. But they point to an obvious principle: before raising rates on people who are already paying honestly, exhaust the scope for improving compliance and collection efficiency. This is the brief given to the Montek Singh Ahluwalia-led Revenue Augmentation Committee – not simply to look for new taxes, but to close compliance gaps, rationalise exemptions, and identify revenue that the State is currently failing to collect.

Spending to outcomes

The same discipline has to apply on the spending side. The government has announced a high-level Expenditure Reforms Committee to review schemes for their impact and ensure that resources reach intended beneficiaries without restricting genuine welfare expansion. This is where performance-based budgeting becomes critical. The question is not merely how much was allocated or spent, but what that expenditure produced: how many kilometres of road were built, how many households received reliable drinking water, how many students gained measurable educational outcomes, and how many beneficiaries actually received the intended support.

This is not an argument for less welfare. It is an argument for welfare that can be measured.

Fix the leaks first. Spend against outcomes, not habit. Then decide what, if anything, still needs to be asked of the taxpayer. That is the standard that the TVK will hold this Budget to – and the standard it intends to hold itself to.

LETTERS TO THE EDITOR

Guard against overreach

Students constitute the intellectual vanguard of a nation and have an inalienable right to articulate their grievances through peaceful and democratic means. The indiscriminate registration of criminal cases against genuine protesters can have deleterious repercussions on their academic pursuits, professional prospects, and psychological well-being. The Supreme Court of India's intervention is a salutary reminder that the majesty of the law must coexist with freedom of expression and the democratic right to dissent (Front page, "Ready to drop FIRs against student protesters, says SC", August 19). Justice must be administered with impartiality, restraint, and compassion so that the future of innocent students is not imperilled by unwarranted criminal proceedings.

Nagarajamani M.V.,
Hyderabad

Issue with centralisation

The National Testing Agency (NTA)'s decision to hold re-examinations in three subjects confirms the agency's continuing callousness. India has enough talent, but what it lacks is the will to strive for perfection. It has been proved beyond doubt that the NTA cannot improve, making it imperative to find a viable and meaningful alternative. The obsession with centralising everything, including entrance examinations, has proved meaningless and wasteful. The better course would be to leave education and health care to the States, providing funds wherever necessary. States such as Tamil Nadu and Keralam achieved great heights when these two sectors were under the States' purview. Now, instead of other States catching up with them, poor quality is being universalised. A policy change is therefore imminent.

A.G. Rajmohan,
Anantapur, Andhra Pradesh

Black money and polls

The Supreme Court of India hit the nail on the head when it observed that black money in the electoral process compromises democracy, the rule of law and the electoral process itself (Inside pages, August 18). The Election Commission of India must ensure free and fair elections, for which political parties and citizens must cooperate. One feels that Generation Z, which took the nation by storm through its recent protests against the National Eligibility cum Entrance Test (NEET) fiasco and succeeded, can take up this serious issue as well.

S. Ramakrishnasayee,
Chennai

Faulty roll revision

The government and the Election Commission of India may have the backing of the Supreme Court to clean voter lists of duplicate, fake and non-existent voters. But who authorised them to declare a living voter 'permanently shifted or dead'? My spouse submitted her Special Intensive Revision form online, as the Booth Level Officer never visited, and received an acknowledgement. Yet, in Telangana's recently released draft electoral roll, her name is missing. On checking further, we found it listed under "Permanently Shifted/Dead". How can a living voter be declared dead or permanently shifted without verification or even a visit to her residence?

N. Nagarajan,
Secunderabad

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

The IISERs have a leadership problem

Vasudevan Mukunth

The Indian government created the Indian Institutes of Science Education and Research (IISERs) to offer students an intellectually vibrant research environment and to bring them into research at a relatively – vis-à-vis the Indian milieu – early stage.

The institutions prize autonomy as an essential ingredient of good science, including in the form of scientists being able to decide which questions are worth pursuing and with what resources. Top-down control is inimical to this vision. That said, the government also brought the IISERs within the statutory framework of the National Institutes of Technology, Science Education and Research Act 2007, which required each IISER to have a Board of Governors that included senior government officials and other government nominees. The IISER statutes specify, among others, the secretary of higher education and the director of the Indian Institute of Science (IISc), Bengaluru too.

While publicly funded science should be publicly accountable, suboptimal appointments or outright vacancies are objectionable as they can lead to policy paralysis – at best.

Multiple roles

Consider the current composition of the seven IISER Boards.

The IISc director is an ex-officio member of most IISERs. The chair of IISER Pune's Board is also the chairperson of the Visvesvaraya National Institute of Technology, Nagpur. The chair of the IISER Berhampur Board was given "additional charge" while also chairing the Board of IIIT Guwahati; the Board also has nominated positions lying vacant, including one for an IIT director and two for eminent scientists.

IISER Bhopal's current director is listed as the "director-in-charge" after their predecessor, Gobardhan Das, left to join NITI Aayog in June. At IISER Thiruvananthapuram, the chairperson simultaneously chairs the Boards of IIIT Kottayam and the Indian Institute of Information Technology, Design and Manufacturing, Kurnool.

There are also signs of churn among sitting government officials. Interim appointments are routine and vacancies can arise during transitions. Ex-officio positions also change when officials move between posts. But taken together, several IISERs are operating under temporary or incomplete leadership.

A closer look at the qualifications of the extant leaders also raises questions.

IISER Pune chairperson M. Madan Gopal is a retired IAS officer whose educational background is in commerce and journalism. Its director is a chemical engineer by training, whereas the IISERs have little focus on engineering. IISER Thiruvananthapuram chairperson Vijayalakshmi Deshmane is a surgeon. IISER Tirupati chairperson Hari Bhartia is a chemical engineer and co-founder of the Jubilant Bhartia Group. IISER Berhampur chairperson Satyabrata Dey is an executive in the footwear industry.

While there is no rule that the chairperson of a scientific institution must be a scientist, it matters for each institution's credibility and vision. The government had earlier appointed the finest scientists to the IISERs' helm before dropping the practice. Today, going by awards, fellowships or global achievement and recognition, there are few outstanding scientists in positions of authority on the IISER Boards.

While there is no rule that the chairperson of a scientific institution must be a scientist, it matters for each institution's credibility and vision

The Boards can benefit from people with expertise in administration, industry, finance, and public policy – but there is a strong case to draw the leadership of institutions focused on basic science from the scientific community, where there are many people with distinguished research careers and substantial experience in running academic and research organisations.

The question is not about the competence of the current crop of leaders but why India's many accomplished scientists are not being asked to lead institutions whose central purpose is basic science.

The availability of this 'research cadre' also calls into question the practice of moving the same people between institutions.

People familiar with the IISERs' functioning today describe a situation where the administration is losing its ability to keep up with students' needs vis-à-vis a good education in basic science. By design, the directors and the Board have the power to institute positive changes. However, as a senior scientist at one of the IISERs put it, "There is no vision or imagination and no sense of leadership propelling the institution towards its core goals of carrying out high-quality frontier research in and teaching basic science at an international level."

Weakening autonomy

The Indian government's choices are weakening the IISERs' institutional autonomy. With 'outsiders' and people whose attention is already divided between multiple institutions as leaders, scientists have less control over decisions that affect their work.

An institution whose governance has begun to decline can still remain scientifically productive for many years as long as the people who built its reputation remain and the 'IISER' label is still valuable. But given the cumulative effects of the IISERs' flagging leadership – of the institutions becoming less autonomous and less collegial – it is reasonable to brace for more warning signs, including concentration of authority and an increasingly risk-averse institutional culture.

None of them is conducive to good science or a good education.

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Tamil Nadu's encroachment problem

The SC has pulled up the State for not dealing with encroachers in Agasthyamalai

STATE OF PLAY

B. Aravind Kumar

Frustrated by the Tamil Nadu government's inability to evict "encroachers" in the Agasthyamalai landscape, the Supreme Court recently said the matter required a structured, time bound, and closely monitored framework. A Bench of Justices Vikram Nath and Sandeep Mehta said that encroachments within the protected areas of the Agasthyamalai landscape, including the Kalakad Mundanthurai Tiger Reserve, the Srivilliputhur-Megamalai Tiger Reserve and the Kanyakumari Wildlife Sanctuary, have persisted over decades despite specific directions issued by the Madras High Court and the top court.

In fact, the Supreme Court went as far to suggest using the paramilitary to evict the encroachers to preserve and protect the ecologically sensitive regions.

The CEC report

Last year, the top court had directed the Central Empowered Committee (CEC) to conduct an extensive survey of the Agasthyamalai landscape in order to identify all instances of non-forestry activities going on contrary to the Forest Conservation Act, 1980 and the Wild Life (Protection) Act, 1972 etc. The CEC submitted its interim report and made several recommendations, including a time-bound, division-wise encroachment eviction plan.

With regard to the Kanyakumari Wildlife Sanctuary, the CEC reported sizeable encroachment, and non-availability of verified maps of the reserve forest. An area of 427.40 hectares has been encroached with 237.09 hectares involved in litigation. The report said that whenever the Forest Department had attempted evictions, law and order issues have arisen; a joint effort would be necessary.

Further, the CEC observed that the Srivilliputhur-Megamalai Tiger Reserve is one of the most ecologically vulnerable areas, as it forms the upper catchment of the Vaigai River, a critical water source for five downstream districts. As per official records of 2020, around 4,595 individuals are encroaching upon 5,071.27 hectares of reserved forest land. The CEC noted that these encroachments are old, with many of them involved in the permanent cultivation of crops such as silk cotton, cardamom, and beans, and that in spite of clear orders from the High Court to remove encroachments, no significant progress has been made so far. Moreover, a total of 116 government and public utility structures have been constructed inside forest lands without prior approval. Alarmingly, a total of 118 individuals listed as encroachers have been identified as serving or retired government employees, including personnel from the Army, Police, Forest Department, and other State departments.

With respect to the Kalakad-Mudanthurai Tiger Reserve, the CEC reported that the total extent of encroachment is 10.16 hectares by 998 families.

The State's response

In reply to the CEC report, the State of Tamil Nadu filed a detailed affidavit listing the steps taken by the authorities. It candidly acknowledged the challenges faced such as resistance from encroachers, ongoing court cases, and that many encroachers were landless and from economically weaker sections.

While the SC judges acknowledged that the complexity of the rehabilitation task was real and could not be understated, it however could not be a perpetual justification for the indefinite postponement of legally mandated eviction and restoration measures, they noted. The top court directed that disciplinary and legal action be initiated against all identified 118 Government servants found to be encroachers. It also sought a blanket moratorium on the extension of welfare schemes, public utilities, transport facilities, electricity supply, and infrastructure support within encroached forest areas, so as to ensure that illegal occupation is neither incentivised nor legitimised. It also ordered a complete prohibition on approval or commencement of any new non-forestry activity within Agasthyamalai.

With such clear directions, the new coalition government led by C. Joseph Vijay has a tough task ahead, especially with the two major Dravidian parties in the Opposition likely to oppose it as it involves the eviction of thousands of families. The government also has the humongous task of resettling and rehabilitating the displaced families as well as restoring the original forests.

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Erratic Trump left with few exits in Iran war

Increased war costs and depleting critical munitions indicate that the U.S. is caught in a bind in the ongoing Iran-Israel-U.S. conflict

DATA POINT

Sambavi Parthasarathy
Gauri Singavarapu

The expiry of the U.S's Memorandum of Understanding with Iran on Monday with no indication of any extension has left Washington with no clear exit strategy, six months since it launched attacks on Iran along with Israel. This is evidenced in President Donald Trump's erratic stances on the war, expressed via his statements **(Chart 1)**.

The chart shows an alternation between crude threats of destruction – for instance on March 21, he said that U.S. will destroy Iran's power plants if Tehran didn't fully open the Strait of Hormuz – and softened rhetoric when three days later he said that the U.S. and Iran had a productive conversation about resolution (denied by the Iranians). The yo-yo nature of his statements show how the Trump administration has been stuck in a quagmire following its actions, which lacked a clear strategic objective for the Americans. Rising fuel and fertilizer prices, the increased costs of waging the war, and the weakening of military advantages have caught it in a bind.

Contrary to Mr.Trump's assertions on the weakening of Tehran, Iran has not budged from its positions, despite being subject to intense bombing and a renewed naval blockade.

Meanwhile, the aerial bombing, missiles and drone-led retaliations by Iran have created a new bottleneck for the U.S. and its allies, who are running low on critical munitions. **(Table 2)**.

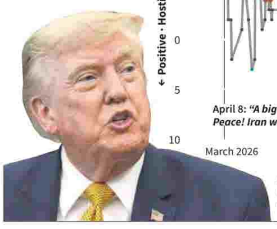
This will also come at a great cost. According to estimates by CSIS, the Trump administration's actions in Iran, till June alone, have already incurred huge costs (~$40 billion) **(Table 1)**. Iran's determination to withstand the blockade is costing the U.S. both militarily and monetarily.

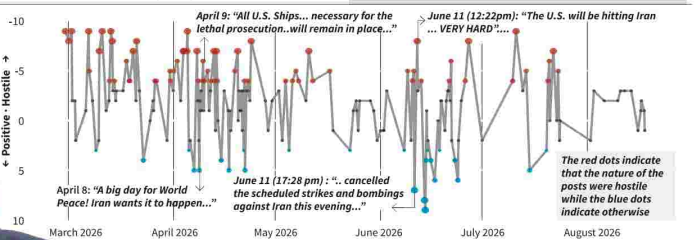
Caught in a bind

The data for the charts were sourced from Truthsocial, Centre for Strategic and International Studies (CSIS), and Armed Conflict Location & Event Data (ACLED)

The posts were scored as below:
■ *Strong positive (+4 to +10) : Posts claiming deals, ceasefires and peace.* ■ *Positive (+1 to +3) : Posts acknowledging talks or progress of deals* ■ *Negative (-1 to -3) : Posts accusing and mocking Iran, its powers and its leadership* ■ *Hostile posts (-4 to -6) : Posts directly threatening to retaliate or punish Iran and its allies while demanding "unconditional surrender"*

CHART 1: The chart plots U.S. President Trump's Truth Social posts related to Iran since Feb. 28, 2026





For the above chart, The Hindu scraped and analysed around 187 Iran-related posts made by Mr. Trump on his Truth Social account. 'Re-Truths' or reposts, posts that did not mention anything on Iran war, or posts containing quoted article links and images were not included in the analysis

CHART 2: Events of attacks by the U.S. and Iran in the ongoing conflict. Attacks refer to shelling, artillery, missile attacks, air/drone strikes, and interceptions

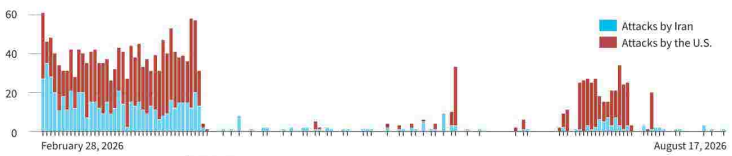


TABLE 1: Estimated cost of the Iran war for the U.S.

Category	Cost	Remarks
Deployment/ Redeployment	$0.17 bn	Most activities already in budget
Munitions	$26.1 bn	Main driver of war costs
Higher operational tempo	$0.75 bn	Includes personnel benefits
Equipment losses	$1.7–$3.5 bn	Aircraft and major ground equipment
Base damage	$4.0–$9.4 bn	Structures and interior content
Other DOD costs	$1.5 bn	Higher fuel costs, infrastructure security
Total	**$34.2–$41.5 bn**	

The estimates by CSIS is as of June 23, 2026 and predates ceasefire violations and latest developments. The actual cost of the prolonging conflict could be much higher

Gauri Singavarapu is interning with The Hindu's Data team

TABLE 2: Cost of select expended ground attack and air defence munitions and their rate of production

Munition Type	Units expended	Unit Cost	Cost to replace expended munitions	Production rate (missiles per Year)	Orders placed for FY26	Total delivery time (In months)
Tomahawk	1000+	$2.6 M	$2.8 B	79	57	47
JASSM (Joint Air-to-Surface Standoff Missile)	1100+	$1.9 M	$2.3 B	385	144	48
PrSM (Precision Strike Missile)/ATACMS (Army Tactical Missile System)	150–380	$1.6 M	$0.5 B	56	45	46
Patriot (PAC-3)	1,060–1,430	$4.9 M	$5.3–$7.1 B	183	233	42
THAAD (Terminal High Altitude Area Defense)	190–290	$11.9 M	$2.3–$3.5 B	28	25	53
SM-3 (Standard Missile-3)	130–250	$28.7 M	$3.9–$7.5 B	53	12	64
SM-2/6 (Standard Missile-2/6)	190–370	$4.3 M	$0.8–$1.6 B	96	10	53

The estimates for munitions expended is as of June 2026. Replacing existing munitions alone will cost the Trump administration around $26 billion. However, it is not just the cost that matters. The U.S. is also running low on time to replace these critical munitions as they have a lengthy production timeline

FROM THE ARCHIVES

The Hindu.

FIFTY YEARS AGO AUGUST 20, 1976

Wandiwash Fort to be preserved as monument

Madras, August 19: The Fort at Wandiwash in north Arcot district, where a battle was fought between the English and the French in mid-18th century AD, now in ruins is to be preserved as a monument of State importance by the Tamil Nadu Government.

The Battle of Wandiwash (1760 AD) practically ended the French supremacy and marked the triumph and ascendancy of the British regime in South India.

Extending over a square mile, the Fort, which is right in the midst of the town is in a state of neglect. It is a village by itself. The ramparts, except in a small portion are intact. There is a big entrance. In the centre, many residential buildings have sprung up over the years. Necessary funds have now been sanctioned by the Government to protect this historic Fort.

There are no records about the origin of this Fort, but experts feel that it must have been the hub of activity in the Vijayanagar period (13th-14th century). It fell into the hands of the British around 1750 AD when Hyder Ali captured it from them. He entered Wandiwash via Chengam and Tiruvannamalai and after taking the Fort, stayed in Vellore. The British recaptured it from the Muslim ruler a year later. Again, Wandiwash was the scene of a major battle between the French and the British in January 1760, the former led by Count de Lalli and the latter's army by Sir Eyrecoote. The French were defeated and Bussi, one of the prominent leaders, was captured.

A HUNDRED YEARS AGO AUGUST 20, 1926

Floods in Burma

Rangoon, August 19: A telephone message from Pegu states water is going down. Approximate estimate has been made of rice in the town and there is no danger of a general shortage of food; but a certain number of people are running short in their houses and arrangements are being made to distribute to them, the main difficulty is transport.

Four first class passengers who were stranded at Payagi had reached Pegu and proceeded to Rangoon. Both the Hon'ble Ministers are still (last night) at Payagi. There is no news from the other towns further up the line (Pyuntaza Daiki etc) as the telegraph line is apparently broken.

Text&Context

THE HINDU

NEWS IN NUMBERS

China's youth unemployment rate in July

17.9 in per cent. China's youth unemployment rate rose to 17.9% in July, the second-highest level in recent years, according to the National Bureau of Statistics. The rise coincided with a record 12.7 million university graduates entering the job market. PTI

Black Americans elected as governors in U.S. history

3 Across 250 years, only three elected governors in the United States have been Black, including Maryland Governor Wes Moore. With Florida Republicans nominating Congressman Byron Donalds, there are now eight Black major-party gubernatorial nominees on November ballots this year. AP

Excess deaths recorded in France during July heatwave

1,243 France recorded 1,243 excess deaths between July 2 and 22 during a heatwave, according to the national public health agency. The figure brings the still provisional number of excess deaths during this year's periods of high temperatures to 7,300. AFP

Police personnel from specialised units redeployed

513 The Telangana Police Department is rationalising its manpower by redeploying personnel from specialised units to meet the changing nature of crime and public safety challenges. As part of this, 513 personnel are being redeployed to eight departments. PTI

Electors marked under ASDDO categories in SIR in Karnataka

1.07 in crore. More than 1.07 crore electors have been marked under the Absent, Shifted, Dead, Duplicate, and Others (ASDDO) category during the ongoing SIR of electoral rolls in Karnataka, officials said on Wednesday. PTI

COMPILED BY THE HINDU DATA TEAM

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The myth called 'perfect victim'

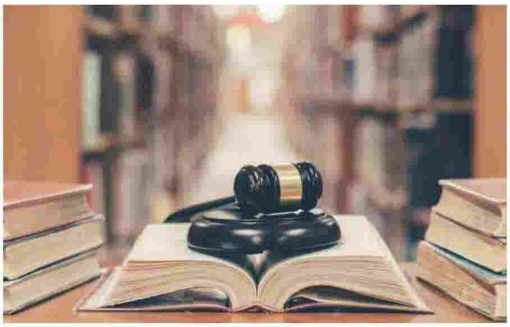
The Tejpal case shows how the 'ideal victim' stereotype can shape judicial perceptions, with survivors often judged by their behaviour and personal background rather than the evidence; such assumptions have created a hierarchy of victimisation, prompting the court to call for greater gender sensitivity in judicial writing

LETTER & SPIRIT

Grace Paul Vallooran

On August 6, the Goa Division Bench of the Bombay High Court set aside the 2021 judgment of the trial court that had acquitted Tarun Tejpal. The High Court convicted Tejpal, the former editor of *Tehelka* magazine, and sentenced him to 10 years of rigorous imprisonment for raping a former colleague.

While terming the trial court's ruling "perverse", the High Court also said that it had fallen for the notion that a sexual assault complainant must be a 'perfect victim' and conduct herself in a certain way to appear credible.



GETTY IMAGES

Nils Christie's concept

What is the idea of a 'perfect victim' or an 'ideal victim'? It was theorised by Norwegian criminologist Nils Christie in a chapter of the same name, in the book *From Crime Policy to Victim Policy*, in 1986.

Christie said the 'ideal victim' or 'perfect victim' possesses five main attributes. First, they are often female, disabled, very young, or very old, and are therefore weak in relation to the offender. Second, they are involved in "respectable activities". Third, they cannot reasonably be blamed for being where they were during the crime. Fourth, they do not know the offender personally. Fifth, they are attacked by a perpetrator who is "big and bad". Christie also noted that while being weak, the victim must have enough social power to influence sympathy and have their victim status recognised.

This one-size-fits-all idea of victimhood is propagated widely – by the media, social media, films, and by the larger society. Race, class, gender and other factors are involved in these dramatic portrayals where the most "innocent" and "deserving" become the 'ideal victim' while others are viewed as "undeserving" of sympathy, Christie argued.

In contrast to the idea of the 'ideal victim' is the idea of the 'ideal offender'. According to Christie, such an individual must be framed as purely bad, dangerous, and a stranger to the victim so that it becomes easy for society not to like him. When the offender is a familiar person with a "good background story", the 'ideal' dynamic breaks down.

In the case of Tejpal, his social status and his image as a liberal intellectual complicated this stereotype of the 'ideal offender'. As per Christie's argument, when there is no 'ideal offender' to hate, it becomes hard to perceive an 'ideal victim' to sympathise with.

Hierarchy of victimisation

This narrow perception of an 'ideal victim' creates a hierarchy of victimisation. Those who are thought of as "undeserving" are even perceived as contributing to the situation and receive less sympathy or none at all.

For instance, in the 1979 Mathura custodial rape case of a teenager, the Sessions Court had relied on the survivor's previous sexual experience to reason that she had likely consented, and described her as "habituated to sexual intercourse". The Supreme Court, while acquitting the accused policemen, noted the absence of any alarm or resistance from the survivor or injuries on her body.

Similarly, in the gang-rape case of social worker Bhanwari Devi (1992) that became a catalyst for the formulation of the Vishakha guidelines and later, the enactment of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Jaipur District and Sessions Court in 1995 acquitted the accused of gang rape. The court reasoned that it was unlikely that upper caste men would "pollute" themselves by having sexual relations with a Dalit woman. In short, in the eyes of the court, Devi's caste status made her an unlikely 'ideal victim'.

In 2017, in an interim order, a Punjab and Haryana High Court division bench suspended the sentences and granted bail to three former Jindal Global Law School students convicted of gang-raping and blackmailing a classmate. It described the survivor's behaviour as having a "perverse streak".

The court said, "...We are conscious of the fact that allegations of the victim regarding her being threatened into submission and blackmail lend sufficient diabolism to the offence, but a careful examination of her statement again offers an alternate conclusion of misadventure stemming from a promiscuous attitude and a voyeuristic mind." This remark placed the survivor's sexual behaviour at the centre of the court's assessment, effectively questioning her status as an 'ideal victim'.

These rulings have demanded a 'performance' of trauma from survivors. Any digression from that expected behaviour has cast doubts on the survivors' credibility and status as legitimate. The rulings reflect Christie's theory that victimhood is not an objective state, but a deeply gendered moral status that can be granted or denied by society.

The Tejpal case

In 2021, in the Tejpal case, the Goa Sessions Court noted that there were several discrepancies in the survivor's versions. It also said that while the victim had claimed to be in shock and trauma after exiting the lift on November 7, 2013, the CCTV footage showed that she was composed and smiling.

The High Court criticised the Sessions Court for focusing on the complainant's conduct, reactions, and personal background instead of the evidence on record. It also noted that a survivor has already faced trauma and might feel too ashamed, nervous, or confused to respond clearly when questioned repeatedly in an unfamiliar environment.

The Supreme Court has questioned this idea in some of its judgments. In 2025, former Chief Justice B.R. Gavai had apologised on behalf of the judiciary for the Supreme Court judgment in the Mathura case, calling it a "moment of institutional embarrassment".

Recently, on August 3, the Supreme Court issued a report recommending greater gender sensitivity in judicial writing. It cautioned judges against drawing adverse conclusions from delayed reporting, lack of physical injuries, inconsistencies in testimony or a survivor's demeanour, noting that trauma affects people differently.

THE GIST

- Nils Christie's 'ideal victim' theory holds that vulnerability, respectability and innocence shape who is perceived as deserving of sympathy.
- Court rulings in cases such as Mathura, Bhanwari Devi and Tejpal show how survivors' behaviour and personal circumstances have been used to question their credibility.
- The Supreme Court has recently urged judges to avoid such assumptions, noting that trauma can affect survivors differently.

Why is the Supreme Court examining polygamy again?

What are the petitioners seeking? What has the court ruled on polygamy before?

Ziya Us Salam

The story so far:

The Muslim men's supposed right to have multiple wives is once again before the Supreme Court. Following a petition challenging the constitutional status of polygamy, the court sought the Centre's response last week. It also asked the Centre to consider taking suitable legislative steps to abolish the practice for all citizens, irrespective of religion. The petition was filed by five activists, who sought to have polygamy treated as a criminal offence under Section 82 of the Bharatiya Nyaya Sanhita.

Incidentally, Section 82 applies to non-Muslims and provides for a punishment of up to seven years for marrying another person during the subsistence of an existing marriage. The petitioners also sought annulment of the exemptions granted under Muslim Personal Law.

What are the petitioners seeking?

The five petitioners challenged the constitutional validity of Section 2 of the Muslim Personal Law (Shariat) Application Act, 1937, which permits polygamy. They claimed that the said Act is against the Constitution's Articles 14, 15, and 16, which provide equality to all citizens irrespective of their religion or gender. They also requested the court to direct the Union government to take steps towards the codification of Muslim Personal Law to ensure that its provisions run parallel to Constitutional provisions of gender equality.

They sought compulsory registration of Muslim marriages and divorces with State authorities to prevent any second or subsequent marriage of a man with a subsisting marriage. In case this was flouted, the first wife and children should have the first and lasting right to the matrimonial home.

The petitioners also sought the court to direct the Law Commission of India or the Union government to prepare a draft for the codification of Muslim Personal Law that aligns marriage, divorce, and succession with constitutional principles of gender equality. Incidentally, two of the activists had reached out to the Supreme Court to prohibit instant triple talaq in the famous Shayara Bano and others case. Then too, they argued that the practice of triple talaq violates fundamental rights of women. Following their petition, the apex court had invalidated instant triple talaq in August 2017. The court had then refrained from giving its verdict on polygamy and nikah halala, which too had been sought. Following the verdict, the Centre framed the Muslim Women (Protection of Rights on Marriage) Act in 2019. The Act made instant triple talaq a punishable offence.

What has the court ruled before?

In the much-talked-about Sarla Mudgal case of 1995, the Supreme Court prohibited a Hindu man with a subsisting marriage from converting to Islam purely for the purpose of marrying for the second time. The court noted, "the second marriage of a Hindu husband after converting to Islam without having dissolved the first marriage is void."

The court ruled on similar lines in the *Lily Thomas v. Union of India case* in 2000. Here the Supreme Court reiterated its stand of the Sarla Mudgal case, holding that a second marriage contracted after a feigned conversion to Islam was illegal and punishable under Section 494 of the Indian Penal Code.

Does Islam sanction polygamy?

Contrary to the contention that the Quran encourages polygamy, the book encourages monogamy. It permits a man to have up to four wives in special circumstances, such as marrying a widow or an orphan. It, however, makes it incumbent upon him to grant them complete equality. This being a practical impossibility, it asks men to desist from multiple marriages.

Says verse 3 of Surah Nisa, "If you fear you might fail to give orphan women their due rights if you were to marry them, then marry other women of your choice – two, three, or four. But if you are afraid you will fail to maintain justice, then content yourselves with one." Pertinently, this verse was revealed at a time when many men used to have multiple spouses, their numbers often running into three figures.

THE GIST

- The Supreme Court has sought the Centre's response to a petition challenging polygamy under Muslim Personal Law and asked it to consider legislative steps to abolish the practice for all citizens, irrespective of religion.
- The petitioners have challenged the constitutional validity of the law permitting polygamy, seeking its criminalisation, compulsory registration of Muslim marriages and divorces, and codification of Muslim Personal Law in line with gender equality.

KEYWORD

Punjab's decade-long journey towards a formal sacrilege law

Punjab has made repeated attempts to enact a stringent sacrilege law, with earlier Bills facing constitutional objections and the latest State law now under challenge; the 2026 law raises questions of equality, proportionality, federal legislative competence and secularism

Prathmesh Kher

Punjab's journey towards a codified sacrilege law illustrates how these pressures play out at the State level. In 2016, the then Akali Dal-BJP government passed a bill imposing life imprisonment for sacrilege committed specifically against the Guru Granth Sahib. The Centre returned it, objecting that a law protecting only one religion's scripture could not sit easily with India's secular Constitution. In 2018, the succeeding Congress government tried again, this time extending the same life sentence to the Guru Granth Sahib, the Bhagavad Gita, the Quran, and the Bible through a new Section 295AA of the Penal Code. That Bill, too, was returned without Presidential assent.

A further attempt followed in July 2025, when the Aam Aadmi Party government introduced the Punjab Prevention of Offences Against Holy Scripture(s) Bill, again covering all four texts, with sentences ranging from ten years to life. That Bill was sent to a select committee and has since been effectively shelved. Instead, the State government found a narrower route: rather than amending the central Penal Code, it amended an existing State law concerned specifically with the ceremonial custody of the Guru Granth Sahib. Because this technically falls within the State's own legislative competence, the government argued that it requires no Presidential assent, and the Governor's signature was enough to bring it into force in April 2026.

The manoeuvre has not gone unchallenged. A petition before the Punjab and Haryana High Court argues that a life sentence is a matter of criminal law, which sits on the Concurrent List and therefore cannot simply bypass central scrutiny by dressing itself up as an amendment to a ceremonial statute. Critics have also pointed out that, in covering only the Sikh scripture, the current law revives precisely the objection that sank the 2016 attempt: a State cannot credibly claim to be protecting "communal harmony" while legislating in favour of one faith's sentiments and not another's. Whichever way the litigation goes, the sequence of events across a decade shows a State legislature persistently trying, by one route or another, to entrench a sacrilege code of ever-increasing severity, undeterred by repeated constitutional rebuffs.

Faith and law: A Sikh priest carries Sri Guru Granth Sahib, in Amritsar on July 24. ANI

The constitutional contradiction

Secularism was declared part of the Constitution's unamendable "basic structure" in *S.R. Bommai versus Union of India*, precisely so that the State could neither favour a religion nor punish disrespect towards one. Article 25 guarantees not just the right to practise religion but, implicitly, the space for social reformers, sceptics and atheists to challenge religious practise, since the same article subjects the right to religious freedom to "public order, morality and health" and permits the State to legislate for social welfare and reform even where this cuts against religious custom. Article 19(1)(a) guarantees free speech in the same breath that Article 19(2) permits "reasonable restrictions" in the interests of public order, decency or morality.

A cartoon, a novel, a documentary, a stray remark on social media: all can be made to fit the language of "insult" without any accompanying threat of actual disorder, and Indian criminal procedure allows a First Information Report to be lodged, and an accused to be arrested, well before any court examines whether the constitutionally required "deliberate and malicious intent" was in fact present. The chilling effect happens at the point of complaint, not at the point of conviction.

The Supreme Court has, in a neighbouring context, already endorsed exactly this objection. In *Shreya Singhal versus Union of India* in 2015, it struck down Section 66A of the Information Technology Act in its entirety, holding that criminalising online messages using undefined terms such as "offensive" and "menacing" left the provision impermissibly vague, invited arbitrary enforcement, and chilled protected speech in violation of Article 19(1)(a). Section 295A and its BNS successor rest on terms no more precise, "outrage," "insult," "religious feelings", policed after the fact by whichever officer happens to receive the complaint, yet the court has never brought the *Shreya Singhal* reasoning to bear on the provision whose own constitutionality it settled, without revisiting it since *Ramji Lal Modi* almost sixty years earlier. The inconsistency reads as reluctance rather than principle: it is easier to strike down a recent statute governing an unfamiliar medium than to unsettle an eighty-year-old precedent with a long and emotionally fraught history behind it.

The Punjab context

Set against Punjab's law specifically, the contradiction sharpens into several distinct legal problems. The first concerns equality. By protecting only the Guru Granth Sahib and no other scripture, the 2026 Act revives the very objection that sank the 2016 attempt: a provision drawing a line between one community's sacred text and every other's needs an "intelligible differentia" bearing a "rational nexus" to its stated purpose of communal harmony, the test the Supreme Court set out in *State of West Bengal versus Anwar Ali Sarkar*, and it is difficult to see how singling out one faith serves a purpose framed in terms of all of them.

This is not merely a doctrinal prediction. In May 2026, the Anglican Church of India, through its Amritsar bishop, petitioned the Punjab and Haryana High Court arguing that the Act creates a religion-specific penal regime that violates the constitutional guarantee of equality before law, and sought both the quashing of the Act and a stay on its implementation.

The Bench's response points to an underappreciated wrinkle in the equality argument itself: it reportedly questioned how a church whose own scripture the Act does not touch could claim to be aggrieved by it at all, a question that inadvertently demonstrates the very defect being alleged, since a law can discriminate in structure while leaving those it excludes without the conventional standing to challenge it. The petition remains pending.

The second is a matter of proportionality. The Act's mandatory minimum sentence, which under its most serious provisions can extend to life imprisonment and leaves no room for a judge to calibrate punishment to the facts of a given case, sits awkwardly beside *Mithu versus State of Punjab*, in which the Supreme Court struck down a different mandatory sentencing provision precisely because it stripped courts of discretion and so failed the test of a "just, fair and reasonable" procedure that *Maneka Gandhi versus Union of India* had read into Article 21; that the earlier case also happened to arise out of Punjab makes the parallel almost too neat. The third goes to federal competence. Criminal law sits on the Concurrent List, and Article 254 provides that a State law repugnant to a central enactment on the same subject, such as the Bharatiya Nyaya Sanhita's own provisions on sacrilege and on outraging religious feeling, is void to that extent unless it has received Presidential assent under Article 254(2). Punjab avoided that requirement in 2026 by amending a pre-existing, ostensibly ceremonial state statute rather than the BNS directly, an approach now under challenge in the Punjab and Haryana High Court on precisely the ground that a life sentence for the same underlying wrong cannot dodge central scrutiny merely by changing which statute book it sits in. Each of these is a distinct constitutional infirmity, quite apart from the broader secularism argument above, and Punjab's law arguably carries all three at once.

(Second in a three-part series)

THE DAILY QUIZ

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

Three years ago, Spain defeated England, 1-0, to win the country's first Women's World Cup. Here is a quiz to test your knowledge of the FIFA Women's World Cup

Sindhu Nagaraj

QUESTION 1
When was the competition first held?

QUESTION 2
Where was the inaugural tournament held?

QUESTION 3
Which country has won the tournament the maximum number of times?

QUESTION 4
Which country is scheduled to host the 2027 edition?

QUESTION 5
Starting from which year will the number of finalists once again increase from 32 to 48?

Visual Question:
In this image, which team won the 2019 FIFA Women's World Cup title?

Questions and Answers to the previous day's daily quiz: 1. This town, on National Highway 1, is often called the Gateway to Ladakh and has become a tourist spot because of its Kargil War association. Name it. **Ans: Dras**

2. This man, who partly grew up in Turkey, sent planeloads of relief to India following the Gujarat earthquake, just two years after the Kargil War for which he was the architect. He was sentenced to death in his country for subverting the Constitution. Name him. **Ans: Pervez Musharraf**

3. This Army officer, posthumously awarded the Param Vir Chakra, was killed at point 4875 during the Kargil War. He was played by Siddharth Malhotra in the 2021 film *Shershah*. Name him. **Ans: Captain Vikram Batra**

4. This elite squadron that executed Operation Safed Sagar was also involved in executing Operation Sindoor in 2025. Name them. **Ans: Golden Arrows**

5. What was the military operation to clear out the Kargil sector called? **Ans: Operation Vijay**

Visual: Indian Prime Minister Atal Bihari Vajpayee is seen in this photo with Pakistani Prime Minister Nawaz Sharif in 1999 just months before the Kargil war broke out. What was the name of the peace agreement that they signed? **Ans: Lahore Declaration**

Early Birds: Sitaram Saharay | Sukdev Shet | Dodo Jayaditya | Sumana Dutta | Arun Kumar Singh

FROM THE ARCHIVES

Know your English

S. Upendran

Why do people say that there is a 'bug' in the computer? (T. Ravindran, Vellore)

Whenever something goes wrong with one's computer, people generally say that it has a "bug".

How did the word "bug" become associated with computers? Well, believe it or not, the original "debugging" process involved the removal of a bug from a computer! The story goes that a computer at the Naval Surface Warfare Center in Dahlgren, Virginia, malfunctioned. Grace Hopper, a Naval Officer, was asked to determine what was wrong with it. She opened up the computer and started checking the circuits. What do you think she found? She found a moth stuck in one of the circuits. When she removed the insect, the computer started working again. This incident took place in 1945; since then whenever something goes wrong with a computer, people say there is a bug in it. This is the story that most people tell as to why the word "bug" has come to be associated with computers. But the fact is, the word "bug" has been used to mean "defect" for several centuries - long before computers came into being! By the way, the moth that Grace Hopper removed is displayed at the Smithsonian Museum of American History in Washington, DC.

What is the meaning and origin of the expression "rule of thumb"? (N. Saraswathi, Bangalore)

The next time you watch your mother or grandmother cook, pay close attention to the manner in which she measures the salt to put in the sambar or curry. Does she measure it at all? They seem to have a rough idea of how much salt to put in; this instinct that they have is based on experience. And that is what the expression "rule of thumb" means. It's a rough method of calculation based on experience. Your calculations may not be exact, but you will come up with an approximately correct answer.

There are several explanations as to the origin of this expression. The standard explanation is that whenever we want to measure something roughly, we invariably use the thumb to do it. The first joint of the thumb in the case of most adults is roughly one inch long. Many people use this approximation to measure other objects. This is what we mean by "rule of thumb". This makes a lot of sense; after all, we have all done this some time or the other. But an explanation which is much more popular is the following. People contend that there was a Common Law in England, which stipulated that when beating one's wife, the stick used should not be broader than one's thumb! This rule was only for wife beating – the rule of thumb did not apply when beating one's child or husband! Many scholars have discarded this wife-beating theory because they have been unable to find any mention of such a rule in Law books.

How is the word "sleuth" pronounced? (D. Sundaramoorthy, Chennai)

The "eu" is pronounced like the "oo" in "cool", "pool", and "fool", while the final "th" is like the "th" in "thank", "think", and "through". In other words, sleuth rhymes with "tooth", "booth", and "truth". Any idea who or what a "sleuth" is? Well, a sleuth is a detective. The word is considered to be rather old-fashioned.

Published in The Hindu on September 9, 2001

Word of the day

Aspersion:
a disparaging remark

Synonyms: criticism, attack, contempt, insult

Usage: *She was angry at the aspersions made about her work.*

Pronunciation: newsth.live/aspersion

International Phonetic Alphabet: /əspɜːʃən/

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the hindu businessline.
THURSDAY - AUGUST 20, 2026

Unhealthy situation

Private healthcare needs better regulation

The 176th Parliamentary panel report on health and hospitals comprehensively points out the ways in which patients suffer a bad deal. They are faced with twin crises of access and affordability, because public health facilities are inadequate in relation to the demand for them, while private care at the secondary and tertiary levels is concentrated in the southern States and large cities and is 10 times as expensive.

The private sector caters to over 60 per cent of inpatient and 70 per cent of outpatient care, and its service quality and price are largely unregulated in practice. The report flags these rather well-known facts, but the challenge lies in ensuring that solutions are implemented. There are three broad domains to be looked into. These pertain to regulating hospitals in terms of providing good healthcare at reasonable prices; ensuring that the insurance system works for most; and raising budgetary outlays on health to ensure access and affordability. On the first, the House panel rightly says that hospitals should display their 'schedule of charges' and create a national body to implement a cap on procedures and diagnostics. A standardised treatment protocol too would empower patients. The suggestion that hospitals should set aside 20 per cent of their beds for free treatment for the tax cuts and subsidies they get has been established even in court, but has simply not been implemented. Similarly, a national health regulator has not been effective.

Amidst this regulatory tardiness, corporate hospitals have prospered. The top three corporate hospitals have seen their EBITDA margins grow from 9.3 per cent in FY19 to 19.4 per cent in FY26. Accreditation for hospitals, that ensures minimum standards, is at present voluntary. The report calls for a mandatory framework making the accreditation body NABH's system transparent and friendly even to the small health establishments. The Clinical Establishments Act needs to be evenly implemented. A report by this newspaper cites a few reputed hospitals having a cost accounting department. Meanwhile, the panel report rightly notes the importance of pooling medicine procurement.

On insurance, the panel report observes that while insurance coverage is 46 per cent, out-of-pocket expenditure per episode is over ₹34,000 on average, a data point that at once indicates that insurance does not cover costs adequately, and that the latter are extremely high. However, the report could have gone further than merely urge the insurance regulator to look into these issues, and suggest modifications in Ayushman Bharat, a successful measure that however needs to hook in private players by raising its reimbursement rates. Insurance claim denials are a huge concern. Meanwhile, the report's suggestion to raise public health spending to 5 per cent of GDP (less than 2 per cent now) is unexceptionable, as public health facilities alone can guarantee both quality and universal coverage.

OTHER VOICES.

THE WALL STREET JOURNAL. EUROPE

High anxiety in the bond market

Apparently "rout" is the new word for interest rates returning to a historical norm. That's one impression from the freakout now attending a repricing in global bond markets that's resetting the global financial system to its pre-2008 level. Note the dates here. The 30-year US Treasury yield on Tuesday touched 5.339 per cent, its highest since 2007. The 10-year at about 4.7 per cent is near its highest level since early 2025. The benchmark French 10-year, at about 4.1 per cent, is its highest since 2008. The 10-year German bund, at about 3.26 per cent, has returned to its level of 2011. None of these moves upward have been sudden, despite the hubbub in market commentary this week. (NEW YORK, AUGUST 18)

CHINA DAILY

Mexico should handle trade issues prudently

The Mexican government is reportedly exploring the possibility of further expanding the trade restrictions and raising tariffs on certain imported goods, while continuing case-by-case investigations into alleged "dumping" by China and other countries. In January, Mexico imposed tariffs of up to 50 per cent on approximately 1,500 products from nations with which it does not have a free trade agreement, a policy that has directly impacted China. Bilateral economic cooperation is based on international rules and market principles, with mutual benefit as its defining characteristic. Politicizing economic issues serves no one's interests. Mexico should think twice before moving forward with the new trade restrictions. The move comes as Mexico is seeking to persuade the US to lower tariffs on its automotive and steel products. (BEIJING, AUGUST 19)

The case for tax-free annuities

BANKABLE. A retiree's income, secured through an annuity, is less likely to require emergency state support in old age

TC SUSEEL KUMAR
R SUDHAKAR

TOUGH TIMES. As India ages, household financial fragility in retirement will become a growing social-security challenge ISTOCK

There is a fundamental paradox at the heart of India's public finance framework: the Union Government waives income tax for investors who lend it money for five years, yet levies lifetime slab-rate taxes on retirees who commit their savings for decades.

Consider Section 85 of the Income-Tax Act, 2025. A property seller with a large capital gain can secure a complete tax exemption up to ₹50 lakh by investing in five-year infrastructure bonds issued by entities such as REC, PFC, HUDCO and IRFC. The logic is clear: the sovereign forgoes short-term tax revenue to secure low-cost, directed capital for national infrastructure. A decade ago, tax-free infrastructure bonds under Section 10(15)(iv)(h) used the same model to channel retail savings into highways and railways.

Yet when an Indian retiree converts life savings into an annuity — providing regulated, long-duration capital that ultimately flows substantially into government securities — the sovereign offers no comparable income-tax relief. Instead, periodic annuity income is taxed at slab rates for life. India has left a valuable economic trade half-made.

The GST Council took an important first step on September 22, 2025, by exempting individual life insurance and annuity premiums from the GST. But the more consequential issue remains: income tax on the annuity payout.

WHERE THE CORPUS GOES

Under the National Pension System (NPS), contributions accumulate in market-linked funds with tax advantages. At retirement, up to 60 per cent of the corpus can be withdrawn tax-free, while the balance purchases an annuity from a PFRDA-empanelled provider, with the purchase itself exempt.

PFRDA regulations notified in December 2025 reduced mandatory annuitisation for non-government subscribers on normal exit from 40 per cent to 20 per cent, and removed it entirely for a corpus of ₹8 lakh or less. However, because the lump-sum exemption remains capped at 60 per cent, the additional 20 per cent now withdrawable is taxed at slab rates. Pension regulation has moved faster than the tax code.

Once the corpus reaches an insurer, IRDAI investment rules direct a substantial share into government securities and State Development Loans. Legally, the retiree owns an insurance contract; economically, the arrangement channels long-duration savings into sovereign debt through an insurer.

The contrast is striking. The tax-free bond investor receives an exemption for financing short-term state-directed borrowing. The annuity buyer provides vastly longer-duration capital and pays full slab-rate tax on the resulting income.

The case for annuities extends beyond tax parity. As India ages, household financial fragility in retirement will become a growing social-security challenge. Mutual-fund systematic withdrawal plans, equity portfolios and fixed deposits expose retirees to market volatility, reinvestment risk and the possibility of exhausting their capital.

Annuities uniquely transfer longevity risk to a regulated financial institution. Through mortality pooling, they guarantee income for as long as the annuitant lives.

In retirement-planning discussions, annuities are routinely absent since tax-conscious advisers have little incentive to recommend a product whose payouts are taxed at slab rates.

Outside the NPS , the position is worse. That corpus is already-taxed household savings, and Indian law has no exclusion ratio, splitting each payout into capital returned and interest earned. Part of every taxed payment is the buyer's own capital, taxed twice.

Annuity combines three public objectives: mobilising long-term capital, transferring longevity risk away from households and reducing potential future dependence on state-supported old-age welfare

THE PROPOSAL

The predictable objection from the Ministry of Finance and CBDT could be that NPS subscribers already enjoy substantial tax benefits and that exempting annuity payouts would create excessive tax shelter.

But this overlooks the annuity's economic function. Its income is substantially generated by the insurer's deployment of funds into long-duration debt, including government securities. Taxing the payout therefore taxes the return generated by capital that is simultaneously financing the sovereign.

More importantly, the annuity combines three public objectives: mobilising long-term capital, transferring longevity risk away from households and reducing potential future dependence on state-supported old-age welfare.

Parliament should therefore provide that annual annuity income up to ₹12 lakh be excluded from total income for regulated lifetime annuity products issued by IRDAI-registered insurers, with a flat 10 per cent final withholding tax on the excess.

To prevent arbitrage, the concession should apply only to lifetime annuities purchased at or after superannuation, including variants that return the purchase price to nominees on death. Deferred accumulation products, surrender-heavy wealth products and disguised tax-free bonds should remain outside the regime. Insurers should report exempt payouts through PAN-based tracking.

The direct revenue sacrifice would be real, but the wider fiscal economics could be favourable. If tax parity expands the retail annuity market, additional institutional capital flowing into long-dated central government securities and SDLs could conservatively reach ₹40,000-50,000 crore annually. Even a modest 50-basis-point reduction in sovereign borrowing costs would generate recurring interest savings as the debt stock grows.

There is also a less visible fiscal benefit. Every retiree whose lifetime income is secured through an annuity is less vulnerable to exhausting savings and requiring emergency state support in old age. That reduction in future welfare liabilities has significant long-term economic value.

Implementation should be sequenced carefully. IRDAI should mandate inflation-linked annuity options, strengthen distributor controls and prescribe standardised yield disclosures. PFRDA should build a transparent platform for comparing annuity rates. Tax-deduction-at-source rules must also be aligned so that an exempt payment is not first taxed and only later reclaimed.

India has already demonstrated that it is willing to exchange tax revenue for strategic capital. Capital-gains bonds and tax-free infrastructure bonds used precisely this mechanism: revenue foregone today in return for stable, directed financing of national priorities.

The annuity offers the same trade at greater scale and longer duration, while addressing an equally urgent priority: guaranteed lifetime income for an ageing population.

The government has proved twice that it can make this bargain. With the recent GST exemption, it has begun a third. What remains is to complete it: remove income tax on annuity income up to the threshold, put the annuity firmly on every retirement planner's table, and allow India's retail savings to fund both its retirees and its nation-building needs.

Kumar is the former Managing Director, and Sudhakar is former Executive Director, LIC. Views are personal

Gold loans: Inclusion engine or leverage trap?

Gold loans are often layered onto existing liabilities, suggesting they are a conduit for rising household leverage

Saumitra Bhaduri

Indian households' fascination with gold seems insatiable. Estimates suggest that households hold between $2.4 trillion and $10 trillion worth of gold, by some measures exceeding annual GDP and accounting for nearly 65 per cent of non-property wealth.

For decades, economists have viewed this as a constraint on growth, as gold neither finances productive investment nor circulates through credit markets, and hence lacks the multiplier effects associated with other financial assets. It preserves wealth, but does not deploy it. Unlocking its macroeconomic potential, therefore, requires systematically channelling it into the formal economy. Even a gradual shift of a portion of this gold into financial channels through monetisation schemes, collateralised lending, and gold-linked savings instruments could have significant macroeconomic effects.

There have been signs of a promising shift. According to the RBI's latest Financial Stability Report, gold loans have emerged as the fastest-growing segment of non-housing retail loans, driven by soaring gold prices and rising demand for secured borrowing. The segment has been growing at a CAGR of 42.4 per cent since March 2024, nearly twice the pace of overall non-housing retail loans (23 per cent) during the same period. The report also noted that both banks and NBFCs have significantly expanded their gold loan portfolios in 2025-26, outpacing growth in other retail loan categories, including housing loans.

Therefore, it is no longer a niche product confined to informal markets. It is now mainstream, driven by banks, NBFCs and digital lending platforms. The expansion is not just in volume, but in scale and behaviour. Average ticket sizes have more than doubled, from about ₹90,000 in 2022 to nearly ₹2 lakh by 2025, while average outstanding per borrower has increased from roughly ₹1.9 lakh to ₹3.1 lakh. Thus, borrowers are not just entering the market but also taking larger and more frequent exposures.

POSITIVE SHIFTS

In addition, there are positive structural shifts. The borrower base is broadening, with an increasing share of prime and above-prime customers. Women borrowers are playing a significant role in driving growth, and newer geographies are emerging as key markets, indicating that the product is deepening financial inclusion.

At one level, this is exactly the sort of financialisation that should take shape. Instead of sitting idle, gold is being used as collateral to unlock credit. For those outside formal income systems, this provides a critical, relatively low-friction entry point to credit markets. Most importantly, it comes with significant macroeconomic upside. Even a gradual shift of gold into financial channels can have large effects. Some estimates suggest that channelling just 2 per cent of household gold annually into financial assets could add as much as $7.5 trillion to GDP by 2047 through multiplier effects.

VALUE CREATION. India's gold story is at an inflexion point GETTY IMAGES

However, the trend may also entail emerging risks. The TransUnion CIBIL Gold Loan Landscape Report (April 2026) highlights some shifts in the borrower profile that complicate the narrative. It would be prudent to closely track emerging behavioural shifts.

By 2025, about 74 per cent of gold loan originations were to borrowers with more than ₹1 lakh in outstanding debt, up from roughly 50 per cent in 2022. At the same time, the share of borrowers with unsecured credit exposure has increased, suggesting that gold loans are often layered onto existing liabilities rather than replacing them. The report also highlights a rise in repeat borrowing and multiple loan holdings. A growing proportion of customers now take concurrent gold loans, and the average number of active gold loan accounts per borrower has increased. This suggests that gold loans are becoming embedded in broader borrowing strategies rather than serving as one-off liquidity tools.

Most concerning is that borrowers with higher gold loan exposure have delinquency rates more than twice those of borrowers with lower gold loan exposure. Those with multiple active loans face the highest default risk, suggesting that leverage, not collateral, drives stress. Therefore, this duality defines the moment as gold loans are both a tool of financial inclusion and a conduit for rising household leverage.

India's gold story is therefore at an inflexion point. The country has a unique asset base, one that few economies possess at this scale. The rise of gold loans offers a pathway to mobilise this wealth. Nonetheless, the same instrument that unlocks liquidity can also amplify risk. The challenge is to turn gold from a store of value to into a source of value creation without increasing systemic risk.

The writer is a Professor at Madras School of Economics

LETTERS TO EDITOR Send your letters by email to bleditor@thehindu.co.in or by post to 'Letters to the Editor', The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

Corporate performance

This refers to the editorial 'Pleasant surprise' (August 19). The resilience of India Inc, as noted in the editorial, is largely driven by domestic consumption, since Indian companies continue to face significant headwinds from unfavourable external factors such as US tariffs and the conflict in West Asia.

Although rising energy costs pushed up the prices paid by end-users, companies are absorbing a portion of the additional costs rather than passing the entire burden on to consumers.

This cost absorption has eventually put pressure on corporate margins. Most importantly, India's energy reserves have been one of the factors helping to contain pressure on domestic energy prices, even as several major economies have been forced to raise energy prices by 20-35 per cent.

S Lakshminarayanan
Ko. Puvanur & Post, TN

Credit-deposit dynamic

Apropos 'Dynamics of deposit, credit growth' (August 19), bank credit must grow in tandem with the underlying deposit base and productive demand. Excessive credit expansion can fuel inflation and asset-price imbalances, while inadequate credit can choke investment, consumption and economic growth. The need, therefore, is not maximum credit growth but the right quantum of credit, calibrated to deposit mobilisation, liquidity conditions and genuine economic activity. A balanced credit-deposit dynamic will help banks support growth without compromising financial stability.

NR Nagarajan
Sivakasi, TN

Diversion of foreign funds

Apropos 'IT Dept launches verification of 394 entities and 36 professionals for suspicious forex remittances' (August 19), besides substantial forex remittance data already in possession of the Income Tax Department through various sources and IT returns, the best and most credible investigation can be carried out by ground level physical verification by serving notices and summons. Income tax laws provide ample powers to reopen past cases. The diversion of foreign funds for ulterior motives is punishable in multiple laws and should be strictly dealt with.

Vinod Johri
Delhi

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Reimagining tea sector

Empowering small growers can make it sustainable

Narendranath Dharmaraj

TEA. Need for reform SATHYAMOORTHY M

The Tamil Nadu tea industry has, for over a century, been an important contributor to the State's economy, generating employment, supporting remote hill communities and shaping the unique landscape of the Nilgiris and adjoining regions. Today, however, the sector faces an unprecedented convergence of challenges. Unresolved land title disputes, expired lease agreements, concerns over afforestation and biodiversity conservation, declining estate profitability, fragmented smallholder production and the need to secure livelihoods have created a complex policy environment where conventional solutions are proving inadequate.

Legal disputes have been viewed separately from commercial viability; conservation priorities have often been seen as competing with production; and livelihood concerns have been addressed without adequately considering long-term land management. Such fragmented approaches inevitably lead to recurring conflicts, prolonged uncertainty and policy paralysis. The time has therefore come to adopt an integrated landscape approach that recognises tea estates not merely as production units, but as multifunctional landscapes delivering economic, social and environmental value. The objective should not be to choose between conservation and production, but to create systems in which both reinforce one another.

FIVE PRINCIPLES

A possible framework could rest on five key principles. First, decentralise land ownership or long-term cultivation rights, wherever feasible, in favour of existing workers and genuine small growers, thereby strengthening livelihood security and encouraging long-term investment in land stewardship. Second, establish professionally managed producer cooperatives or producer companies capable of providing technical services, quality management, input procurement, finance and collective marketing. Such institutions should combine community ownership with professional governance.

Third, enable existing estate companies to retain strategically important lands required for factories, warehousing, housing and essential infrastructure, while entering into long-term buyback agreements with grower institutions.

Tea should remain the dominant crop, but diversification into high-value horticultural, spice or agroforestry systems can strengthen resilience, improve incomes and reduce commercial risk. Finally, integrate ecological restoration into every stage of land-use planning.

Delivering this transformation will require supportive institutional and legal reforms. The government should constitute a high-level multi-stakeholder task force representing departments responsible for revenue, forests, agriculture, plantations, rural development, industry, financial institutions, worker organisations and the tea industry. This body should prepare a comprehensive implementation framework supported by appropriate legal and policy changes, simplified land administration procedures and incentives for sustainable land management. Implementation should be phased over five to seven years.

The first phase should focus on validation of land records, stakeholder consultations and preparation of landscape-level master plans. The second phase should establish pilot cooperative models, execute buy-back arrangements and initiate diversification and ecological restoration projects. The final phase should scale successful models across suitable tea-growing regions, supported by continuous monitoring, adaptive management and independent evaluation.

The government would achieve progress on environmental restoration, climate resilience and rural development objectives while reducing the burden of recurring disputes.

The writer is past President of the United Planters Association of Southern India

ABHAY SOBHANAN

GETTY IMAGES

India's unique warehouse advantage

LOGISTICS BRAIN. The future of order picking is being written in software as much as in hardware, and India already builds that software

Inside one of the world's most automated distribution centres in Europe, a scene unfolds that still feels like science fiction. On top of a dense aluminium grid, squat robots glide in every direction, pause over a column, and burrow straight down into stacks of bins piled several deep, fishing out exactly the one an order needs and ferrying it to a waiting packing station. There are almost no people on the floor. The inventory that would sprawl across an Indian godown sits compressed into a fraction of the space, with the machines themselves forming the storage rack. This is the AutoStore-style "cube" warehouse, and walking through one, it is easy to believe the human order picker is already history.

It is tempting to look at that scene and conclude that the warehouse of the future is simply a warehouse with more machines in it. For India, in the middle of a warehousing boom driven by e-commerce and the breakneck rise of ten-minute quick commerce, that conclusion would be both very expensive and slightly wrong.

Picture the warehouse most Indians actually rely on. A worker receives a pick-list, then walks the aisles (often 10-15 km over a shift) pushing a cart, hunting for items, and backtracking when a new order arrives or the pick-list gets updated. The bottleneck is rarely the building or the shelving. It is the choreography: who picks what, in which order, and along which path, while fresh orders keep landing every few seconds. That choreography is a decision problem, and decision problems are not solved by buying more hardware. They are solved by intelligence.

This distinction matters enormously for the country. The sophisticated robots in that gleaming European facility are extraordinary, but they are also capital-hungry and priced for markets where labour is scarce and expensive. India's economics are the reverse. Most of the country's warehouses are existing structures, capital is dear, and there is no shortage of workers. Simply transplanting a European cube warehouse wholesale is the least Indian solution imaginable.

INDIAN POTENTIAL

None of this is hypothetical. Indian fulfilment centres are already automating fast, and the country has produced genuine champions. India-born GreyOrange and Noida's Addverb now ship goods-to-person robots and sortation systems to dozens of countries, with a newer generation of machines built specifically for the cramped dark stores behind quick commerce. What these firms market as their edge is the orchestration software: the 'operating system' that keeps machines, inventory, and people moving in sync. Notably, the hardware success stories are, at their core, selling a brain. The question is not whether the country automates, but whether it competes on that intelligence layer or merely buys someone else's.

The more promising lever is the software that decides how the warehouse thinks. It is far cheaper, retrofittable, and largely invisible. In a recent study by the writer and collaborators, a self-learning system was built for "dynamic" order picking, where a picker must continuously re-plan their route as new orders stream in, rather than working off a fixed list. Using an artificial intelligence technique, the system learns from experience which sequence of moves keeps the most orders flowing. Under heavy demand, it lifted the share of orders fulfilled on time from roughly 82 per cent to about 98 per cent. No new robots, no new building. The gain came entirely from a better brain.

A distinctly Indian path to automation is not a wholesale swap of people for robots, but an intelligence layer laid over the warehouses, workers, and vehicles the country already has

And order picking is only one operation among many. The same artificial intelligence toolkit is reshaping the unglamorous decisions that quietly govern logistics costs: where to place fast-moving items so pickers walk less, how to forecast the next hour's demand so stock sits in the right location, how to route a fleet of delivery vehicles through real traffic, and, for the autonomous machines themselves, even when a robot should pause to recharge so the whole system never stalls. None of these requires ripping out a warehouse and rebuilding it. They require data and the algorithms to act on it.

This points to a distinctly Indian path to automation: not a wholesale swap of people for robots, but an intelligence layer laid over the warehouses, workers, and vehicles the country already has. A hybrid floor — where software directs human pickers more cleverly, and selective automation handles the densest, most repetitive zones — is likely to deliver more value per rupee here than a copy-paste of a European cube warehouse.

RESHAPING WORK

That hybrid future also reframes the question everyone asks first: what happens to the jobs? Automation of this kind tends to reshape work more than it erases it, shifting people from walking and searching toward exception handling, machine supervision, and quality control, while creating new demand for technicians and data-literate floor managers. But "reshape, not erase" is only true if it is planned for. The warehousing sector is one of India's largest new employers, and the reskilling has to be deliberate, not assumed. A worker displaced by a better algorithm is no comfort to that worker unless there is a clear path to the job the algorithm creates.

The National Logistics Policy set out to pull India's logistics costs down toward global benchmarks, and the ten-minute delivery promise that millions of urban consumers now take for granted rests directly or indirectly on warehouses that can pick and pack with very little slack.

Both goals are, at heart, optimisation problems. India will not buy its way to them with hardware alone.

The right image of the Indian warehouse of the next decade, then, is not just a hall full of robots. It is an ordinary building that has quietly acquired a brain, one that the country would do well to build and operate.

The writer is Assistant Professor of Decision Sciences at IIM-Bangalore

Trump delays Canada tariffs at last minute after tentative deal

Alicia Díaz
Josh Wingrove

The Trump administration delayed 50 per cent tariffs on billions of dollars of Canadian products for three days, saying the two sides had reached a tentative agreement to resolve a broader trade dispute that had plunged relations to a fresh low.

US President Donald Trump announced the decision less than two hours before the tariffs were set to take effect.

He said on social media he was pausing the tariffs "based on the fact that Canada and the U.S.A., subject to the finalization of documents, have a DEAL!"

A White House proclamation later said the duties were halted after Canada "expressed a commitment to remove the discriminations" on US autos, dairy and alcohol.

And the US Trade Representative's office said the deal includes "comprehensive market access for all American goods, economic security commitments, digital trade alignment" and other factors, without giving specifics.

Canadian Prime Minister Mark Carney wasn't as definitive, stopping short of saying they had a deal. Neither side said whether earlier sticking points such as auto tariffs and lumber will be resolved.

"Substantial progress has been made, although there is important work still to be done," Carney said in a statement.

"While we continue this work, Canada remains focused on building a stronger, more independent, and more competitive economy at home."

ON HOLD. US tariffs GETTY IMAGES

Despite the uncertainty, the announcement signals progress in the tense relationship between two longstanding allies that conducted almost $900 billion of trade with each other last year.

It also indicates the potential for a step forward in the ongoing review of the North American trade agreement, which also includes Mexico.

Trump had announced the tariffs in late July, justifying them by pointing to Canada's retaliation against a barrage of tariffs last year, and it wasn't immediately clear what concessions he'd won from the latest gambit. He has routinely backed off some of his biggest tariff threats when negotiations yield what are often modest concessions.

The White House had said it would put duties on a range on items from Canada — including hockey equipment, beer, milk and plywood — under Section 338 of the 1930 Tariff Act, which gives the US President the power to impose duties of as much as 50 per cent on countries deemed to discriminate against US commerce.

Most Canadian provinces, including Ontario and Quebec, have barred US alcoholic beverages from retail stores, cutting off an important export market for American makers of wine and spirits. BLOOMBERG

thehindubusinessline.

TWENTY YEARS AGO TODAY.

August 20, 2006

Lord Krishna Bank to merge with Centurion

A proposal to merge the Kerala based Lord Krishna Bank (LKB) with Centurion Bank of Punjab, was approved, in principle, by the boards of both the banks on Saturday. The merger will be subject to the approval of the Reserve Bank of India.

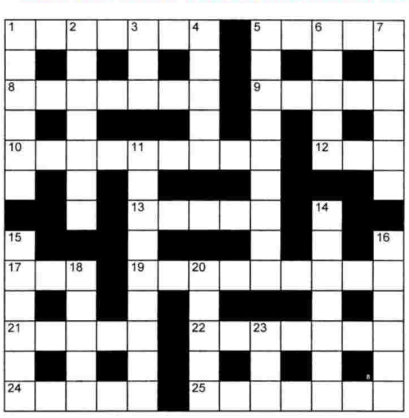
PM for more jobs in manufacturing

The Prime Minister, Dr Manmohan Singh, on Saturday assured trade union leaders of his Government's commitment to labour welfare and stressed the need to create more jobs outside agriculture, particularly manufacturing. "While we are taking all possible steps for the growth of agriculture, we need to create jobs elsewhere, particularly in manufacturing," he said.

HCL to invest Rs 500 cr on three new SEZs

HCL Technologies Ltd will in vest Rs 500 crore for building three Special Economic Zones in the country. The investment is part of the Rs 800-crore capital expenditure that HCL plans to make in the next two years. The company is expected to ramp up its employee base by 10,000 this year and by 35,000 over the next two to three years.

BL TWO-WAY CROSSWORD 2718



EASY

ACROSS

01. Case for display (7)
05. Boatswain (5)
08. Ill-ventilated, stuffy (7)
09. Circus performer (5)
10. A seasoning (9)
12. Rug (3)
13. Paved area in garden (5)
17. To employ (3)
19. Feeling affronted (9)
21. Theatricality (5)
22. Irritating (7)
24. To cast out (5)
25. Turbulent flow of water (7)

DOWN

01. Probability (6)
02. Lowest British hereditary title (7)
03. Born (giving maiden name) (3)
04. Try for flavour (5)
05. Shrub with berries giving sap-green (9)
06. Violent weather (5)
07. Four score and ten (6)
11. Of much consequence (9)
14. Illegally placed on football field (7)
15. Bewilderment (6)
16. Act of fleeing (6)
18. Rub out (5)
20. Rapid (5)
23. Limousine (3)

NOT SO EASY

ACROSS

01. A case of pudding being served at Number Ten perhaps (7)
05. Who's the piper on board? (5)
08. It's as stuffy as a vacuum must be (7)
09. A comic entertainer in a chic, low nightspot (5)
10. Seasoning consisting of mint, once, with a touch of dill (9)
12. Become entangled with a kneeler (3)
13. A top one spins in the paved area by the house (5)
17. Among various employers it's the custom (3)
19. How runt feels about bearing a grudge (9)
21. A right, mad mixture of theatrical entertainment (5)
22. Having a teasing desire for gin, chit may turn to it (7)
24. Don't accept that one must lose head to throw one out (5)
25. An outpouring of words in a rushing stream (7)

DOWN

01. This may be one's opportunity to take a risk (6)
02. Rank given to Bartholomew shortly? (7)
03. Being born a woman, has no end of want (3)
04. What the tongue perceives to be to one's liking (5)
05. He-rabbit turns north seeing this shrub (9)
06. Make a direct assault in violent weather (5)
07. Number starting ten years of naughtiness? (6)
11. Trip to Man is organised, as it matters (9)
14. Football infringement that's to the right of the driver (7)
15. The confusion the wet earth may have led to (6)
16. Some steps taken where aviation is concerned (6)
18. Some teacher, as expected, will wipe it out (5)
20. He was quick writing A Tale of a Tub (5)
23. Roughly, it's right to be one's personal transport (3)

SOLUTION: BL TWO-WAY CROSSWORD 2717

ACROSS 1. Basil 4. Scallop 8. About 9. Tempura 10. Dye 11. Stainless 12. Nest 13. Path 18. Herbalism 20. Off 21. Ululate 22. Ochre 23. Elegant 24. Hired

DOWN 1. Boarding house 2. Showers 3. Latest 4. Satrap 5. Almond 6. Louse 7. Plays the field 14. Another 15. Banana 16. Direct 17. Smooth 19. Route

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Economy

THURSDAY, AUGUST 20, 2026

IN THE NEWS

DoT COMMENCES DISBANDING OF DIGITAL BODY

THE DEPARTMENT OF Telecom (DoT) has begun the process of disbanding the Digital Communication Commission, formerly known as the Telecom Commission, the apex inter-ministerial body formed to make decisions on policy matters and subjects with significant financial implications.

CROP INSURERS SEEK DATA PROTECTION LAW

FIVE OF INDIA'S largest crop insurers have jointly asked the government to include a provision for the protection of regulatory data in the draft Pesticides Management Bill, 2025, arguing that the absence of such a framework is slowing the entry of newer, safer pesticide molecules into the country.

'Bengal can drive growth through cluster-based mfg'

WEST BENGAL SHOULD shift from an investment strategy based primarily on individual projects and existing industrial estates towards an integrated, cluster-based manufacturing strategy, said a PHDCCI report released on Wednesday. Industry executives say the economics currently discourage anyone from bringing new chemistry into India.

Coal India arm stops mining in Dhanbad

COAL INDIA ARM BCCL has stopped blasting and mining operations at New Akashkinaree Colliery in Dhanbad, Jharkhand, following a directive from the Directorate General of Mines Safety (DGMS). DGMS withdrew permission granted under the Coal Mines Regulations, 2017, with effect from August 17, 2026, pointing to safety concerns arising from land subsidence.

AGENCIES

CONCERNS OVER QUALITY OF HIGHWAYS CONSTRUCTION

Govt to blacklist developers for massive sub-contracting

FE BUREAU
New Delhi, August 19

IN A MAJOR crackdown on poor construction quality, the Ministry of Road Transport and Highways (MoRTH) plans to use Goods and Services Tax (GST) payment trails to expose and blacklist contractors who delegate work through multiple layers of sub-contracting.

Speaking at FICCI's Tunnels and Bridges Conference on Wednesday, Road Transport and Highways Minister Nitin Gadkari warned that developers engaging in illicit multi-tiered subcontracting face two-to-three-year bans.

"The government will blacklist such developers and publicise it so that it hits them where it hurts most — their share prices," Gadkari said, noting that traditional monetary fines running in mere lakhs have failed to act as an effective deterrent.

The Minister cited instances of contracts being awarded substantially below the estimated cost and subsequently being subcontracted through multiple layers, with each intermediary retaining a margin and construction quality suffering.

The quality of highways is the first priority, followed by costs. The ministry was already assessing contractors based on their performance and had begun extending the exercise to consultants preparing Detailed Project Reports (DPRs), proposing to link tender eligibility to these performance assessments.

Apart from poor construction in some cases, which he said discredits him, the minister also expressed dissatisfaction with the quality of DPR.

Many reports are prepared without visiting the site, which leads to design flaws and results in accidents and deaths of 180,000 people annually.

Gadkari proposed using international agencies or standards for project report preparation. The government could mandate that for each project worth more than ₹1,000 crore a company with more than 51% foreign holding be allowed to participate, the minister said.

The ministry is preparing tunnel tenders worth ₹2 lakh crore to ₹2.5 lakh crore. The minister said India will have to make tunnel boring machines locally, whose capital cost he identified as a binding constraint. He asked the local industry to look at this sector as there will be a big demand for them in India across different sectors going forward.

He also disclosed his efforts to bring the German tunnel boring machine makers to set up a facility in India. Offering them high quality steel and other requirements.

Union Road Transport and Highways Minister Nitin Gadkari, Secretary General FICCI Anant Swarup (second left), Afcons Managing Director S Paramasivan (right), and others during the 4th edition of Tunnels and Bridges Conference, at FICCI Federation House, in New Delhi, on Wednesday

AMIT MEHRA

₹13,000-crore rail, road projects get Cabinet nod

MANU KAUSHIK
New Delhi, August 19

THE UNION CABINET on Wednesday approved four multi-tracking railway projects covering eight districts across four states at an estimated cost of ₹9,450 crore.

The projects will add 410 km to the railway network and improve connectivity to several tourist destinations, including Kuldiha Wildlife Sanctuary, Bhitarkanika National Park, Maa Bhadrakali temple, Pulicat Lake, Lalitgiri, among others.

The projects are expected to raise the freight-carrying capacity of the national transporter by 76 million tonne per annum (MTPA). The additional capacity will facilitate the movement of commodities such as coal, iron ore, cement, containers, automobiles and foodgrains.

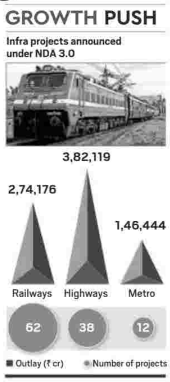
All four projects are located along the high-density Howrah-Chennai route. They comprise the Kharagpur-Bhadrak fourth line, Bhadrak-Haridaspur fourth line, Gummidipundi-Gudur third and fourth lines, and Cuttack-Paradeep third and fourth lines.

The ₹3,352-crore Kharagpur-Bhadrak (Ranital) project, spread over 173 km, will connect steel hubs at Jakhapura, Tatanagar and Durgapur with the ports of Paradip and Dhamra. The project is expected to add 13 million tonne of annual freight capacity and save ₹466 crore in logistics costs.

The proposed third and fourth lines on the Cuttack-Paradip (Badabandha) section will address capacity constraints on a stretch already operating at up to 101% utilisation. Capacity utilisation is projected to rise to 177% with the planned expansion of ports and industries in the region.

Additionally, the Cabinet has cleared the ₹3,591-crore Muzaffarpur-Sitamarhi-Sonbarsa four-lane highway corridor in Bihar under the hybrid annuity model (HAM). The 83 km project, which has a 30-month construction period, is expected to cut travel time between Muzaffarpur and Sonbarsa from two hours to one hour.

According to the Cabinet briefing, the government has taken infrastructure decisions involving 62 railway projects worth ₹2.74 lakh crore, 38 highway projects worth ₹3.82 lakh crore and 12 metro projects worth ₹1.46 lakh crore under NDA 3.0.



MANUFACTURING STILL NEEDS TO CATCH UP

Services account for more than 60% of SEZ exports

FE BUREAU
New Delhi, August 19

SERVICES EXPORTS CONTINUE to power India's Special Economic Zones (SEZs), accounting for over six in every ten dollars of foreign exchange earned by these tax-free enclaves, according to the latest trade figures compiled by the Export Promotion Council for EOUs and SEZs.

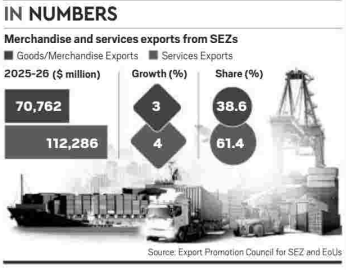
Out of total SEZ exports of $183 billion in the fiscal year 2025–26, services accounted for 61.4% ($112.3 billion), leaving merchandise goods to pick up the remaining 38.6% ($70.8 billion). Services shipments expanded 4% year-on-year (y-o-y), while goods exports edged up 3%.

Information Technology (IT) and IT-enabled services dominated the services portfolio, generating 81% of the sector's total foreign earnings.

In the merchandise segment, refined petroleum products remained the standout growth driver, surging 29% year-on-year to $35.26 billion and capturing nearly half of all goods exports. The heavy concentration in petroleum reflects the dominance of a single major hub: Reliance Industries' mega-refinery at Jamnagar, Gujarat. The Jamnagar SEZ alone shipped $34.8 billion worth of goods—representing 49.1% of all physical goods leaving India's SEZs. Vedanta Aluminium ranked a distant second, generating $4.3 billion or 6% of total goods exports.

Engineering goods formed the second-largest merchandise category at $8.4 billion (11.9% share), followed by Gems and Jewellery at $7.1 billion (10%), and Pharmaceuticals at $6.5 billion (9.3%). The United States solidified its position as the largest single destination for SEZ output across both goods and services. The US absorbed 51% ($57.5 billion) of all SEZ services output, followed by the United Kingdom at 17% ($19 billion) and the Netherlands at 7% ($7.8 billion).

The US led with $14.1 billion or 20% of goods exported from SEZs, driven by shipments of petro products ($4.1 billion), pharmaceuticals ($2.8 billion), and gems and jewellery ($2.4 billion). The Netherlands, the UAE ($5.3 billion), and Tanzania ($3.6 billion) rounded out the other top merchandise buyers.



Source: Export Promotion Council for SEZ and EoUs

FM, Goyal in Singapore for talks to boost trade

PRESS TRUST OF INDIA
New Delhi, August 19

FINANCE MINISTER NIRMALA Sitharaman on Wednesday embarked on an official visit to Singapore with a ministerial delegation to participate in the 4th India-Singapore Ministerial Roundtable (ISMR).

Sitharaman is leading a delegation comprising S Jaishankar, minister of external affairs; Piyush Goyal, minister for commerce & industry; and Jitin Prasada, minister of state for electronics & IT and commerce & industry.

The roundtable is scheduled for August 19-20, the finance ministry said in a post on X.

Established in 2022, the ISMR is a key high-level economic mechanism between India and Singapore. It provides a platform to review progress and explore new areas of collaboration across six pillars: advanced manufacturing, connectivity, digitalisation, healthcare, and medicine, skills development, and sustainability.

"The 4th ISMR will build on the progress made under these pillars and explore new opportunities to further strengthen the India-Singapore economic partnership," the finance ministry said.

UP, Japan seek to scale up green hydrogen tie-up

SAURAV ANAND
New Delhi, August 19

UTTAR PRADESH IS seeking to take its green hydrogen partnership with Japan beyond research and institutional cooperation to pilot projects, technology deployment and commercial-scale investments, while planning a dedicated 'Japan City' to attract Japanese companies in semiconductors, electronics, data centres and advanced manufacturing.

The push comes as Escorts Kubota and Minda Corporation have moved ahead with manufacturing projects in the Yamuna Expressway Industrial Development Authority (YEIDA) region, adding to the investment pipeline created through the state's growing engagement with Japan.

Escorts Kubota is setting up a ₹2,025-crore plant in YEIDA's Sector 10, with first-phase capacity to manufacture 60,000 tractors and 15,000 construction equipment units annually. The project is expected to generate 3,829 direct jobs and have a Gross State Value Added impact of more than ₹7,756 crore. Minda Corporation has proposed ₹1,166 crore investment across two projects in Sector 10 and Sector 24, expected to create around 6,440 employment opportunities.

Japanese companies such as Denso, Nagase and Seiko Advance already have operations in Uttar Pradesh. Invest UP has identified Escorts Kubota, Minda Corporation, Toyo Denso and Nagase among the key drivers of Japan-linked investment in the state.

"We have India's largest youth workforce — talented and skilled — and we aim to introduce this workforce to Japanese work ethics and standards. Our priority is to connect our youth with Japanese manufacturing culture," Chief Minister Yogi Adityanath said.

The state is looking to integrate practices including Kaizen, 5S, lean manufacturing, robotics, automation and precision engineering into its skills and manufacturing ecosystem.

Green energy is emerging as another important pillar of the partnership. Following the Uttar Pradesh-Yamanashi MoU signed in on December 23, 2024, two green hydrogen Centres of Excellence have been established through IIT Kanpur-HBTU Kanpur and IIT-BHU-MMMUT Gorakhpur. The state has approved and disbursed ₹50 crore for each centre.

UP now wants its cooperation with Yamanashi to expand to joint research, pilot projects and commercial ventures. Companies including NTPC, BPCL, Torrent Power, Hygenco, and L&T have shown interest in green hydrogen projects.

UP Chief Minister Yogi Adityanath and Union Railways Minister Ashwini Vaishnaw during the India-Japan Business Conclave, in New Delhi on Wednesday

ANI

YOGI ADITYANATH, CHIEF MINISTER, UTTAR PRADESH

Our priority is to connect the youth with Japanese manufacturing culture

Pharma sector begins FY27 strong, margins face pressure

MANU KAUSHIK
New Delhi, August 19

THE PHARMA SECTOR has started FY27 on a strong footing, but margins of leading drugmakers are likely to come under pressure from elevated input and logistics costs, weak US generics demand and tighter regulatory scrutiny, India Ratings (Ind-Ra) said. Revenue growth of the 15 pharma companies tracked by the ratings agency was in the high teens in the first quarter of FY27, aided by acquisitions and currency benefits.

Domestic industry sales grew 11.5% year-on-year (y-o-y) during the quarter, marking the fifth consecutive quarter of double-digit growth. The expansion was driven by chronic therapies, new product launches and growing traction in the anti-diabetic segment.

For the full financial year, Ind-Ra expects the domestic pharma market to grow by around 10%. July sales growth of 12.1% points to broad-based demand, supported by pricing, volume expansion and new products. The agency said rising incidence of chronic diseases and accelerating adoption of GLP-1 drugs should support the industry's longer-term growth trajectory. GLP-1 medicines are used to treat diabetes and obesity, with several generic versions becoming available in India since March this year.

Domestic industry sales grew 11.5% y-o-y during the quarter, marking the fifth consecutive quarter of double-digit growth

"The US growth is likely to remain under pressure due to the absence of gRevlimid–an oral medicine used to treat specific types of blood cancers–and continued pricing headwinds. Regulatory scrutiny and oversight may delay key product approvals from impacted sites.

Despite near-term cost pressures led by geopolitical issues, Ebitda (earnings before interest, taxes, depreciation and amortisation) margins should remain healthy, supported by a favourable product mix, currency factors, and pass-through mechanisms. Strong balance sheets and liquidity will continue to support inorganic growth," said Nishith Sanghvi, director (corporate ratings) at Ind-Ra.

US generics remain a weak spot for the sector. Revenues of the 13 companies tracked by the agency declined 8% y-o-y in Q1FY27, weighed down by continued pricing pressure and product-specific challenges.

Govt unveils drive to clear port congestion

IN A MAJOR move to ease mounting maritime supply-chain bottlenecks, the Central Board of Indirect Taxes and Customs (CBIC) has ordered a mandatory, high-priority drive to clear long-pending containers clogging major Indian ports.

The special clearance drive, which will continue till October 31, covers unclaimed, uncleared, seized and confiscated cargo lying at port facilities. By liquidating this trapped inventory, the tax authorities aim to free up vital storage space, reduce logistics costs and make more containers available for Indian exporters.

The move comes as several Indian ports, particularly major infrastructure hubs along the West Coast, grapple with heavy container congestion. Port yards and inland container depots (ICDs) are operating close to capacity, delaying the handling and onward movement of both incoming and outgoing cargo. —FE BUREAU

FROM PAGE 2

Banks are not constrained in providing more credit

Upper-layer guidelines have been issued, yet there has been a lack of clarity over one company's qualification for several years. This is leading to speculation. What is the RBI's position?

We are not changing any regulations. This is an operational issue, and we would not like to comment on questions specific to an individual regulated entity.

Despite efforts to strengthen fraud detection and prevention, bank frauds remain a concern. What are the biggest gaps the RBI sees in banks' fraud-prevention systems, and what more needs to be done?

Technology is changing the nature of fraud. Cyber fraud, unauthorised access and attacks on payment systems are becoming increasingly sophisticated. Banks and regulated entities therefore need to strengthen their early-warning systems and increase the use of analytics.

We also need to be more proactive rather than reactive. Because the nature of fraud is changing so rapidly, this must be a continuous effort rather than a one-time exercise. Finally, regulated entities will have to make greater use of technology while also building stronger human capabilities to effectively prevent and reduce such frauds.

There was a lot of chatter about Mythos, but things seemed to have calmed down within a few months. Has the focus shifted?

While we may not be talking about it all the time, we are working on it with our regulated entities and other stakeholders.

The engagement includes building the capabilities of regulated entities, using technology and increasing customer awareness. It also involves giving them suitable guidance for improvement through our directions, regulations and inspection notes.

Banks Will Trim Jobs, But Only Slowly

AI is reshaping hiring, but growth cushions cuts

We've been here before, kind of — when computerisation threatened to drive out humans from jobs in banks in the 80s. Today, India's biggest private sector banks continue to reduce headcount as AI implementation gathers pace. Yet, public sector bank-hiring during the year more than offset the job disruption among their private sector rivals. India's banking industry employs over 1.5 mn people, and is still a positive net recruiter. Branch networks are not yet fully developed. Needs of development banking will shield employment from AI, which is being implemented under strict RBI vigilance. AI processes are, thus, making a modulated entry into banking, leading to gradual attrition.

Globally, AI has made inroads into banking operations at the front and back ends, automating lower-value functions. Impact on operational efficiency is more profound in core banking functions like credit scoring, fraud prevention and cybersecurity. Banks must maintain transparency over AI-assisted lending and compliance decisions to satisfy regulators. AI roles in core banking need continuous human oversight, which makes banking job disruptions uneven. Yet, AI can outdo human bankers in key areas. For instance, AI can identify correlations between variables invisible to human analysts. This vastly improves risk assessment, and banks will push such AI implementation.

Indian banks are in a structural upcycle with strong credit growth to households. The country has modest levels of household debt, and RBI is conservative in steering credit away from unsecured borrowings towards asset-creating mortgages. India has among the fastest bank credit growth rates among major economies. This should moderate AI-related job displacement in the sector. But competitive intensity will require banks to operate at the technology frontier, as they cater to low-credit penetration amid accelerating digital financial infrastructure. AI can push financial inclusion in ways that were not possible even a decade ago. India's banking landscape will have to adapt to a new normal.

Brand in the River, Ganga Upon Thames

This September 13, the Thames will host the celebrated Ganga Aarti. While some hackles may be raised regarding how 'secular' Thames will be cosplaying 'sacred' Ganga, this line of literal-minded thinking completely misses the point. For one, a devotional ceremony of fire, chant and rhythm transplanted from Varanasi's ghats to a British riverbank will be spreading a show of true grandeur and beauty that cuts across cultures and religious dispositions.

What is being attempted here is much more than diaspora nostalgia. It's bringing a show of worship with its associative enchantment beyond its usual ghats. Also, extension of Ganga to Thames underlines the wisdom in Advaita Vedanta, the complete line of which reads, 'Ayam bandhur ayam neti ganana laghuchetasam, udarcharitanam tu vasudhaiva kutumbakam' — 'Distinction of 'this person is mine, and this one is a stranger' is made only by the narrow-minded, for those of noble character and broad wisdom, the entire Earth is but one family.' What holds for persons, holds for rivers.

Bengal's Durga Puja is now a worldwide festival. 'Western' Christmas Eve midnight masses have been a global phenomenon for a while. Each has become globally recognisable, a shorthand for cultural identity. Just this week, organisers of Jaipur Literature Festival announced that they will bring the by-now recognisable, 'Jaipur'-stamped, event-experience involving writers and artists across 7 cities in the US and Canada in Sep-Oct. Ganga Aarti can bring the same kind of unique experience of sacral 'light orchestra' to the Thames, Yangtze, Amazon, Danube, Seine.... Cultural prestige, after all, grows when rituals mesmerise beyond borders. Making India a curator of global river rituals with Ganga as its 'adi' is a bonus.

JUST IN JEST

A Chinese blockbuster could inspire an 'awful Indian movies' revival

Get Bullish About 'It's So Bad That It's Good'

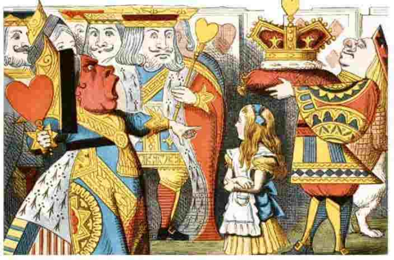
China's box office has just been ambushed by Niu Lai — literally 'the bull is coming' — an awful 86-min animated (sic) movie so derided by everyone for its crude graphics and clunky storytelling that audiences are flocking to see it just for those qualities. Made over 5 yrs by a mother-son duo armed with second-hand equipment, the film that stumbled into cinemas on August 5 — earning just 7,000 renminbi in its first 10 days — is now a viral storm. Ghastly reviews and memes have made it a phenom, especially for China's stock market investors who see in the title the wish for a 'bull run'. By mid-August, Niu Lai has grossed over 21 mn renminbi, competing with Hollywood blockbusters and some fancy flick about a wandering Greek hero.

We should be taking notes. Our regional cinema of the 80s-90s pioneered the 'So bad that it's good' genre: melodramatic villains, rubber daggers, dialogue so wooden it could double as furniture, a Tamil hero battling a plastic dinosaur, a Bhojpuri romance filmed entirely in a living room, or a Kannada thriller undone by bad editing. These cult flops could now be ripe for digital resurrection or even inspiration. With the deadly delivery combo of the smartphone and internet, Indian kitsch could brand this revival as Parallel Cinema 2.0. And like the two makers of Niu Lai, it could also laugh its way to the bank.

Capital gains tax on FPIs comes in the way of India's ambition to become a global investment hub

Remove CGT, a Capital Idea

G V Giri



Off with the tax!

There are moments in a nation's economic evolution when a seemingly modest policy change has the potential to trigger gains far greater than its immediate fiscal pain. India stands at such a moment today, with the question before policymakers: should India continue to levy capital gains tax (CGT) on equity investments held by FPIs?

If CGT on FPI equity investments is removed, revenue forgone would be an estimated 15-20 bps of GDP. Against that stands the prospect of a lasting reduction in India's cost of capital, stronger foreign capital inflows and faster long-term economic growth. Few policy choices offer such an attractive trade-off.

The debate is often framed as one of fairness between domestic and foreign investors. That is wrong. The right perspective is to compare India with every other destination competing for global savings. Capital today is mobile and unforgiving. It flows not merely towards opportunity but away from friction. If nearly every major competing market has eliminated this friction, why shouldn't we do so, too?

India is the only major economy that taxes FPIs on a source basis. Most competing markets allow investors to pay CGT in their home jurisdictions, thereby avoiding double taxation and unnecessary administrative complexity. This distinction is not a mere technicality. It alters investment behaviour.

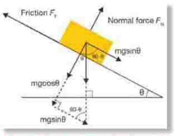
A portfolio expected to compound at 13% in rupee terms ultimately delivers only about 8.4% after taxes and related frictions. Once ordinary rupee depreciation is incorporated, effective dollar-return falls to barely 4.4%

Under prevailing accounting standards, international funds must provide daily for potential Indian CGT liabilities, even on unrealised gains, reducing NAV available to investors exiting the fund. Yet, those investors frequently cannot claim corresponding tax credits at home, even with the help of a tax treaty, because the tax has merely been provided for rather than paid.

Even where gains are realised, legal separation between the investment fund and the ultimate investor often prevents realisation of effective tax credits. Pension funds, university endowments, sovereign investors and tax-exempt retirement accounts are particularly disadvantaged since many have no domestic tax liability against which Indian taxes can be offset. Note that this is only about FPIs, not FDI. The cumulative consequence is substantial.

Estimates indicate that these frictions reduce post-tax returns to foreign investors by roughly 2.4 percentage points annually. A portfolio expected to compound at 13% in rupee terms ultimately delivers only about 8.4% after taxes and related frictions. Once ordinary rupee depreciation is incorporated, effective dollar-return falls to barely 4.4%. At those levels, India is no longer competing on its economic fundamentals alone. It's competing while voluntarily carrying additional weight.

This isn't merely an academic calculation. FPIs repeatedly point to chronic underperformance of the MSCI India ETF relative to MSCI index. Some drag is natural because of transaction costs and fees. But in our sample of 21 countries, India consistently ranks in the 4th quartile on this measure.



Capital today is mobile and unforgiving. It flows not just towards opportunity but away from friction. If nearly every major competing market has eliminated this friction, why shouldn't we?

Dividend tax and transaction taxes can't explain this, because Indian rates are broadly in line with international norms. CGT is the most likely differentiating factor. The result is that fund managers find it more difficult to secure fresh India mandates, even when India's underlying economic prospects remain compelling. But can India afford to surrender this revenue? More importantly, is CGT on FPIs a luxury India can afford?

India remains a structurally CAD economy. Such economies cannot afford to treat foreign capital as an afterthought. Every unnecessary impediment imposed upon capital ultimately manifests itself as a higher cost of equity and investment, slower corporate expansion, lower employment creation and, ultimately, slower economic growth — and lower tax revenues.

Taxes don't merely raise revenue. They also alter incentives. A tax that materially discourages capital inflows imposes costs extending far beyond the revenue it collects. The revenue involved is modest when viewed against GoI's excellent progress on broader fiscal consolidation in recent years. Attempting to preserve revenues by sharply increasing securities transaction tax (STT) would merely substitute one friction for another, requiring transaction taxes to rise dramatically to break even.

Great economic powers do not merely build roads, ports and factories. They also build financial systems through which capital moves with confidence. They become prosperous not by taxing capital more heavily than their competitors but by attracting more of it.

India has already undertaken difficult reforms across infrastructure, manufacturing, digitalisation, logistics and macroeconomic management. Having travelled so far, it would be unfortunate to miss the chance to sharply reduce the cost of capital, one of the 4 factors of production, and catalyse progress on all these reforms.

The tax should be axed in its entirety, not just reduced. Already there have been too many changes, too frequently, compared to the decades-long consistency seen in other countries. Abolition of CGT on FPIs won't represent a concession to overseas investors, but would represent a strong message of commitment to minimising India's long-term cost of capital.

The writer is head of research, IIFL Capital Services, Mumbai

Invest in China's India Investments

Gaurav Dalmia & Chetan Aggarwal

Straddle both economies

In both business and political circles, a question is often asked, 'How can India correct its trade asymmetry with China?' The answer, paradoxically, lies in greater Chinese investment.

China's growth has been slowing. GDP grew only 4.3% last quarter, and retail sales — indicator of domestic consumption — rose only 1% in June. As the West grows less willing to absorb Chinese overcapacity, China's next move may be to export the factory itself — capital, technology, brands and production. India now has to decide whether it will host this relocation, on its own terms, or whether it will watch others like Vietnam and Mexico grab it, instead. It must also assess whether hosting, done right, can finally correct the imbalance India has lived with for two decades.

The imbalance is structural. Every time Beijing wants leverage over India, it reaches for trade: restricting gallium and graphite exports in 2023, and rare-earth magnets in 2025, with Indian assembly lines feeling the pinch. Beijing can do this almost cost-free because it holds none of India's risk in return — no factories, Indian workforce or equity that falls in value if relations sour. India is exposed to China, but China is not exposed to India. Chinese investment can be the lever to correct this asymmetry.

India's exposure is easy to quantify. China is now India's largest trading partner. Bilateral trade of \$151 bn in 2025-26 was almost entirely one-way. India imported \$131 bn and exported just \$19 bn, a record \$112 bn deficit, up from \$99 bn a year earlier. China supplies a 6th of India's imports and close to 31% of its industrial goods. In some categories, there's over-reliance. About 70% of active pharma ingredients and 75-90% of lithium-ion cells are Chinese imports.

In contrast, China's exposure to India is almost none. China's annual outward FDI runs near \$177 bn, with \$2.7 tn in total overseas investment since 2005. India isn't among its top 10 destinations with just \$2.5 bn in Chinese investments cumulatively over 20 yrs. Compare this to Hungary, which took in 31% of Chinese FDI into Europe in 2025, with new energy tech company CATL and EV giant BYD plants employing thousands. India absorbs Chinese goods, but captures almost none of Chinese capital or factory activity.

Every economy depends on others. The problem is one-directional dependence. The fix is to make dependence run both ways. A Chinese plant in India, providing returns to investors, is a stake that Beijing will protect, not a tap that it can shut without costs.

On trade, India has already begun diversifying: FTAs with the UAE, Australia, Britain and the EU, since 2021. It's time to apply the same logic to investment. Adding Chinese capital alongside Singapore, the UAE, the Netherlands, the US and Mauritius — which together account for over 80% of India's FDI — will diversify India's capital base.

None of this means 'normalisation' with China. Just tactical realignment. The border remains unresolved, and China's business practices continue to be opaque. The answer lies in well-calibrated guard rails. For instance, the Committee on Foreign Investment in the US (CFIUS) screens Chinese capital sector by sector, rather than banning it. It keeps it out of critical sectors like AI, quantum and semiconductors, but permits passive stakes elsewhere.

India's March 2026 easing is similar — entry only via a 10% automatic-route ceiling, confined to non-critical manufacturing, majority ownership and control with resident Indians, and a 60-day fast-track for capital goods, electronic components and solar cells.

Gains are already showing. Electronics component exports to China rose from \$920 mn to a projected \$3.5 bn in a year. Over \$2.5 bn of this was from Apple, and printed circuit board assembly (PCBA) exports reportedly jumped 40×.

India already imports vast quantities of Chinese machinery to build its own factories. Why not let Chinese manufacturers set up here, instead? Supply chains are sticky. Once a plant embeds in an Indian cluster, its suppliers, tech and trained workers tend to stay, backward-integrate and increase domestic value-add, just as Apple's vendor base has done. Also, in sectors like textiles, Chinese factory discipline, output per worker, defect rates and on-time delivery are worth absorbing regardless of ownership.

South Korean manufacturers once absorbed techniques from the Japanese and Americans. China itself industrialised partly on Japanese investment. India can do the same with China now. As Beijing prepares to export its factories to the world, this is an opportunity for India to create new business opportunities and gain leverage. Pragmatism should be the lens. There is a business case here.

Dalmia is chair, Dalmia Group Holdings, and Aggarwal is founder-CEO, AKR Consulting

Hit Ctrl + R on Gov Tech Shopping

Aruna Sharma

As policymakers grapple with implications of AI, much of the debate has focused on ensuring that regulation keeps pace with innovation. Yet, regulation is only one part of the equation. An equally important policy instrument that must keep pace with tech is public procurement.

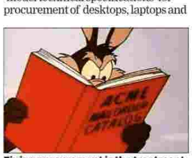
Public procurement determines what goods and services are purchased by the government and, consequently, which technologies are adopted at scale. This is one of government's most powerful instruments of industrial policy. Accounting for 20-22% of India's GDP, it shapes markets, creates demand and influences investment decisions. It's guided by Public Procurement (Preference to Make in India) Order (PPP-MII) 2017.

As India develops capabilities in emerging technologies, this objective will remain central. Until then, however, procurement of emerging tech must promote efficiency and competition by avoiding unnecessary dependence on any single tech or vendor. Well-designed procurement frameworks can strengthen domestic industry while ensuring that public agencies continue to access the best available technologies in computing performance, efficiency and sustainability.

Strategic use of procurement is not unique to India. In the US, federal procurement played a pivotal role in developing transformative technologies such as internet, GPS and personal computing. At the heart of public procurement of tech are specifications that define functional, technical and performance requirements. The challenge arises when these specs become overly prescriptive.

While this is rarely problematic for traditional infra where materials and engineering principles remain stable, tech evolves far more rapidly. By the time specifications are drafted, vetted and finalised, they may be outdated. Specs that prescribe particular technologies can, therefore, inadvertently exclude newer alternatives that offer equal or better performance, efficiency and value.

This challenge is visible in MeitY's 'model technical specifications' for procurement of desktops, laptops and tablets, which prescribe x86 processor architecture along with detailed hardware requirements. Since they were last updated, computing has evolved. Newer processor architectures based on a reduced instruction set (RISC) offer improved battery life, better power efficiency, lower cooling requirements and lower costs.



Fixing procurement is the treatment

At government scale, even modest improvements in device-level energy efficiency can reduce costs while advancing sustainability goals. This is why procurement specs should focus on objective performance requirements, allowing competing technologies to be evaluated on their merits, promoting tech neutrality and wider choice for procurement agencies.

So, the way forward is not fewer specifications but less prescriptive ones that remain flexible enough to accommodate technological change. A few steps can help achieve this:

▶ Technical specifications should be reviewed on a fixed, more frequent cycle. The US refreshes its government-wide desktop and laptop configurations roughly every 9 mths, incorporating feedback from industry to reflect technological advances. For India, regular, time-bound reviews would help ensure public procurement remains technologically current and commercially competitive.

▶ Procurement specs should become more performance- and outcome-based. Rather than prescribing specific makes or technology architectures, they should define the functional, security and performance outcomes products must achieve. This would encourage innovation while allowing newer technologies to compete on equal terms.

The EU's 2014 Public Procurement Directive discourages technical specifications that create unjustified barriers to competition. Britain's Procurement Act 2023 requires contracting authorities to describe performance or functional requirements, instead of prescribing particular designs or technologies.

▶ Performance- and outcome-based specifications should be supported by objective benchmarks and recognised industry standards. For example, processor performance can be measured using benchmarks such as Geekbench and Cinebench for CPUs, 3DMark for GPUs, and Procyon for AI workloads.

Alternatively, GoI could consider withdrawing model technical specifications. Prior to their introduction, procuring agencies determined specs based on their intended end-use, with technical support from agencies like NIC where required.

Returning to this approach would reduce an additional layer of compliance and give procuring agencies greater flexibility. Procurement frameworks that are tech-neutral, performance-based and regularly updated will ensure that governments can adopt best available technologies while fostering competition and innovation.

The writer is former secretary, GoI

THE SPEAKING TREE

Shiv, Shakti, And E = mc²

TEAM ST

Einstein's most famous equation and one of Vedanta's oldest symbolic pairings, Shiv and Shakti, seem to circle the same intuition: that what looks like two things may, at a deeper level, be one. In Vedantic symbolism, Shiv represents pure, unchanging consciousness — the still, formless ground of being, prior to name and form. Shakti, personified as Parvati, is the dynamic principle: energy, power, the creative force through which the unmanifest takes shape as the manifest world.

Saundarya Lahari, written by Adi Shankaracharya, states that Shiv is capable of creation only when united with Shakti. Later Tantric and Shaiva texts, including the Vijnana Bhairava Tantra, build on the same idea — that consciousness and its power are two aspects of a single reality, never truly separable, only appearing so from our limited vantage point.

Before Einstein, mass and energy were treated as separate quantities, governed by separate conservation laws. $E = mc^2$ showed that they are convertible into one another — that mass can be understood as a highly concentrated form of energy. Einstein was, by several accounts, familiar with Indian philosophical ideas, but $E = mc^2$ was derived from physics. The equation is answerable to experiment and measurement. Physics and Vedanta are unlikely to ever be describing the same thing. But every so often, in the distance between them, you can hear something like an echo.

STEP UP TO THE PLATE

The Hudson Rooms
Hanoi, Vietnam

At The Hudson Rooms, located in the ultra-luxury 5-star boutique hotel Capella Hanoi in the city's French Quarter, the cocktails may get the headlines, but the food deserves top billing. The rooftop bar takes its culinary cues from the city's grand brasseries, with seafood at the heart of the menu.

French varieties of oysters, including Cadoret and Gillardeau, are served impeccably chilled with mignonette. They are among the strongest reasons to linger over dinner here.

The Fulton Seafood Platter is another indulgent proposition, bringing together whole lobster, tiger prawns, Hokkaido scallop ceviche, tuna tartare, sea grapes — and, yes, oysters.

There is plenty for landlubbers, too. The menu moves into steaks and other substantial plates. Dishes like rigatoni and peri-peri chicken have earned particular praise from gourmands.

What makes the kitchen work is its balance: familiar, generous dishes are given enough polish to feel special without becoming fussy. The food is designed to accompany the bar rather than play second fiddle to it. And that may be The Hudson Rooms' biggest surprise: come for cocktails and the rooftop setting. But stay because dinner is so very worth having.

Chat Room

You Can Check Out, But Never Leave

Apropos the Edit, 'FCNR(B), Nothing Magical About It' (Aug 18), RBI, by offering sweeteners, succeeded in mobilising a substantial inflow of dollars. NRIs earned an attractive 6.5% return, banks gained rupee liquidity to expand their balance sheets, and the country enjoyed greater stability in the forex market. The twist, however, unfolds only in the future. When these deposits mature in 3/5 yrs, India may be in a very different position. Consider this scenario: Modi is back in power in 2029, GDP growth is strong, China + 1 strategy boosts inflows, copious increase in FDI/FPI/ECB flows results in forex reserves crossing \$1 tn, and global uncertainties persist in US and Europe. RBI, then, may be compelled to allow the rupee to appreciate. This would erode returns for NRIs, turning the much-touted sweetener into a bitter pill. Let no one complain later that there was no forewarning.

Balu Kenchappa
Chief GM (Retd), RBI
Bengaluru

A thought for today

Animal shall not be measured by man...They are other nations, caught with ourselves in the net of life and time, fellow prisoners of the splendour and travail of the earth

HENRY BESTON

Quick & Clear Probe

Committee investigating police & crowd conduct in CJP protests must be seen to be impartial

The Supreme Court-constituted special probe, to investigate police action against CJP-led students marching to Parliament on July 20, is much needed. SC wants the committee to examine allegations of excessive police action and counter-allegations against protesters. As the committee – headed by a former SC judge – is constituted, and terms of reference framed, two points must be remembered. First, for meaningful outcomes, the probe must not only be thorough, but transparency of its findings, with full public access, will be integral to public trust in governance. Second, and the single-most important point, is time-bound closure. A reasonable timeframe makes all the difference. Far too frequently, despite worthy intentions, investigations taper off, inquiries stutter, commitments made in the heat of the moment fade – high-powered committees are stuck in an endless cycle of extensions. Upshot is that old problem: justice delayed is justice denied.

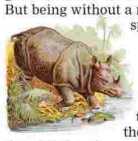
It's crucial to note that it is already a month since the protest – but FIRs against students are still not quashed, as was expected at the time. So, it is indeed time for SC, as it has proposed, to use its powers to junk those FIRs. It is difficult to see why – when Delhi Police has narrowed its interest to about 3,000-odd protesters, via its facial recognition system – so many students are being made to suffer? Given that all actions will have been recorded digitally, the committee's probe will reveal the facts of the attacks on police too.

The committee's focus on July 20, at the very least, must include use of plastic pellets, Delhi Police chain of command for orders issued, allegations of nails-on-lathis, and cops targeting women protesters. The committee's job will be to find relevant material, as SC wants it to hear from victims directly. Its recommendations, for a modernised, civilian-police protocol, will apply to stirs countrywide. Even yesterday, Patna police cracked down, rather ham-handedly, on an opposition protest. Remember, too, the firing of real bullets from an AK-47, in Siwan, during CJP-led protests. Delhi Police has admitted to using "graded force". But what does it really mean? If the committee does its job, we will have a clearer picture of safeguards – for both protesters and police – in the event of large agitations.

Let Kaziranga Breathe

Crowding in the rhinos and tigers with a 1km ESZ is a terrible idea. Assam govt should stick to 10km

Once upon a time, the Indian one-horned rhinoceros roamed across the northern part of our subcontinent. By the turn of the 20th century, hunting had driven it to near-extinction. Then, in 1908, Kaziranga was declared a reserve forest. In 1950, it became a wildlife sanctuary, in 1974, a national park, in 2007, a tiger reserve. It's thanks to over a century of care and commitment that this is now among the world's finest wildlife refuges. Today, around 4,000 rhinos roam from here to the terai grasslands of Nepal. Keeping them company in Kaziranga are tigers, elephants, hoolock gibbon, sloth bear, the Ganges river dolphin…and thousands of birds. But being without a notified ESZ is a major vulnerability of this spectacular conservation achievement.



To understand why Assam govt's move towards notifying 1km of ESZ around Kaziranga National Park and Tiger Reserve is deeply worrying, we have to first understand the importance of the eco-sensitive zone. And why the National Wildlife Action Plan (2002-2016) set the default to a 10km radius. It's about protecting the wildlife and averting human-animal conflicts. Several economic activities are banned in an ESZ, such as polluting industries. But others, like hotels and resorts, can take place in a "regulated" way. This is eminently sensible. A modern stadium, as the state govt wants to build here, is not. Govt has also failed to realise the Supreme Court's 2019 ban on mining in Kaziranga catchment areas.

The unique ecology that creates diverse micro-habitats and supports wildlife diversity here, has its unique perils. When annual flooding pushes animals towards higher ground, animal-vehicle collisions and deaths also rise. Now imagine what a ring of roads, buildings, lights, noise, and people tightening around the places through which wildlife must move, will do to it. Visitor numbers have anyway grown from 1.3L to 4.1L in a decade – a 200% rise. An expert, Meena Venkataraman, has argued on this page, that our protected areas were never meant for tourism. Perhaps we cannot live up to that ideal. But at least spare the wild habitats our spas, swimming pools, four-lane roads, mass invasion, and industrial racket.

Walk in the Park

Sounds of joy and benches with silent memories

Bachi Karkaria

London's gorgeous parks turn me green with envy, even when heatwave-browned. My morning haunt these past weeks wasn't iconic Hyde or Regent's, but Ravenscourt next door was 'paradise now'. Calmed by its serenity, invigorated by its synergy, I also shed some of the guilt, if none of the kilos, put on by the city's competing attraction.

Life burst all around. Dads pushed prams; mums cycled; kids bounced. Tennis and toddler yoga. Bare-legged blondes and bare-faced burqa-clad. Runners, relaxers, short-cutters to school, office, errands. And dogs of every description! Bounding, trotting, frolicking, sniffing; their pet humans dutifully scooping.

Trees spread tall and wide, though they too felt the heat that scorched flower bed and rose bush. The deciduous undecided over how much to sacrifice to this rogue summer. Copper beeches somewhat rusted. Spiky green chestnuts loaded the boughs – and carpeted the ground.

Screeching parakeets chose camouflage but magpies strutted *bindaas*; serious competition to inescapable pigeons, variegated here by doves. Robins popped out querulously. At meandering lake, I stood mesmerised as the differently feathered, similarly webbed glided past in flawless formation or dived and surfaced to feed scrawny chicks paddling close to Mama.

erratica

This 'Brook' didn't 'go on forever', but Tennyson's preceding line, 'For men may come and men may go…' found echo on the everywhere benches. Their small brass plates remembered 'Charlie Woods who always loved the park' and 'Charlie's friend John Stewart' whose plaque joined him 10 years later. 'Kerstin Malin' still grumbled, 'Pscht, I'm trying to enjoy the nature'. 'Ruta (2001-2023) Truly one of a kind daughter sister and friend. Loved beyond words'; 'Harinder Manral. Enjoy the garden'; 'Tammy Amit. Ima Savta Friend. This Bench is for her – and you.' Some offered general help, like 'CALM – Campaign Against Living Miserably'.

Of course, the park-loving dogs were here too. Not just 'John Adams and his pet Kathy'. Getting their own bench were 'Butch Bruno and Bonita. Resting Peacefully Together on Flops's Hill'. And close by 'Bailey. This was your favourite place in the world. Run free, our boy.'

***

Alec Smart said: "Cockroaches have triggered great 'pest control' all over."

When The Rich World Sweats

If even Fifa World Cup was forced to pause for heat, the myth that developed nations can manage climate change is over. They should recommit to deep emission cuts, transfer finances & tech to developing world

Chandra Bhushan

William Nordhaus was the poster child of the "global warming isn't so bad" camp in 1990s – precisely when the world was negotiating the UN Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol. His much-cited 1991 paper, 'To Slow or Not to Slow', projected that a 3°C rise in global temperature would shave barely 0.25% off US income. His later work went further, predicting gains for cold developed regions – lower heating bills, longer growing seasons, better farming in US, Canada, Russia, and Europe – while poor tropical countries bore the losses.

His DICE model, the first to link economy and climate, produced cost-benefit arithmetic under which letting substantial warming happen looked economically rational, because cutting emissions cost more than the discounted future damages. He was awarded the 2018 Nobel Prize in Economics for climate-economy work.

But Nordhaus was not alone. Thomas Gale Moore, a senior fellow at Hoover Institution and a member of Ronald Reagan's Council of Economic Advisers, argued that a warmer climate would bring net gains to cold northern countries. Nigel Lawson, a former Chancellor of the Exchequer of UK, wrote *An Appeal to Reason: A Cool Look at Global Warming*, contending that warming's costs were modest relative to expected economic growth, and that carbon-reduction policies were unrealistic and economically damaging.

And Bjorn Lomborg, author of *The Skeptical Environmentalist*, still insists that global warming should not be a priority, because money spent cutting emissions hurts the poor.

While such voices are few compared with the pro-climate constituencies of the developed world, they have been disproportionately influential. They persuaded a critical mass of political and business leaders that global warming was essentially a problem of hot and humid developing countries; that colder developed countries might even benefit from modest warming; and that, in any case, the rich world had the money and tech to adapt to whatever came.

This school of thought has led to a slow breakdown of the international climate compact. Developed countries have reneged on their promises on emission cuts, finance, and tech, while developing countries have struggled to move to a low-carbon trajectory.

Today, under the celebrated Paris Agreement, everything is voluntary, and every country is on its own. Relations between developed and developing countries have soured to the point that, when last year's climate conference in Belém could not agree on a roadmap away from fossil fuels, willing countries chose to pursue it outside the UN convention altogether.

But how wrong the likes of Nordhaus have proved to be. Global average temperature has risen by only about 1.5°C, and that has been enough to transform summers in Northern Hemisphere. Temperatures once considered exceptional – near 40°C – are becoming the norm. Prolonged droughts, destructive wildfires, and shrinking rivers are no longer freak events but recurring features of the European summer. Last year – the most destructive fire season in its recorded history – European Union lost over one million hectares to wildfires, an area the size of Tripura, and nearly double the historical average. And 2026 is tracking worse: over 450,000 hectares had already burned by end-July, well ahead of last year's pace, including the largest wildfire Spain has ever recorded.

North America tells the same story. Canada has lost some 3.7mn hectares this year – nearly the size of Kerala – and US about 2.4mn hectares, larger than Mizoram, with the season's peak still ahead.

The northern summer has changed so much that the two football World Cups hosted by US, 32 years apart, were played under effectively different rules. In 1994, teams played two 45-minute halves. At the 2026 World Cup, every match carried two mandatory three-minute cooling breaks, one in each half – converting the game into four quarters – for fear of heat exhaustion. Project that trend 30 years forward: will outdoor sport in summer be possible at all in US?

Yet, the perception that "we can manage" – or even profit – still shapes the rich world's diplomacy. The negotiations among Arctic Circle countries – scrambling to carve up the melting region's oil, natural gas, and rare minerals – are a clear example of this mindset.

But the economics that justified this complacency is now collapsing. Recent research by economists Adrien Bilal and Diego Kanzig finds that every additional 1°C of warming lowers world GDP by over 20% in the long run – damages many times larger than earlier estimates, and borne by rich temperate countries as much as poor tropical ones. Against this, the cost of decarbonising the global economy is a small fraction of GDP. The bill the developed world will pay for solving the crisis is far smaller than the bill it will pay for an unchecked one – a truth its burning forests and drying rivers are already delivering.

So, it is still not too late. What is required is for developed countries to shed the short-sightedness that has shaped three decades of climate diplomacy, and accept that greater capability means greater responsibility. That means deep emission cuts and serious adaptation investment at home – and finance and tech for developing countries, so that they too can pole-vault to greener technologies instead of repeating the fossil-fuelled path. Lives, economies, and ecosystems everywhere are now in the line of fire; no one is safe from this planetary crisis.

The developed world would do well to remember an old village truth: when the whole village is on fire, wisdom lies in everyone coming together to save the village, rather than each person trying to save only their own house.

The writer is an environmentalist

Rethink The 1996 Indo-Bangla Ganga Water Treaty

Thirty years of data make the costs for India, particularly Bihar, clear. A pact that taxes only one state, binds the nation to last-century arithmetic, and buys no reciprocity should be allowed to lapse

Sanjay Kumar Jha

India should seriously consider whether we need to renew the 1996 India-Bangladesh Ganga Water Treaty – formally the Treaty on Sharing of the Ganga Waters at Farakka – as the 30-year deadline nears. Bihar has lost much due to this treaty in the last three decades, and we should consider it appropriate to flag our pressing concerns and anxiety, as so much has changed during this period. Instead of adjustment at the margins, our position should be that this instrument, in this form, must not be carried into a fourth decade, in the interest of Bihar and the country.

The treaty was a child of the Gujral Doctrine: the proposition that India as South Asia's largest country should extend unilateral concessions to neighbours without expecting reciprocity. Whatever its merits, its bill was sent to a single state. When Bihar's rights were conceded in Dec 1996, Lalu Prasad Yadav sat at the heart of the United Front govt, while then Congress president supporting that govt from outside, Sitaram Kesri, was himself a Bihari. Both were silent on the consequences for Bihar.

Consider what the treaty asks of Bihar. Its obligations are written at Farakka: a 50:50 division whenever there is 70,000 cusecs or less of river water, with 35,000 cusecs guaranteed to each country in three alternating 10-day periods between March 11 and May 10. However, that volume of water is simply not available in the river when it enters Bihar. At Buxar, Ganga carries roughly 14,000 cusecs in those months. Close to three-quarters of the lean-season flow reaching Farakka is generated within Bihar's own 445km stretch. Thus, only one state underwrites an international commitment while being denied its ordinary riparian rights.

Since the Farakka barrage was commissioned in 1975 to keep Kolkata Port navigable, silt that once travelled to the sea settles upstream instead. Ex-CM Nitish Kumar has argued for two decades what engineers now largely concede: Ganga's *aviralta* (uninterrupted flow) is broken, its bed is rising along its entire Bihar course, and water that once stayed in the channel now stands in villages. Then the river turns and starves us. Groundwater is falling not only in south Bihar's drought districts, but also in flood-prone districts of Darbhanga and Madhubani. Reservoir storage has averaged barely 35% of capacity over five years.

Some vouch for renewal with adjustments. But record does not support that hope. Bihar did exactly what Centre asked: we assessed our requirement to 2050 and placed a demand for 2,000 cusecs before the committee constituted by GOI. The committee's final report provides 900 cusecs, less than half, for drinking water and industry alone, with irrigation excluded and no published reasoning for the cut. If Bihar's own calculations can be halved within our own system, renewal will not be the moment our claim is finally honoured.

Image: AI

This is where the national case begins. The treaty has served India poorly. The country accepted a 30-year lock-in with no meaningful exit and no reciprocal guarantee, nothing on the Teesta, nothing on the wider basin. Dhaka today links the breadth of the bilateral relationship to renewal, which tells you where the leverage sits. The hydrology has moved too. The 1996 formula rests on flow records from the middle of the last century, compiled before Himalayan glacial retreat and the collapse of dry-season predictability. Committing another 30 years to that arithmetic in a climate-altered basin is not continuity. It is negligence dressed as continuity.

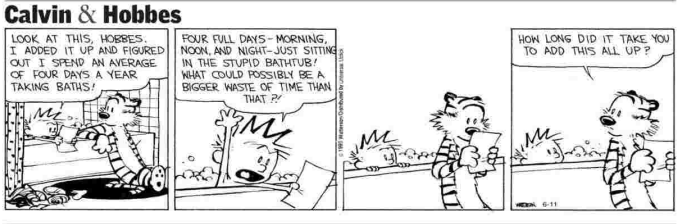
There is a deeper objection of principle. India has never scientifically apportioned the Ganga among the states that feed it; there is no settled allocation for Uttarakhand, UP, Bihar, Jharkhand or West Bengal. A nation cannot responsibly commit abroad what it has not first allocated at home. To renew before that allocation is worked out repeats the errors of 1996 at greater cost. Because Bihar in 2026 is not the Bihar of 1996: it had roughly 7.3cr people then and now has more than 13cr, while our entitlement has stayed frozen.

Let's be clear about what non-renewal means. It is not hostility towards Bangladesh, nor the abandonment of water sharing. Dec 12, 2026, is not a rupture; it is the date a fixed-term contract ends. India should let it end and negotiate afresh, preceded by a scientific allocation among the basin states, built on current hydrological data rather than 1950s' records, carrying shorter review cycles and a real exit clause, and providing at minimum the 2,000 cusecs Bihar's assessment establishes for drinking water, irrigation, and industry. The National Silt Management Policy must at last be notified.

In 1996 Bihar was not in the room, and the country was assured generosity abroad would be its own reward. Thirty years of data have belied that. A treaty that floods one state in July and parches it in April, binds the Union to arithmetic older than most of its citizens, and purchases no reciprocity cannot be renewed by default. It should be allowed to expire. India can then negotiate again: from knowledge, from strength, and this time with Bihar in the room.

The writer is a member of Rajya Sabha and Bihar's former minister for water resources

Calvin & Hobbes



Sacred*space*

Love is the essence of all religion, mysticism, and philosophy, and for the one who has learned this, love fulfils the purpose of religion, ethics, and philosophy, and the lover is raised above all diversities of faiths and beliefs.

Hazrat Inayat Khan

Sufism Is Not A Choice, It Is A Calling

Haji Syed Salman Chishty

We have stood at the sacred threshold of the Dargah of Khwaja Gharib Nawaz in Ajmer Sharif listening, learning, watching, serving, and witnessing. We have watched Hindus and Muslims enter through the same gate. We have watched Sikhs tie threads of prayer beside Christians offering silent prayers. We have watched tears fall from the eyes of people who arrived not knowing what they were seeking and left knowing they had found it. This is what Sufism looks like when it breathes.

Many ask the question: "Is Sufism the right choice for Indian Muslims?" My response has always begun with another question: "What do you mean by 'choice'?" When Hazrat Khwaja Moinuddin Hasan Chishty shared the noble teachings of the Sufi path in Ajmer Sharif over 800 years ago, he did it with care, love and a sense of service towards all. He initiated the noble way of blissful vegetarian meals for all served as 'langar'. His teachings were warm and simple: "Love towards all, malice towards none."

Hazrat Nizamuddin Auliya once said: "The hearts of people of God are purer than any rituals." This was not a rejection of rituals but seeking the purity of purpose and practices of faith. It was a reminder that the purpose of all sacred texts and rituals is to produce a sacred heart and that if the rituals produce only rigidity, something essential has been lost. In Chishty Sufi tradition, we call this the difference between ilm, knowledge, and ma'rifa, gnosis, between knowing about God and knowing the Divine. Sufism has always insisted that both are necessary, but without ma'rifa, ilm becomes a cage rather than a key.

We have seen what that cage looks like. We have seen the rise of interpretations that reduce faith to a list of prohibitions, interpretations that have no room for sacred music, poetry, tears that flow during *Qawwali*, ecstasy of *Sama*, simple act of placing a ghilaf, chadar on a beloved Sufi saint's mazaar. Against this, Sufism offers not just an alternative, but it offers the original. Maulana Rumi reminds us: "The garden of the world has no limits, except in your mind." The limitlessness of divine love is the first principle of Islam as taught by Sufi masters; it is not a deviation from the Quran and Sunnah but it is their deepest fragrance.

THE SPEAKING TREE

Khwaja Bakhtyar Kaki taught: "The Sufi is not the one who wears the cloak, but the one whose heart is cloaked in God." We must be the first to hold ourselves responsible. The clarity, reforms, simplicity and spiritual cleansing that Sufism needs must come from within, through a return to the rigorous inner discipline of the tariqa, silsila, order of the unbroken spiritual chain not through abandonment of the tradition.

Is Sufi path the right choice? Let me answer with what we have witnessed at Ajmer Sharif during the Urs of Hazrat Khwaja Gharib Nawaz, over a million people gather from a myriad faiths, castes, classes and nations. Hazrat Khwaja Moinuddin Chishty said: "The one who has love, has God and the one who has God, needs nothing else." Sufism is not a choice; it is a calling.

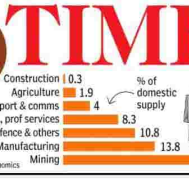
The writer is the 26th generation gaddi nashin of the Dargah of Hazrat Khwaja Moinuddin Chishty, Ajmer Sharif

TIMES BUSINESS

THE TIMES OF INDIA, BENGALURU | THURSDAY, AUGUST 20, 2026

The **West Asia conflict** highlighted how high import dependence can translate into **economic vulnerability,** especially in sectors such as **energy and fertilisers.** A Crisil study says rising trade restrictions can add to the pressure

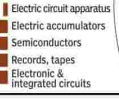
Import dependence across major sectors of the economy



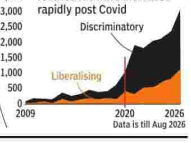
Import dependence in top product groups (% of supply)

90-95 Semi-conductors | 80+ Crude oil | 60-80 Natural gas, aircraft, ships, copper, rare earth permanent magnets | 40-60 Gems & jewellery, coal, industrial machinery, medical instruments, TV/radio broadcasting services | 20-40 Electrical inputs, chemicals, plastics, machine tools, R&D, business services, air transport

Electronic parts were biggest source of net electronic imports ($bn)



Number of trade restrictions have increased rapidly post Covid



AWS picks Hyd for first India Builder Loft

SwatiBharadwaj @timesofindia.com

Hyderabad: In a sign of Hyderabad's growing stature as a global technology and innovation hub, Amazon Web Services (AWS) has chosen the city for India's first permanent AWS Builder Loft, following the launch of the inaugural global facility in San Francisco in July 2025.

The move is part of AWS's plan to establish permanent, community-focused developer spaces in three cities globally — Hyderabad, Berlin and São Paulo — the company said in a blog post on Wednesday.

The Hyderabad Builder Loft will support India's developer community as artificial intelligence reshapes software development. AWS said Berlin was selected because of growing interest in digital sovereignty and Europe's startup ecosystem, while São Paulo reflects rapid cloud growth in Latin America. AWS said the Hyderabad facility will help developers build AI skills, explore cloud-native architecture and connect with peers.

The space will offer free workshops, networking events, pitch nights, content creation studios, collaboration and co-working areas, and event venues for developers, students and technology professionals.

Sebi chief warns of strict action on CAS manipulation

'CAS More Capable Of Flagging Tampering Than VWAP System'

TIMES NEWS NETWORK

Mumbai: Sebi chairman Tuhin Kanta Pandey on Wednesday said that the regulator was now more capable of detecting manipulations in the recently introduced Closing Auction Session (CAS) system than in the earlier system. Pandey warned of strict action against any such manipulation in the system.

"We want to make one thing clear, (if people manipulate CAS), then we will take strict action and do it immediately," Pandey told reporters on the sidelines of FICCI's Capital Markets Conference in the city. "In the CAS system, we have more capability to catch manipulation, compared to the old VWAP system." On Aug 3, stock exchanges shifted to a new system of calculating the closing price of about 200 stocks on which derivative contracts are allowed. Earlier bourses used a volume-weighted average price (VWAP) system for calculating the closing prices of stocks.

Since its launch, a wide price-variation was observed between the level at which normal trading stopped and at the price that was calculated using CAS.

Several retail traders alleged price manipulations by large, institutional players. On Monday Sebi chairman said the regulator was analysing market data and was open to tweaking the system.

In his inaugural address, the Sebi chief had said that among several market reforms that the regulator was working on, it was in the process of putting in place "a framework to support global fund-management activity from India."

He also said that the Securities Lending & Borrowing Mechanism (SLBM) and the short selling frameworks were being reviewed to deepen the cash markets. In debt markets, proposals include greater ISIN (International Securities Identification Number) flexibility, support for ESG debt and some tech-driven changes in the corporate bond market, he said.

The Sebi chief also said that the regulator was working on a framework for portfolio managers so that client funds could be invested in foreign securities.

Later in the day, K V R Murty, whole time member, Sebi said that the introduction of CAS in the equity cash segment was a major step for the Indian market.

"It ensures that the closing price reflects collective market consensus. It also enables large institutional passive funds to transact at the closing price, helping reduce the tracking error."

"We want to make one thing clear, (if people manipulate CAS), then we will take strict action and do it immediately...we have more capability to catch manipulation

Tuhin Kanta Pandey | SEBI CHAIRMAN

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➤ Since its launch, a wide price-variation was observed between the level at which normal trading stopped and at the price that was calculated using CAS

Sebi bans Copthall Mauritius, local broker for illegal trades

Mumbai: Within hours of Sebi chief warning about strict regulatory actions against manipulations with the recently-introduced Closing Auction Session (CAS), the regulator late on Wednesday banned Copthall Mauritius Investments, a foreign fund from the market till further orders and impounded nearly Rs 3 crore. Sebi alleged that Copthall Mauritius had, on Aug 13, used manipulative trades in sensex CAS to illegally gain about Rs 3 crore. Sebi also banned Mansi Share & Stock Broking (MSSB) from trading in its proprietary account for similar illegal trades and ordered impounding Rs 71.6 lakh. TNN

Cheap import, uneven demand slowing capex

'Investment Confidence Still Catching Up Due To Commodity Price Volatility, Uncertainty'

TIMES NEWS NETWORK

New Delhi: Uneven demand, commodity price volatility, trade related uncertainty due to heightened geopolitical tensions and cheap imports are impacting capex decisions of the corporate sector as the investment confidence is still "catching up", said a paper prepared for the two-day banking conclave this week, which was attended by FM Nirmala Sitharaman.

"Large capital projects require confidence not only in current demand but also in future cash flow visibility. When pricing, input costs and end-market demand remain uncertain, companies often choose to defer investment," the paper prepared by SBI Caps said as it explained the reasons for low private capex seen in recent years.

It said while most large companies today possess both the borrowing capability and internal resources required for expansion, the question is whether management teams are "sufficiently confident".

For the next investment cycle spanning over FY27-FY31, which will see average annual expenditure demand rise to Rs 30 lakh crore from approx Rs 20 lakh crore during FY22 to FY26, the paper highlighted how demand for funds will be "uneven", based on an analysis of the current cash deployment by NSE 200 companies. "Many companies have prioritised dividends, acquisitions and retaining on balance sheets over greenfield expansion," it said.

While sectors, such as IT and FMCG are prioritising dividends; manufacturing and infrastructure are high capex sectors with low dividends. Metals is a high capex and high dividend sector, while pharma is seen to be a low dividend, low capex sector (see graphic).

"Capital deployment is expected to remain concentrated in sectors where structural demand growth, policy support and capacity constraints create a compelling case for fresh investments," it said.

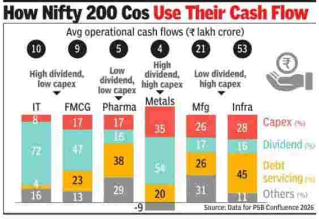
SBI paper says corporates favour dividends, acquisitions over greenfield expansion, requiring broader financing beyond banks for future investments

It also said that for the next phase of private capex cycle, sustained public sector investment continues to provide an important foundation, as govt spending on transport, power, logistics and urban infra is creating demand for private suppliers, while improving the infra required for broader industrial growth. The investment opportunities are emerging from sectors, such as semiconductors, advanced manufacturing, data centres and other tech led sectors.

The paper also noted that though banks are expected to remain the dominant funding source, sustaining the next phase of growth will require a broader financing ecosystem as bank balance sheets are increasingly likely to not support the future financing requirements. The debt capital markets, securitisation structures, alternative investment funds, pension and insurance capital, infrastructure investment trusts and foreign investors will need to play a "larger role" than they do today as banks will be able to finance roughly 70% of the projected Rs 85 lakh crore external funding over FY27-FY31.

The paper also recommended a few actionable inputs to be completed in the next six months by banks to support the upcoming investment rush. This includes developing a pipeline for bankable projects by establishing a screening framework.

How Nifty 200 Cos Use Their Cash Flow



Kamath, Vanga back CtrlS with ₹250 crore

Supriya.Roy@timesofindia.com

Bengaluru: Zerodha co-founder **Nikhil Kamath** and Kofluence co-founder Sreeram Reddy Vanga have invested Rs 250 crore in data centre operator CtrlS, as demand for computing infrastructure rises with the adoption of artificial intelligence and cloud services. Kamath invested Rs 200 crore, while Vanga invested Rs 50 crore.

The Hyderabad-based company said the capital will be used to expand its infrastructure and add capacity to meet demand from enterprises and large cloud service providers. Data centres house the servers and networking equipment that power digital services, while hyperscale facilities are designed to handle massive computing workloads.

"Every meaningful technology shift of the next decade — AI, cloud and digital public infrastructure — runs on data centres," Kamath said. "India is at an inflection point where the underlying infrastructure either keeps pace or becomes the bottleneck."

Founded by Sridhar Pinnapureddy in 2007, CtrlS operates 19 data centres across nine Indian markets. It has more than 370 megawatts of capacity and projects totalling 4.4 gigawatts at various stages of execution, according to the company.

Prosus backs Bansal's Navi with $100 million

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Bengaluru: Sachin Bansal-led financial services firm Navi will receive a $100 million investment from Prosus, marking its first institutional capital raise, the companies said on Wednesday.

The transaction is subject to customary closing conditions and regulatory clearances, including approval from the Competition Commission of India. IPO-bound Navi and Prosus did not disclose the valuation, the stake to be acquired, or how the fresh capital will be deployed.

The investment renews Bansal's association with Naspers and Prosus. Naspers was an investor in Flipkart, which Bansal co-founded before leaving the ecommerce company in 2018.

"Their investment is a strong endorsement of the institution we're building at Navi," Sachin Bansal, co-founder and executive chairman of Navi Group, said. "Beyond the capital, we value Prosus's global perspective, long-term orientation and experience in scaling technology businesses."

Navi operates across payments and lending, among other financial services businesses. The company said its UPI app remained India's fourth-largest during FY26, while Navi Finserv's assets under management crossed Rs 13,000 crore during the year.

Shiprocket jumps 48% on market debut

New Delhi: Shares of e-commerce enablement platform Shiprocket on Wednesday ended nearly 48% higher than the issue price of Rs 97. The company's stock started trading on BSE at Rs 129.5, up 33.5% from the issue price. It finally ended at Rs 143.5, a 47.9% increase from the issue price. On NSE, the stock made its debut at Rs 131, a premium of 35%. Shares of the firm ended at Rs 143.45, up 47.9%. AGENCIES

KKR acquires minority stake in BookMyShow

Asmita.Dey@timesofindia.com

Mumbai: Private equity (PE) giant KKR has bought a minority stake in live entertainment and ticketing platform BookMyShow amid a boom in consumer demand for live concerts and experiences. The companies did not disclose the specifics of the transaction but people aware of the matter said that KKR has picked up an under 10% stake in BookMyShow for about $40-50 million. In a statement on Wednesday, KKR said that the investment will support BookMyShow's next phase of growth as it scales its live-entertainment business and deepens its full-stack offering across India. India's live events market was valued at nearly Rs 17,000 crore in 2025, a joint study by EY-BookMyShow said.

Banks rush foreign borrowing after RBI ends FCNR swap

TIMES NEWS NETWORK

Mumbai: Banks are accelerating foreign-currency bond and external commercial borrowing after RBI closed its FCNR(B) deposit swap facility a month ahead of schedule, while its June 6 facility for ECBs and other offshore foreign-currency borrowings remains open until the end of Sept. IDFC First Bank is the latest lender to conclude a bond offering, raising $500 million through its maiden issue of a three-year bond at a 5.63% coupon.

RBI introduced the swap facility on June 6 to provide banks with a cheaper route to raise foreign currency abroad. Under the facility, banks could raise eligible foreign-currency funds, including through ECBs and overseas bonds, and swap them with RBI for rupees for a fixed period. The arrangement allowed lenders to lock in the cost of converting the funds into rupees and was intended to support domestic liquidity.

Facility for ECBs and offshore foreign currency borrowing continues until end of Sept

The FCNR(B) deposit window was originally scheduled to remain open until the end of Sept. RBI, however, closed it a month early. The facility for ECBs and offshore foreign-currency borrowing continues until the end of Sept, prompting banks to accelerate their fundraising plans.

Other private lenders looking to raise funds include Kotak Bank, Yes Bank and Federal Bank. Bankers said total mobilisation by Indian banks could cross $10 billion by the end of the month.

HDFC Bank was the first to tap the market, raising $750 million through five-year bonds issued via GIFT City at 5.07%. Axis Bank raised $500 million through additional tier 1 bonds and followed this with an additional $100 million offering. ICICI Bank has raised $1.75 billion through two US dollar bond issues via its GIFT City branch. Public sector banks are also preparing to tap the dollar bond market. Punjab National Bank has received approval to raise $1.5 billion through a medium-term note programme.

India least preferred mkt in Apac: Poll

TIMES NEWS NETWORK

Mumbai: India has replaced Indonesia as the least preferred investment destination in Asia Pacific (excluding Japan) among global fund managers, a survey by BofA Securities showed. About 32% of 105 fund managers cumulatively managing $272 billion ($2.6 billion on an average), said they were underweight on India.

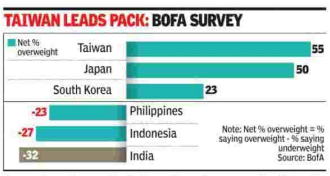
"Lack of a clear AI exposure was the key concern for Indian equities, with weak growth emerging as the next most important risk," the survey results showed. This came despite investors increasingly viewing Asia ex-Japan equities as undervalued, the survey report noted. Compared to India, on the other end of the spectrum was Taiwan, with 55% of fund managers being overweight on the country, with semiconductors and hardware being the two most preferred sectors.

Fund managers, meanwhile, were concerned about India's ability to reform, with 18% choosing 'lack of reforms' as a negative factor for their investment decisions in the country, up from 16% the previous month. There were also concerns about high valuations of Indian stocks.

The survey also showed that 20% of those surveyed in Aug were concerned about weak growth, compared to 18% in July, a slight positive for India.

Another positive factor was that in Aug none of the fund managers were concerned about rupee depreciation, a sharp reversal from 8% in July, the survey results showed. The BofA report also noted that 59% of fund managers surveyed were hedging AI downside risk by rotating into value, cyclical, and defensive sectors, more than double the level seen in July. "Nearly two-thirds of investors require clearer evidence of AI monetisation before increasing exposure to AI-related stocks," it said. The report also noted that for Asia ex-Japan, fund managers rotated out of cyclicals and technology into defensives sectors such as utilities, banks, staples, healthcare, and telecoms.

TAIWAN LEADS PACK: BOFA SURVEY



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Business Standard
VOLUME XXXIII NUMBER 107
NEW DELHI | THURSDAY, 20 AUGUST 2026

The cash paradox

Adoption of digital means is not reducing cash demand

There are several advantages of cash transactions. Settlement happens immediately, and there is no transaction cost. Besides, they preserve privacy. Digital transactions leave a trail and can be traced. Thus, there are reasons why people prefer using cash despite the significant expansion in digital mediums of transactions. The rapid increase in digital transactions, thanks to the phenomenal success of Unified Payments Interface, would intuitively suggest that the use of cash in the economy has declined. However, this is not the case. This aspect was recently highlighted by Reserve Bank of India (RBI) Deputy Governor Shirish Chandra Murmu in an address in Jakarta, Indonesia. He noted that despite the adoption of digital payments, cash in circulation had not declined, particularly in rural and semi-urban areas, low-income groups and small businesses.

Regulating the issue of banknotes was one of the main reasons for the establishment of the RBI in 1935. The central bank has been performing this function with the support of the banking system and other institutions. Currently, about 176 billion rupee notes are in circulation, which is much higher than what it is for dollars or euros, largely because the mix is tilted towards lower-denomination notes. This leads to a large volume of injection of new notes into the system and absorption of damaged ones. Every year 28-30 billion new notes are printed, and about 21 billion pieces are disposed of. It is always important that notes are of good quality and have the necessary security features. Running the currency system effectively is absolutely necessary to preserve monetary sovereignty. The RBI is now planning to issue polymer notes on a trial basis. This will help improve the durability of the note and would be economical over the long run.

As Mr Murmu noted, currency in circulation is growing at double-digit rates even as the share of cash in individual transactions is declining. This makes demand projections difficult for the RBI and complicates things in terms of production and distribution. Sustained demand for cash in the Indian economy must be debated. It is worth remembering that India had withdrawn high-value notes, worth about 86 per cent of currency in circulation by value, in 2016. Although the use of digital medium has increased since then, the demand for cash has not declined substantially. The cash -to -gross domestic product (GDP) ratio was 11.9 per cent in 2015-16. It went up to over 14 per cent in 2020-21 and was at 11 per cent in 2025-26. According to the data compiled by the Bank for International Settlements, the number in 2024 was at 7.9 per cent in the United States and about 3 per cent in the United Kingdom and Brazil.

There could be several reasons for sustained demand for cash in the Indian economy. For instance, it could be a reflection of a large informal economy, which avoids digital means. Some may be using cash to avoid paying taxes. Anecdotal evidence suggests, for this reason, cash is heavily used in the construction and real estate. Thus, both the Union and state governments are likely losing tax revenue from this sector. However, it must be noted that the prevalence of cash by itself is not an indication of black money. There could be other reasons such as convenience or a lower opportunity cost of holding cash. Japan, for instance, has had low interest rates for many years and a cash-to-GDP ratio of over 20 per cent. Given the overall conditions, cash demand in India appears high and is worth probing.

After the plunge

Safety must be the top priority for airlines

The Directorate General of Civil Aviation (DGCA) and the Aircraft Accident Investigation Bureau (AAIB), the two institutions responsible for safety-related incidents, should come up with a final investigation report soon on why a Phuket-Delhi Air India flight suddenly dropped 300 feet, injuring many passengers and crew members on August 4. The findings so far have revealed two things — issues related to all three hydraulic systems on the Airbus A320 plane and a captain who had consumed marijuana ahead of taking charge in the cockpit. The data recorder shows a rare loss of pressure across all the hydraulic systems and the flight losing all key controls, including its elevators (for up/down pitch) and ailerons (for left/right roll) for four seconds. Without clarity on what really caused the 300-foot plunge, the conjecture is that the captain, who failed a dope test after the flight, may have been unable to control the elevators and ailerons after the simultaneous failure of the hydraulic systems. While the DGCA is in the process of making the guidelines more stringent for tests to detect drug and psychoactive substance, the investigation should go deep into the simultaneous failure of all three hydraulic systems on the flight.

The latest incident comes just a year after the fatal Boeing 787 Air India crash, which is yet to find a closure with no clarity on what caused the catastrophic accident in Ahmedabad just seconds after takeoff. On the issue of doping in particular, there's an effort to take the tests procedures to international level, with Federation of Indian Pilots President C S Randhawa telling the DGCA that it should be made mandatory to test 25 per cent of the pilots on a random basis, rather than 10 per cent now. Besides the captain of the Phuket-Delhi flight, two other pilots have tested positive. This is a serious concern and Air India must double down on safety measures to restore passenger trust.

Going beyond the current regulatory ask, Air India has ordered a mandatory one-time test for drugs and psychoactive substances for its 5,000-plus pilots. However, ensuring that the drive is not just on paper will be paramount. It's also an alarm bell for the regulator — the DGCA — to be more vigilant so that all airlines are compliant in a foolproof manner. According to the present DGCA rules, all scheduled airlines and air-traffic controllers must randomly test at least 10 per cent of their safety-sensitive personnel, including pilots, for psychoactive substances every year. These tests are also mandatory after any accident or safety-related incident. In many developed countries, the rules are much stricter and part of a regime. In the United States, for instance, the Federal Aviation Administration and the Department of Transportation mandate airlines to randomly test a minimum of 25 per cent of their safety-sensitive workforce, including commercial pilots, for drugs every year and 10 per cent for alcohol.

Among others, there are pre-employment tests, post-accident tests, and those for reasonable suspicion and return to duty. If a pilot fails or refuses a test, the consequences include immediate grounding, evaluation by a substance-abuse professional, and treatment followed by unannounced followup testing before returning to work. In the expanding Indian aviation sector, which is a duopoly for all practical purposes, safety should be the top priority for the companies. That must be accompanied by international-standard regulatory oversight.

ILLUSTRATION: BINAY SINHA

Tatas and India

Tata Sons needs to ask itself what it stands for

The underlying causes for the decision of Tata Sons Chairman N Chandrasekaran not to seek reappointment for a third term are not a conflict among personalities on the Tata Sons board, or a contest for control of the Tata group. The root causes are much deeper. They lie in the drift of the Tata group from the purpose for which it was established, and in a change in the substance of its businesses.

Mahatma Gandhi said that while he was fighting for India's political freedom, Jamsetji Tata and his sons were building the foundations for India's economic freedom. They were doing the hard work to build the hardware for Indian industry. The Tata Iron and Steel Company, founded in 1907, produced steel from domestically mined iron ore. It persisted through the many obstructions the British government put in its way. The Tatas promoted the Indian Institute of Science, which was established in Bangalore in 1909. The Tata Hydro Electric Power Company, founded in 1910, provided clean, renewable power to the textile industry in Bombay, which converted Indian cotton into fabrics for India's people.

ARUN MAIRA

Tata Engineering and Locomotive Company (now Tata Motors), founded in 1945, provided wheels for the Indian economy. Initially it produced locomotives for India's railways. It diversified in 1954 and became the country's largest producer of trucks and buses, and, at one point, India's largest exporter of manufactured goods. It also built a large base of indigenous producers of auto components, which provided a base for Maruti to manufacture cars on scale later. Indian auto component producers began exporting India-made parts to the United States and to European auto companies in the 1990s when global trade was liberalised.

The purpose of the Tata group was to build Indian industries on solid foundations. Tata companies built for the long term. They built their own humanware. They trained their own skilled workers and groomed cadres of engineers, many of whom went on to provide managers for other public- and private-sector companies. Tata companies also built their own machines and equipment when there was no foreign exchange for imports. Tata's leaders understood that manufacturing technology is embedded within the machines, dies, and tools required for production. They also understood that industrial research & development (R&D) lies within the design and development of production equipment for providing sustainable competitive advantages.

The necessity of owning and controlling the supply of hardware has become apparent to all investors and competitors in the artificial intelligence (AI) industry. The makers of advanced chips, and the makers of equipment for producing the chips, have the power to control the industry.

The Tata group was founded and built as an industrial enterprise; not a financial empire. J R D Tata, chairman of the group from 1938 to 1991, said that whenever he had to make a difficult decision, he would ask himself, what will be good for India, and what will be good for the Tatas. If he had a doubt, he would decide in favour of India. In the long run, it would turn out well for the Tatas too, he said. Tata values came first, which included the needs of the country. Stock market valuations were always a subordinate consideration, albeit necessary.

The weakening of the Tata group's industrial foundations began with the liberalisation of the Indian economy, along with the globalisation of financial markets, and the abandoning of industrial policy, in 1991. Moreover, with the growth of digital technology, the concept of technology itself became unmoored from hardware and manufacturing. More "technology" to solve any problem meant more digital technology. "Innovation" became new digital apps to provide faster services. The performance of "entrepreneurs" is measured by stock market valuations of their enterprises, and by how quickly they can become billionaires; rather than by what they do to uplift the lives of the poorest people.

India cannot rely any more on exporting Indian labour and talent, and remittances from non-resident Indians, and exporting software services from India to balance its foreign trade. Indian products, made in India, and by Indians, are essential to balance trade and create employment in India. What India needs now are Indian industry builders, who build India, by building for India, and building in India.

India's problems and the Tata group's problems cannot be separated. The Tatas have been integral to India's industrial history, and a part of Indians' lives, for over one hundred years.

Tata Trusts, which is a major investor in Tata Sons and relies on income from Tata Sons for its philanthropic work, is concerned about the uncertainty of its future income. Tata Sons is facing a financial crunch. Air India, the enterprise J R D Tata founded in 1932 in a different era, was re-acquired by the group from the government in 2022 to rescue it from its deep financial troubles, and improve the quality of its services. It is now draining Tata Sons' resources, as are Tata Digital and Tata Neu, the new digital app. Moreover, Tata Consultancy Services, India's largest exporter of software services, and Tata Sons' cash cow, is flying into the turbulence in the software industry created by AI. These are ventures that Mr Chandrasekaran stewarded. Therefore, he was confronted by Tata Trusts.

The board of Tata Sons must find a new chairman within a few months to replace Mr Chandrasekaran. The board must begin by asking itself some deeper questions.

Is Tata Sons a philanthropic enterprise, an investment manager, or a builder of industry? How should it be governed now to fulfill the purpose of existence of the Tata group? Should the quality of Tata Sons' governance be measured by stock market valuations, or adherence to Tata values of service to the nation and fairness to all stakeholders? What competencies does the board of Tata Sons require now to fulfill its purpose? Finally, what must be the experience and the competencies required of the chairman of Tata Sons? And what values will he or she be guided by?

The writer is the author of *The Learning Factory: How the Leaders of Tata Became Nation Builders* and *Reimagining India's Economy: The Road to a More Equitable Society*

The myth of the China shock

Few issues in the public square are uncontested. But the narrative that the United States' decision, driven by elite considerations, to open trade with China led to the loss of a large number of manufacturing jobs and deindustrialisation comes close. Democrats and Republicans, the mainstream media, commentators of all stripes, and even economists hold, advance, and defend this version of events. And yet every part of it is off base.

Did growing US trade with China following the 2000 decision to permanently normalise trade relations and China's accession to the World Trade Organization in 2001 lead to a large reduction in manufacturing employment? In their 2013 paper, economists David Autor, David Dorn, and Gordon Hanson find that rising exposure to Chinese import competition is associated with a net reduction in US manufacturing employment of 1.5 million from 1990-2007. In work with Daron Acemoglu and Brendan Price, they find that up to 2.4 million jobs were lost through 2011 due to competition with Chinese imports.

MICHAEL R STRAIN

To assess whether these are large numbers of job losses, place them in the context of broader US labour market dynamism. From 2000 to 2007, more than five million workers, including around 425,000 manufacturing workers, separated from their employers in a typical month. There was nothing special about that period — these magnitudes have been similar over the last five years.

Moreover, when it comes to trade liberalisation, import competition is only half the story. In the 1980s, 1990s, and 2000s, trade with China, and globalisation more broadly, led to growing opportunities for US exporters.

Economic theory suggests that trade liberalisation should have little effect on aggregate US employment because job losses from import competition can be balanced by job gains in export-intensive firms and sectors. The economist Robert Feenstra and his coauthors attempt to account for both sides of the ledger.

In a 2019 paper, Feenstra and his colleagues confirm the "China shock" result, finding that 1.9 million jobs were lost between 1991 and 2011, owing to import competition from China, with more jobs lost to competition from global imports. But they also find that a roughly equivalent number of jobs were gained due to export expansion.

One should also consider that manufacturing's share of total US employment followed a relatively smooth downward trend from the early 1950s until the 2008 financial crisis, when falling productivity actually caused the trend to slow. The decline predates the "China shock" by decades. And there was no obvious trend break in manufacturing's employment share in 2000 or 2001, which is consistent with the view that, over the long term, declines in manufacturing employment have been driven mainly by productivity growth, not by trade competition.

Finally, the US did not decide to open trade with China in the 1990s in the same way that I decided to have a third espresso this morning. The decision wasn't nearly so simple or singular.

Yes, China was granted permanent normal trade relations in 2000 and entered the World Trade Organization in 2001. But the US had annually renewed China's normal trade relations status since 1980, and US trade with China grew rapidly over two decades prior to its WTO accession. According to my calculations, China's share of total US imports grew during the 1980s, hit 2.5 per cent in 1989, had more than doubled to 5.4 per cent by 1993, and stood at 8 per cent in 1999.

The trend continued following China's WTO accession. China's share of total US imports doubled again, from 8.2 per cent in 2000 to 16.4 per cent in 2007. But even this overstates the role of US policy in facilitating the so-called China shock. China's exports continued to grow in part because the US eliminated the uncertainty created by the pre-2000 annual renewal of trade-policy parameters. They also grew because of China's internal, pro-market reforms — including a reduction in its own tariff rates.

Nor was the US decision to trade with China made by a shadowy elite. China's exports to America grew as a result of millions of decentralised, individual decisions. During the 1980s and 1990s, US consumers and businesses increasingly chose to purchase goods made in China, a trend that continued following China's entry into the WTO.

It is wrong to present the "China shock" as evidence that trade liberalisation hurts the working class, or that a powerful, murky, nefarious elite is making deliberate, isolated choices that hurt the majority of Americans.

The right lessons to draw from the 2000s are that it is harder than economists and policymakers had thought for workers to move from a sector with declining economic opportunities into a sector with expanding opportunities. Moreover, workers are less willing to relocate from regions with declining opportunity than they had been in the past — let alone at a pace that would establish a new aggregate labour-market equilibrium.

These two lessons are broadly applicable, and policymakers should keep both top of mind as advances in generative AI continue. They should be open to new types of policies — for example, public relocation assistance for workers in localities hit hard by economic disruption, and potentially large earnings subsidies to help workers in transition.

But policymakers should not build walls around the economy or attempt to slow the pace of technological change. They should approach the future with optimism, not with fear — unburdened by the incorrect view that dynamism and economic liberalism are obstacles to long-term prosperity, rather than its key drivers.

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Creating a life in prison

BOOK REVIEW

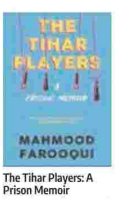
NEHA KIRPAL

In 2015, acclaimed scholar and stage performer Mahmood Farooqui was jailed in Tihar for a crime that he denied committing, and of which he was finally acquitted in circumstances that are still being hotly debated. While in prison, it was faith, books, theatre and writing that restored his will to live. With this deeply personal memoir, he breaks his silence on the darkest chapter of his life. "It was the nadir of my forty-four years of life — emotionally, physically, intellectually and socially," he recalls.

Born in Gorakhpur in 1971, Mr Farooqui had a modest, middle-class childhood. Though emotional and headstrong as a child, he was hardworking, and was awarded the Government of India Merit Scholarship to study at The Doon School in Dehradun. He describes his initial years there as traumatic, leaving him with deep insecurities and low self-esteem. At the same time, he thrived as a debater, sportsperson, mathematics whiz and a theatre director. After school, he studied history honours at St Stephen's College. Thereafter, he received the Rhodes Scholarship and went to Oxford. On returning to India, he worked briefly as a television news reporter, and around this time, he met his future wife, Anusha Rizvi. After getting married, he began reviving Dastangoi, the lost art of Urdu storytelling. In 2010, their film, *Peepli Live*, released and became a cult hit. Mr Farooqui's book, *Besieged: Voices from Delhi, 1857*, was also published around this time.

Though busy, Mr Farooqui admits he was somewhat estranged from his wife, undergoing depression and drowning himself in his addictions. During this time, he met an American researcher often over drinks. In June 2015, Mr Farooqui was unexpectedly arrested on rape charges by the American scholar. Taken into custody, he was sent to Tihar. A contentious and highly publicised case, his arrest became newsworthy, and was prominently reported in the media. Even though his association with films carried a faint glamour in jail, he was subjected to ritual abuse and humiliation. "Hope is reckless inside prison," he observes. After about a fortnight, Mr Farooqui performed a Dastangoi in prison, which many enjoyed. He also began devouring the collection of books in the jail's library.

Mr Farooqui describes in detail various aspects of Asia's largest and most famous jail — its food, atmosphere, his inmates and their backstories. He notes that while Tihar's official capacity is 6,000, its current strength is over 14,000. Mr Farooqui writes that there are no peons or sweepers in this efficiently run jail; instead, inmates provide free labour — carting groceries, preparing food, washing, cleaning and guarding. He realised that most murderers were "accidental villains", who had committed crimes of passion.



The Tihar Players: A Prison Memoir
by Mahmood Farooqui
Published by Juggernaut
315 pages ₹899

While in prison, Mr Farooqui made some profound observations, which he jotted in his journal, such as the fact that to watch someone else's degradation is the most repellent yet absorbing sight that the jail has to offer. He adds that while inmates are sent to prison as punishment, often they are subject to further punishment in prison. "Everywhere I turned, I found sorrow, anguish and helplessness," he explains.

After being released on interim bail, Mr Farooqui was convicted and sentenced to seven years, and sent back to Tihar in 2016. This time, he decided to start a drama class in jail, and started with some workshops. This was followed by small improvisational skits based on the inmates' own life stories and experiences. It was quite a challenging task, given that most prisoners were illiterate with no background in theatre.

After spending 18 crushing months in prison and fighting a court battle for three years, Mr Farooqui writes that the attacks on him continue to this day. Posts on social media brand him a rapist, and many people don't dare invite him for their events for fear of a small but vocal group. Within a month of his release, Mr Farooqui returned to the jail as an instructor. He continues to keep in touch with prisoners, helping with their cases, putting money in their accounts and counselling them. "People shouldn't have to pay for a rash, momentary mistake with years of torture," he believes.

Mr Farooqui's son was born in the winter following his release. In the nine years since his release, he has given himself almost entirely to Dastangoi, performing in Singapore, London, and Hong Kong. To date, Mr Farooqui has written 15 modern *dastans*, directed several and performed over a thousand shows around the world. Needless to say, it was difficult for him to write this brave memoir, which took 10 years to present to the world.

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OUR VIEW

ISTOCKPHOTO

Banks don't have much time to get future-ready

As finance evolves, banking reforms 3.0 must prepare a blueprint to equip Indian lenders, especially public sector banks, with what it would take to meet new challenges of the AI age

The banking industry, both in India and the world at large, has changed dramatically. And continues to do so each passing day. In the words of American baseball coach Yogi Berra, "The future ain't what it used to be." So how can India get its banks future-ready? The answer: by drawing up a blueprint for reform. This is best done by entrusting the job to a high-level panel on banking reforms on the lines of the earlier two Narasimham Committees. Today's financial environment, though, is vastly different. It was in this spirit and in line with her 2026-27 Budget proposals that finance minister Nirmala Sitharaman, speaking at a conclave of public sector banks (PSBs) earlier this week, announced that an expert panel would soon be appointed by the government. The future of banking, she added, must also reflect the aspirations of India's youth.

The first reality to note is that financial sector reforms initiated in 1991 remain incomplete. We have made satisfactory progress in many spheres, such as income recognition, capital adequacy, loss provisioning, etc. But there are major areas, such as the Centre's stake reduction in PSBs to 33%, priority-sector lending and freedom in recruitment and remuneration, to cite just three, where past patterns prevail. This sums up the essence of this sector's challenge, especially for PSBs. We want banking services to be accessible to every Indian, even as we expect our banks to compete with the world's best. We want innovations in the sector to serve customers by reducing the cost of services and offering them safe access to newer products. The banks themselves, of course, must stay commercially viable, a point we must not lose sight of. History has shown that the too-big-to-fail trait of large banks, coupled with the fact that banks are the backbone of any financial system, means that taxpayer money inevitably comes to their rescue if they run into trouble. The alternative—bank failure, with its chain of consequences—is too scary to contemplate.

At the same time, a fast evolving financial sector and new threats posed by AI to services long regarded as the preserve of banks mean that getting them future-ready is no easy task. Digital disruptions have already transformed this sector. Banks face competition from fintech firms as well as tech companies venturing into payments, money management, insurance and lending. Using big data and AI models, upstarts may gain an edge over banks on assessing risks and pricing credit. That too, without any of the baggage that banks in general and PSBs in particular carry, such as Jan Dhan accounts that require no minimum balance. Banks, in turn, have entered fields like insurance, asset management, brokerage and so on, while getting tech upgrades; they also have fintech plays of their own via subsidiaries, stake-buys and tie-ups. Perhaps the expert panel could make space for some blue-sky gazing on the Reserve Bank of India's (RBI) digital currency, the e-rupee. Once it's fully deployed, it could plausibly reshape banking if RBI were to pay interest on e-rupee balances 'held' with it; what may seem like a threat to the role of banks as our deposit takers could nudge them to sharpen their risk pricing as a core skill. Broadly, the committee would do well to re-examine the role of banks *vis-à-vis* RBI, including the latter's tendency to stray into operational issues, despite advice to the contrary by earlier panels. That's a long wish list. But that's also why it takes expertise.

MY VIEW | OTHER SPHERE

Don't let abstract ideas override the realities of school education

Continuous comprehensive evaluation replaced exams at the cost of a whole generation of students

ANURAG BEHAR
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A teacher sits after school with an open register. Its columns carry the names of her 30 students; its rows have indicators—participation in group activities, an ability to relate concepts to daily life, on language and math, and more. The term ended a week ago. Weeks of observation are being noted in a matter of hours. This is the only practical way, since filling 65 indicators for 30 children every week is impossible. Which is what Continuous Comprehensive Evaluation (CCE) expected of every teacher.

And CCE is the fourth classroom orthodoxy in a series that demands our scrutiny. 'Constructivism' and a 'whole language' approach shaped teaching; 'joyful learning' without any burden, described in my last column, was the substratum for those. CCE grew straight out of it. If any burden on a child is the enemy, assessment is its most visible instrument; once learning without a burden became our moral ground, examinations had no room. CCE took their place; 'no detention'—not holding a child back to repeat a year—followed.

Let me begin with what is undoubtedly true. As a principle, CCE is fundamental to effective teaching. A teacher teaches something. She finds out what her children have understood and decides what to do next on that basis. Put like that, what else would a teacher do? But our schools did, and do, something else. A lesson is taught, exercises are set and the syllabus moves on. Assessment arrives at the end to judge the child rather than help the teacher and learning. 'Continuous' enabled that feedback loop. 'Comprehensive' broke the belief that learning is visible only through tests and is only memorization.

The case against detention is equally strong. There is almost no evidence that repeating a year improves learning and much on how 'failing' a child can hurt the child's development. So, when the Right to Education (RTE) Act of 2009 made CCE compulsory and abolished exams and detention up to class 8, it seemed right to many, including me. We have all seen the tyranny of exams and what failure does to a child.

But this is a story of how an insight turns into dogma once a kernel of truth is allowed to metastasize. Consider what we asked of a teacher with 20-30 pupils, often across more than one grade in the same room, and more than one subject: record each child's progress, continuously and comprehensively, across several domains and parameters, and individualize your teaching accordingly.

Even the finest teachers could not do it. Everyone, including the 'system', understood this within a year. A settlement was quietly reached: registers would be filled, boxes ticked and nobody would ask what it all meant.

So we arrived at the worst of all worlds. Neither exams nor CCE happened. There was no detention even if the learning was grossly inadequate. Children moved up every year and nobody—not the teacher, not the parent, not the child, nor the 'system'—had any account of what was learnt. That school education did not collapse into chaos is strong evidence of the professional integrity of the average teacher. She had every incentive and leeway to stop teaching seriously. Most did not.

But integrity cannot substitute for a breakdown of one of education's fundamental processes. Children reached class 9, where examinations resumed and detention returned, and began to fail at age 15 with the board year ahead and no time to cover lost ground. We had merely deferred detention, concentrated it and made it far worse.

The privileged, as always, escaped. Their schools found ways to assess students—via worksheets, class tests and activity records—and keep parents informed. Behind that stood the home: a grandmother who read with the child, say, or a tutor. The underprivileged had no back-up. This is the pattern in every column of this series. An orthodoxy about schooling is a luxury that only those with a second system—the home and its networks—can afford to have imposed on their children.

For 10 years, this was a charade that educators knew. Then some states began asking for exams in classes 3, 5 and 8, only to be attacked as regressive by those furthest from any classroom. Parents who could see that their own children could not read wanted testing. Parliament amended the RTE law in 2019, restoring states' power to examine and hold back, with re-examination after two months of extra instruction. The rules came only at the end of 2024.

The choice was never between assessing a child and protecting her. The National Curricular Framework of 2023 describes what we should have built at the start; the 2024 rules draw on it. Enable CCE within classroom processes, but do not mechanize it. Alongside, assess through formal exams, external where needed, at classes 3, 5 and 8. If a child has not learnt, oblige the school to teach her again.

The orthodoxy asked us to believe. It did not ask us to see what was actually happening, or what was possible, or do the hard work of balancing principles within a frame of reality. We must never let an abstract idea rule over reality and experience. A generation was schooled while we protected an abstraction from what was plainly visible in every classroom. The idea suffered no loss but millions of children are still paying for it.

10 YEARS AGO

JUST A THOUGHT

"The real question is not whether machines think but whether men do.

B.F. SKINNER

GUEST VIEW

Here's how Indian efforts can converge on sovereign AI

ARVIND GUPTA & AAKASH GUGLANI

are, respectively, head; and senior policy manager, Digital India Foundation.

On 12 June, the US commerce department ordered Anthropic to suspend access to two of its most capable artificial intelligence (AI) models, Claude Fable 5 and Claude Mythos 5, for every foreign national anywhere in the world (the AI company's own non-American employees included), citing a national security concern tied to a jailbreak vulnerability. The order did not distinguish between a bank in Mumbai, a hospital in Nairobi or a university in Berlin. Access was restored once Washington determined the export control could be lifted. For those days, any Indian institution that planned a workflow around these AI models was stymied by a directive from a government it did not answer to.

The episode illustrates what sovereign AI means for India. Dependence on a foreign frontier model carries a risk beyond commercial exposure: a jurisdictional one. A provider may be the most capable in the world and still be compelled by its home government to withdraw a model for reasons unconnected to the country using it. This has implications for India's tax administration, health diagnostics, intelligence operations and education planning, as each increasingly relies on AI systems.

India is not approaching this question from a standing start. The IndiaAI Mission has expanded domestic graphics processing unit (GPU) availability from roughly 10,000 units to about 40,000, aiming to extend compute access to startups, universities and research institutions. Bhashini provides multilingual speech datasets and language models across Indian languages, while Sarvam AI and BharatGPT build systems on Indian data. The Union cabinet's approval of the India Semiconductor Mission 2.0 is another step forward, as it builds on the roughly ₹76,000 crore incentive framework of the first phase and shifts focus from chip fabrication capacity to equipment, materials, design intellectual property and supply chain resilience, which form the dependency layer beneath any AI system, foreign or domestic. The Digital Personal Data Protection (DPDP) Act of 2023 gives the state a legal basis to process personal data in the public interest. None of these steps alone amounts to sovereign AI, but each aims to reduce the dependency exposed by US access curbs. Sovereignty doesn't require an Indian equivalent of a general-purpose model such as Claude. It means ensuring that the tools the government depends on are trained on Indian data, run on Indian soil and can't be disabled by a foreign directive.

India is a data-rich nation and its scale itself is part of the answer to the sovereignty question. India's GST network processes more than 15 billion invoices from over 180 million registered businesses. Its Unified Payments Interface carries more than 250 billion transactions annually. The Open Network for Digital Commerce has processed over 200 million deals. All this information can be used to train AI models in India with no connection to the outside world.

The country's tech initiatives can deliver AI systems whose data resides at home and keys are held locally

Above this infrastructure could sit a sovereign data lake, pooled entirely from anonymized and non-personal data drawn from various Indian systems.

The architecture that follows would rest on five layers, each designed such that no single foreign actor can decide whether it keeps running. At the base would be an air-gapped data centre with no link to the public internet, where data enters under controlled conditions and nothing leaves. A hyperscaler's distributed cloud model offers a template: the vendor supplies GPUs but has no access to the data or models running on them, an arrangement US and European defence agencies use. This facility could be built under a long-term contract by a domestic partner, with its ownership transferred to the government once the contract period ends.

The third layer would hold India's sovereignty leverage: small, domain-specific language models in the range of one to 13 billion parameters, trained exclusively within an air-gapped facility on data drawn from the sovereign data lake. A tax intelligence model would flag GST fraud and input tax credit mismatches; a border and immigration model could cross-reference traveller records against watch lists; a health surveillance model could issue early warnings of disease outbreaks and drug shortages; and an education analytics model could identify schools at risk of a dropout surge. Each would be narrowly focused by design, built for one function, fully auditable, and answerable to no jurisdiction but India's.

The fourth layer is where authorized officers would use these tools through a controlled gateway over a secure private line, with every query logged for audit.

The most important layer is governance. Regulations of the ministry of electronics and information technology and the DPDP Act provide the legal basis for it, while the AI Governance and Economic Group offers India an inter-ministerial structure to oversee it.

Such a set-up does not need India to turn inward on computing hardware. A hyperscaler's chips inside an air-gapped facility entail no greater risk than the same chips within a defence agency's data centre in Washington. What matters is not where the silicon was made, but where the data resides, where the model is trained and who holds the keys. That is the distinction thrown into sharp relief by the Mythos suspension. For AI systems that are integral to running the Indian state, sovereignty is not an optional safeguard but a must-have.

MY VIEW | STATISTICALLY SPEAKING

India's increasing proportion of working women isn't an illusion

This trend captured by our labour survey should be seen as an opportunity to accelerate a valuable source of income growth

T.C.A. ANANT
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One of the striking changes in India's labour market over the past several years has been the steady rise in women's labour force participation. Since the Periodic Labour Force Survey (PLFS) began in 2017-18, the female labour force participation rate has risen from roughly one-quarter of working-age women to above 40% in the latest annual data. The increase has been especially pronounced in rural India.

The rise is now widely acknowledged, but its interpretation remains contested. Two criticisms deserve particular attention. The first is methodological: changes in the instructions given to PLFS field investigators in 2023-24 may have improved the identification of subsidiary economic activity among women otherwise reporting domestic duties. This could have raised measured participation. But it is difficult to attribute the broader trend to this change. Female participation was rising for several years before 2023-24 and continued to rise thereafter. Better probing may affect the level at the margin, but it cannot plausibly explain an eight-year trend.

The second criticism is more substantive. Much of the increase in women's work has occurred in self-employment, including women classified as helpers in household enterprises. Since these women may not receive a separate wage, the increase is sometimes interpreted as evidence of distress rather than an improvement in employment opportunities.

That interpretation is too quick. 'Unpaid' is a description of how income is distributed within a household enterprise; it is not a statement that the work produces no economic value. A woman working in a family enterprise can contribute directly to output and household income without receiving a wage paid to her separately. Consider dairy farming. In many rural households, women feed and care for cattle, clean sheds, milk the animals and may even take the milk to a collection centre. Yet, historically, membership of a dairy cooperative, the relevant bank account or formal identity of the enterprise has often been in the name of a male household member. The man may principally work in farming, construction or another occupation, while the woman performs much of the day-to-day dairy activity. In labour statistics, she may thus appear as a helper in a household enterprise rather than as a wage earner.

There is an additional reason to look beyond the distress explanation. Independently of the PLFS, India has spent more than a decade encouraging precisely this kind of women-led livelihood activity. The National Rural Livelihoods Mission, launched in 2011 and later incorporated into the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM), has organized rural women into self-help groups and promoted livelihood activities through credit, training and collective institutions.

By mid-2025, ministry of rural development administrative data reported more than 100 million rural women mobilized into roughly 9.1 million self-help groups. This marks an increase from around 46 million rural households mobilized in 2017-18. Livestock (primarily dairy, poultry and goat-rearing), food processing and other farm and non-farm enterprises have been important parts of this livelihood strategy.

Similar trends are visible in India's Time Use Survey, which shows an increase in time devoted to employment and production of goods for own final use from 84 minutes per day in 2019 to 94 minutes per day in 2024.

This matters for interpreting the PLFS numbers. The labour survey, time-use survey and the NRLM administrative system are different sources. Yet they all point towards an expansion of women's economic activity in rural India. Animal husbandry provides an especially plausible connection. Government programmes have supported households in acquiring milch animals, goats and poultry, while women provide a substantial share of the labour involved in caring for them. The resulting income may accrue to the household enterprise even if no explicit wage is paid to the woman.

This does not mean that distress is absent from rural India, or that every increase in female self-employment represents a high-quality job. Nor does a rise in labour force participation tell us enough about women's control over the income they help generate. Those are important qualifications. But they are different from concluding that the measured increase in women's work is merely statistical or is necessarily a sign of distress.

Indeed, the convergence of survey and administrative evidence suggests another possibility: a long-term policy effort to expand women's livelihood opportunities may finally be becoming visible in aggregate labour-market statistics. Future data on farm household incomes and the contribution of livestock and allied activities to it should allow this proposition to be tested more directly.

There is also a larger policy implication. Even after the recent increase, women's labour force participation remains far below men's. This represents a large reservoir of potential household income and economic output. One social constraint is that many rural women cannot easily spend long stretches of the day away from household responsibilities. Livelihood opportunities therefore need not all resemble conventional salaried employment. Animal husbandry, food processing and other home- or village-based enterprises can allow productive work to be combined with constraints on women's time.

As India plans to achieve Viksit Bharat by 2047, the main challenge is not simply to get more women counted as workers. It is to raise the productivity, earnings and agency associated with the work they are already doing: through better access to credit and markets, stronger producer organizations, improved technology and greater ownership and control of productive assets.

The rise in women's work, captured in India's Periodic Labour Force Survey, should be seen not as a statistical curiosity but as an opportunity to accelerate one of the country's most important sources of future income growth.

MINT CURATOR

Progressives with a 'woke' past can't win trust by dismissing it

They risk looking like followers of opinion polls instead of leaders

NIA-MALIKA HENDERSON
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Alexandria Ocasio-Cortez's walkback on 'wokeness' has caused a stir. AFP

America's so-called 'Great Awokening,' such as it was, has given way to what might be called the 'Great Democratic Dewokification.'

Eyeing higher office, progressives now want backsies when it comes to 'woke,' which has implications for midterm polls and beyond as the party grapples with its brand and a stratified coalition. But it is not enough to say, "That was then, this is now," if you want voters to take you seriously.

If you missed this ongoing pivot, New York representative Alexandria Ocasio-Cortez made it plain last week, elevating to a national conversation the political shift that has been hotly debated among online lefty-types. "I have a local city councilman that has this saying: 'Woke I was crazy,'" the New York congresswoman said on ABC's 'This Week,' quoting a tweet from Chi Osse, before letting out a big laugh. "I think that what's important is that we have to assess what a candidate is saying now."

In other words, don't pay any attention to what a candidate said yesterday, just pay attention to what a candidate is saying today. No wonder trust in government is among the lowest it has been in nearly seven decades.

In this telling, 'woke I' is some sort of ill-defined covid-era fever dream—even though the term 'woke' dates back to the early 20th century and amounts to a call for African-Americans to recognize and fight against racially oppressive systems.

The May 2020 death of George Floyd at the hands of police officer Derek Chauvin in Minneapolis sparked the largest protest movement in American history and calls for police reform, which is presumably what Ocasio-Cortez means by 'woke I.'

For Democrats, the stakes of this attempted repositioning are quite high. Backlash against 'woke' language and policies—particularly around the left's calls to "defund the police"—has proven politically costly. Such was the case for Wisconsin Democratic gubernatorial candidate Francesca Hong, who lost her primary last week.

In Michigan, Abdul El-Sayed, the Democratic nominee for an open Senate seat, is also grappling with prior statements, among them criticizing the Second Amendment, fireworks celebrations on 4 July and football. He also once called for defunding the police. His campaign said "cherry-picked comments from old podcasts don't reflect his beliefs today," in a response to CNN's story about his previous views, a line he will likely have to expand on for Michigan voters to find him credible.

When Maryland governor Wes Moore was asked whether he agreed with the woke-I-was-crazy framing, he had the best answer. "I'm going to be honest, I don't know what Woke I is, but I can tell you how I lead in Maryland," he said, going on to describe his balanced approach to crime on CNN. "The focus for any leader is not a slogan, or is not an ideology; it is 'Are you making your communities better, are you making your communities safer?'"

Moore has always been a centrist, which makes navigating this moment easier for him than for progressives. But he is also smartly refusing to disparage a serious movement, which, like all movements, had missteps, but also brought lasting good.

Ocasio-Cortez, who now sits atop a recent poll of hypothetical 2028 candidates in the Democratic field, might have the most to gain from this slick repositioning. But such a move by her, or others on the left, risks exposing progressive Democrats more as followers than leaders, and rather cynical to boot.

In 2020, chasing clout, relevance and virtue points, segments of the online left veered away from the roots of anti-racist activism into caricature territory. In reversing course now, they have rightfully drawn the ire of activists who originally saw figures like Ocasio-Cortez as sympathetic to the struggle.

"To be dismissive of an entire political struggle that has existed for centuries as 'Woke I' is not only ahistorical but cowardly," Derecka Purnell, author of *Becoming Abolitionists: Police, Protests and the Pursuit of Freedom*, posted on Instagram. "If you feel bad that you were emotionally swayed about socialism or abolition via Twitter, say that. Say you didn't do the work. Say you didn't understand. Say you're willing to walk back because you want to keep your job. But don't dismiss the struggle."

And dismissing that struggle is what Ocasio-Cortez seemed to do, diminishing it all with a laugh.

Ocasio-Cortez has been privately reaching out in an effort to build bridges with the African-American political class, with an eye towards a possible 2028 run. It is that kind of deep work that Ocasio-Cortez and other progressives will have to do more of to get beyond their bubbles and understand what the voters they claim to speak for actually want.

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THEIR VIEW

All is not fair in politics when women become a target

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In today's politics, when opponents can't win on substance, they fall back on an old, ugly strategy: weaponizing the women connected to their targets. This dynamic rests on a premise as old as patriarchy itself: a woman is not an autonomous figure in public life, but a point of vulnerability to be deployed against a man. By turning female public figures into proxy targets, political operatives score cheap rhetorical points while stripping women of their agency, dignity and hard-earned professional individuality. It is a quiet slide from open gender discrimination into a subtler kind of misogyny, one where a woman's visibility is tolerated only so long as it can be turned into political ammunition against her male peers.

Consider recent events in Tamil Nadu's political arena after film actor Vijay's formal entry into politics and the launch of his party. Rather than engage with his political platform or vision, detractors turned quickly to personal insinuation and character assessment, with targeted mentions of actor Trisha Krishnan. Across debates, social media and public rallies, rival commentators invoked her name repeatedly to trivialize Vijay's political seriousness. In this toxic equation, Krishnan, with her two-decade acting career, was effectively reduced from a self-made, successful professional into a narrative weapon, her presence twisted into a tool signalling unreliability or moral compromise on the part of a male rival. The message sent to voters was clear and deeply regressive: a man's fitness for leadership gets measured by how his association with women can be scrutinized and sensationalized, while the woman herself is stripped of her own accomplishments and treated as mere political baggage to be used at will.

This pattern is not confined to regional politics; it stretches to international diplomacy. Look at the online discourse around Italian Prime Minister Giorgia Meloni and Indian Prime Minister Narendra Modi. What should have been read strictly as a strategic bilateral engagement and diplomatic alignment between two sovereign nations was picked up on social media and turned by opposition groups into the viral 'Melodi' meme ecosystem.

Dismissed by some as harmless internet banter or light-hearted public fascination, this pattern tells a different story once you look closer. Opposition figures and online political networks repeatedly used diplomatic photographs and bilateral interactions to caricature statecraft. As Italy's first female PM, Meloni must navigate complex EU politics and global geopolitics, but her diplomacy was often flattened by critics into internet tropes and shallow commentary with no mention of her policy record or stance on foreign relations.

Public discourse deprives women of agency when their names are deployed as weapons against male politicians

What links the online treatment of Trisha Krishnan and Giorgia Meloni is the same underlying mechanism of women's names being used to undermine men. In both cases, the real political target was a male leader, yet the one who bore the rhetorical cost was the woman whose public image got objectified. This exposes a stark and persistent double standard in political combat. Male leaders get judged on power, rhetoric, economic policy and governance, but when rivals want to demoralize or discredit them, they reach instead for gendered morality and personal association.

This dynamic sharpens further when the woman in question is conventionally attractive. Krishnan and Meloni are not incidental examples; their visibility as attractive women is precisely what makes them useful as narrative baits. A woman whose appearance draws public attention becomes doubly convenient for this kind of politics: her looks generate the clicks and headlines that carry the insinuation further, while also making it easier for critics to place spectacle above substance. The cruelty compounds here. The very trait that signals her success in an optics-oriented public sphere, whether cinema or international diplomacy, is repurposed against her, recast as evidence of frivolity, vanity or moral failure. Less conventionally attractive women in equally public roles seem less likely to be dragged into these narratives, which reveals the mechanism for what it is: a punishment for visibility itself. The more a woman's presence commands attention on her own merit, the more useful she becomes as a weapon against some male target.

This habit inflicts severe damage on public life, and it runs in more than one direction. *First*, it degrades political discourse by replacing substantive ideological debate with sensationalized personal insinuation. *Second*, it creates a dangerous chilling effect, warning women away from entering, engaging in, or staying in high-visibility public professions. When women become collateral damage in male rivalries, every ambitious woman learns that her hard-won professional standing can be attacked to serve someone else's political narrative.

And if society tolerates turning women into political collateral, it reinforces a culture that treats female figures' respect and agency as conditional, granted only at the whim of patriarchal preferences. Political parties, media outlets and digital platforms need to call out this pattern for what it actually is: a cowardly attempt to take down rivals by objectifying women. Until public discourse insists that leaders fight their battles on policy rather than through personal proxies, women will keep paying the price for men's political ambitions and turning into collateral damage in others' battles.

These are the author's personal views.

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{ OUR TAKE }

Broken trust in temple fraud

Systemic lapses flagged by the SIT probing the siphoning of Ram Temple donations cast a shadow on the competence of temple trustees

A report from the special investigation team (SIT) exonerating two prominent former functionaries of the Shri Ram Janmabhoomi Teerth Kshetra Trust might bring relief to the individuals but the systemic lapses flagged by the probe are a matter of grave concern and raise questions about the competence of the people managing one of India's most important shrines.

The report by the SIT — one of two looking into allegations of irregularities in the Ram Temple donation collections — found gross lapses in the trust's functioning, an absence of adequate checks or professional financial management and inadequate supervision at multiple levels. Damningly, the SIT found there was no dedicated finance and audit cell, no standard operating procedure for collection agents and inadequate reconciliation between donation receipts issued and money deposited. Clearly, even the basics of fiduciary responsibility were thrown to the wind, creating an opaque system where ad-hoc decisions and personal favours masqueraded as systems and processes, making the whole operation vulnerable to dubious actors.

The SIT named Ram Shankar Yadav, an aide to former trust general secretary Champat Rai, as the mastermind and blamed the eight men who have already been arrested. The report detailed specific bank accounts and shell entities allegedly used to layer the transactions and noted that some of the money was used to buy agricultural land and commercial plots. But most of these men were small-time players whose hires were overseen by trust members — some of them were even related to former trust members. How could they erect such a sophisticated operation without anyone noticing? Were the trust elders asleep at the wheel? Why didn't they declare any conflict-of-interest while hiring people they knew? Why wasn't professional management brought in at the beginning? It is not enough to just admit that mistakes were made, accountability must be fixed.

This newspaper has noted before that any scandal connected to the Ram Temple insults millions of people whose faith is tied to the shrine. It is good if no trust member was personally involved in the misappropriation but they cannot evade culpability for systemic lapses. The SIT report should pave the way for deeper investigation and introspection, not be used as a fig leaf to elide responsibility. The reforms currently underway in the trust should be sped up. And the second SIT set up by the Supreme Court should strive to fix accountability and ensure such sordid saga is never repeated.

Death penalty by any method is still death

A grave looking man — always a man — in judicial robes, with or without the peruke, pronounces "to be hanged till death" and breaks the nib of his pen after signing the relevant papers awarding capital punishment to the defendant. In Hindi cinema of a certain vintage, this was an oft repeated scene, establishing either the injustice meted out to the protagonist or fate catching up with his nemesis at last. Scriptwriters, understandably, leaned heavily on the emotion capital punishment evokes in the masses. Whether cinematic tropes were mirroring jurisprudence, or vice-versa, is actually irrelevant. What matters is that discussions on the legitimacy of capital punishment in India are as old as the Constitution. The latest debate, oddly, is only on the method of execution.

Per Section 393(5) of the Bharatiya Nagarik Suraksha Sanhita (BNSS), executions are carried out by hanging despite the Law Commission's recommendation in 2015 that more advanced methods should be adopted. The Supreme Court (SC) has now rejected a petition challenging the constitutional validity of hanging on the grounds that it violates the right to a dignified death protected under Article 21. The SC maintained that the process causes no greater pain than any other known method and avoids "barbarity, torture and degradation". Interestingly, the SC keeps the issue open, not precluding further government deliberation and the evolution of constitutionality. This is exactly where the punishment must take precedence over the method. By retaining the capital punishment even in the decolonised doctrine of dispensing justice, India has stuck to a relic that even the UK shed in 1965. Since India has notably progressive laws, the death penalty sticks out as a badly produced masala film from the 1980s screening at an arthouse cinema retrospective.

Sanction-proofing India's interests and autonomy

India needs a permanent Economic Security and Sanctions Office rather than a committee that meets intermittently

Sanctions can serve legitimate security purposes. But India should challenge coercion that travels far beyond the country imposing it. REUTERS

Syed Akbaruddin

Recently, by 86 votes to 11, the US Senate passed a bill that could turn a barrel of crude oil bought from Russia into tariffs on Indian exports wholly unrelated to oil. The bill, however, preserved waivers for limited imports of Russian enriched uranium. Revenue from Russian energy exports helps Moscow sustain the war in Ukraine. That is a serious case for action. The harder question is who is punished, who gets waivers, and, most importantly, who decides.

The bill passed by the Senate is not yet law. If enacted, it would allow additional tariffs of up to 100% on goods exported to the US by countries that continue buying Russian oil or gas and rank among the five largest buyers, or among the five leading facilitators of Russian oil sanctions evasion. India is not named, but the scale of its Russian crude purchases places it within the formula. The trigger is oil. The leverage is Indian exports to America, from machinery and electronics to gems, jewellery and textiles. The bill also lets the President waive any duty in the US national interest.

India now has to reckon with powers that can turn economic dependence into political leverage. Washington reaches trade transactions through the dollar payment system and the American market. Brussels can restrict market access and maritime services. Beijing controls some critical industrial inputs. Each can use what others depend on to demand compliance and then decide who gets a waiver. India needs an institutional answer to that power, beyond diplomatic objections.

The US still imports 20-25% of its enriched uranium from Russia. A 2024 American law bans imports of Russian low enriched uranium but permits limited imports under individual waivers through 2027 if no viable alternative exists or the US national interest requires it. The energy department has granted Centrus, an American nuclear fuel supplier, a waiver covering deliveries already agreed to with US customers. This is Washington admitting that reactors, contracts, and fuel cycles do not rearrange themselves because the US Congress wants to uphold a principle. India can change crude suppliers more readily, though not painlessly and not overnight. The waiver thus concedes what sanctions rhetoric leaves out: Energy systems cannot be reordered on command.

In July 2025, the EU placed Nayara on its assets-freeze list. The Indian refinery is 49%-owned by Rosneft, Russia's State-controlled oil company. Inclusion in the list barred people and companies subject to EU law from providing Nayara with funds or other economic resources. The EU's sanctions on Nayara were effected through contracts as service providers and shipowners pulled back.

Measures targeting Russian petroleum work differently. Under the same package of measures that included sanctions on Nayara, the EU barred, from January 2026, imports of specified petroleum products refined from Russian crude in third countries. In March 2026, the US issued a temporary waiver (through General License 133) for the delivery and unloading in India of Russian oil already at sea. This license included necessary insurance and maritime services. A company listed for business restrictions, an import ban, and a temporary licence do not have the same legal effect. Treating all three as sanctions on India leads to the wrong response. It blurs who is acting, what rule they are relying on, and where India has room to push back.

China shows how the control of an indispensable input can become leverage. In two rounds earlier this year, it barred exports of goods with both civilian and military uses to 40 Japanese entities that Beijing linked to military activity and placed 40 more under tighter licensing. It imposed similar restrictions on 10 American companies. India depends on China for most of its imported permanent magnets. For Indian manufacturers, a licence issued or withheld in Beijing can determine whether a production line in Chennai is able to run the next month or not.

India's longstanding position is that it implements UN sanctions but does not subscribe to unilateral measures imposed by individual States. This protects a vital legal principle, but it is no longer enough.

Sanctions can serve legitimate security purposes. India should instead challenge coercion that travels far beyond the country imposing it — often with inadequate notice, opaque evidence and weak review — especially when that country protects its own necessities through exemptions. If energy dependence is a reason for waivers in one country, it cannot automatically become evidence of bad faith in another.

India needs a permanent Economic Security and Sanctions Office. It must be a standing unit linking foreign policy, finance, trade, law, the RBI, petroleum, atomic energy, defence and technology rather than a committee that meets intermittently. Firms need to know what Indian law requires, which foreign rules reach their transactions, and when cautious banks or suppliers are imposing restrictions required by neither Indian nor foreign law. The office should identify where alternative suppliers or lawful payment routes are needed, explain exemptions and coordinate challenges before a payment fails, a cargo is stranded or a customer walks away.

India cannot stop powerful States from using the chokepoints they control. It can contest the terms on which that power is used and insist that its own needs are accounted for. That contest over strategic autonomy will be fought in waiver clauses, licence schedules and bank compliance rooms, not only in speeches about sovereignty. If India's necessities never qualify as necessities, strategic autonomy will shrink from a doctrine into an application for somebody else's permission.

Syed Akbaruddin served as India's permanent representative to the United Nations in New York and is currently dean, Kautilya School of Public Policy. The views expressed are personal

Need to root public health education in Indian realities

Anand Krishnan

Rajib Dasgupta

The student protests focused the nation on medical education. But its poorer cousins — dental, nursing, or public health education — don't seem to be registering on the policy radar. Their problems go beyond the traditional challenges that the education sector suffers from — poor quality, lack of teachers and infrastructure. Public health education principally entails the MPH (Master of Public Health) programme with some institutions also offering undergraduate and doctoral programmes.

While clinical medicine is about diagnosing and treating individual patients, public health addresses populations or community health problems. Public health functions broadly include health surveillance, protection, promotion, planning, regulation, services organisation, delivery, and evaluation. Public health also requires a wide gamut of workforce trained in public health nutrition, occupational and environmental health, epidemiology and biostatistics, health administration and management, informatics, social sciences, economics, and policy analysis. Clinical services and public health services are complementary and together improve a nation's health.

Given the wide range of competencies required to deliver comprehensive public health, a diversity in disciplinary backgrounds of students joining the profession is necessary: medicine, allied health sciences, social sciences and law to name a few. The MPH programmes are offered by a wide variety of institutions, from medical colleges to social sciences as well as agriculture universities with each having their own eligibility criteria. At the same time, the expectation is to produce postgraduates with similar exit-level competencies. There is hardly any other professional course that has this wide diversity at the entry level and the challenge to produce a relatively homogenous end-product.

States that have a public health cadre — Tamil Nadu, Maharashtra and Odisha — currently have about one public health specialist per 100,000 population or less. Efforts are on to create a public health management cadre to meet the norm of three per 100,000 population. Even this target pales in front of the current realities in countries such as the US which has about 55 public health professionals per 100,000 population. In India, currently 125 MPH programmes produce about 5,000 postgraduates a year in contrast to the US producing about 17,000.

The basic clinical skills of recording medical history, measuring pulse, auscultation of breaths and heart sounds are universal; what differs across countries is their interpretation. High fever in a patient can mean malaria in a specific season or typhoid or dengue in other places or seasons.

Similarly, basic public health competencies and principles of epidemiology, biostatistics, management, social sciences or communication are universal but contexts and local particularities have a bearing on community behaviours, health systems, programmes or policies. MPH programmes in India are rooted in Western models which may train candidates in the same competencies but miss out real-world Indian contexts. MPH programmes are run as classroom courses that are highly sanitised, an antithesis of both a public health course and discourse.

The lack of a centralised regulatory body is taking a toll on quality of these courses. Regulation of MPH programmes has fallen between two stools — National Medical Commission (NMC) and University Grants Commission (UGC). Since medical, dental, and AYUSH graduates account for the bulk of MPH candidates, should it be regulated by these councils? At the same time, MPH is not inherently a medical, dental or AYUSH degree. Many non-medical universities regulated by the UGC offer this degree too. Aligning MPH programmes with the National Education Policy (NEP) 2020 and the UGC framework which advocates academic flexibility, credit transfer, and multiple entry-exit options is a challenge given that this is a professional course.

Do we have a credible road map for reform? A group of concerned academics (both of us are part of it) have initiated efforts to advocate for corrective measures. The group recently released its report and we summarise its key findings and recommendations here.

First, India needs to expand to a broad-based public health service, beyond mere clinical provision. There is a need to advocate for a specialised public health cadre in all the states and open up career opportunities for trained MPH professionals. In the event of India failing to expand to a diverse set of functions and activities, MPH graduates may face the same challenges that dental and engineering graduates faced earlier — closure of these colleges and an uncertain future. There is a need for better management of the demand and supply of public health workforce to address the present deficiency, but also to not end up with overproduction of the professionals.

Uniform and inclusive eligibility criteria nationwide need to be established to ensure consistency, transparency, and inclusiveness. The entry criteria for MPH programmes must reflect the field's interdisciplinary nature and include those with health, science, and social science disciplinary backgrounds. Introduction of key foundational courses is critical to ensure that everyone is at the same stage at the start of the course.

India-specific MPH programmes need to be designed while adopting best global practices to address India's disease burden with a focus on primary health care. Public health schools must impart a basic and uniform set of skills and competencies and ensure sufficient time is allocated to acquire these. Adequate exposure to health system and primary health care should be ensured.

Like any professional course, MPH degree needs accreditation systems and councils. A separate Public Health Education Council of India should be set up, which should be an apical, multidisciplinary body that sets standards, accredits programmes, fosters interdisciplinary collaboration, and promotes workforce development.

Public health education in India needs to be anchored in the country's realities to deliver the maximum efficacy.

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{ ABDULLAH ABU SHAWESH } PALESTINE AMBASSADOR TO INDIA

It came in a very critical time... when the health sector in Palestine is in the brink of collapse... and India is one of the country that we reach out to help us

On the upcoming hospital being built by India in the West Bank

HT

India's photographic identity: Who gets to tell this tale?

Samar Jodha

We have arrived at the 80th Independence Day, and World Photography Day, first proposed by OP Sharma, a Delhi-based photography teacher, is observed in the same month. Independence was also a claim to authorship, a newly independent country deciding it would no longer be described by somebody else's visual storytelling.

Photography arrived in India in 1840, and for decades after, its record was largely made by people who did not live inside the country, and what got published was rarely made by an Indian photographer. It is worth asking whether the work of reclaiming authorship is finished, or whether it has changed shape into something harder to see.

On the surface, the answer seems to be yes, since a billion phones here now produce a huge share of the world's daily picture-making. But volume is never the same thing as authorship. This isn't about copyright, nobody's ownership of the image itself is in question. A country can photograph its own people more than at any point in its history and still not own the image of itself that actually circulates in the world's mind. What's actually at stake is whose picture of India gets noticed, whose name travels with it, and whose gets left out. Deciding which picture of India becomes the picture of India no longer sits with an editor in Delhi or London. It sits with an algorithm nobody elected, and with the aggregator accounts that have learned to feed it, repackaging images as evidence of a country rather than one person's way of seeing it.

For decades that gaze arrived with a foreign photographer's passport, and Indian photography spent that period contesting it. Raghubir Singh stood as its antithesis, rejecting the inherited monochrome altogether and building a colour vocabulary out of Indian miniature painting instead. He argued that black carried the guilt of the West, tied to death in a way colour never was in India.

Unfortunately, what remains is still the same thing, the Holi celebration, a camel fair in Nagaur, the temple in Puri, or a widow in Vrindavan, and none of it needs a foreign passport now.

Photographer Soham Gupta lived this from the inside. His early work on Calcutta's destitute was criticised as a continuing colonial gaze, made by an Indian in his own city. A culture this saturated, this willing to be photographed, makes it easy for any algorithm to reward the same spectacle an outsider once had to travel here to find, only this time nobody needs a fixer or a visa to get it.

It's also worth remembering there are photographers resisting the pull of all this. Among them, Gauri Gill, Sohrab Hura, Poulomi Basu, each building something different.

None of this argues for the old gatekeepers coming back, since money, training and access kept most of the country out for decades. Responsibility has simply moved to whoever holds the phone.

The test is not whether a picture is well composed. It is whether you are actually interested in telling something through it, or only about making your presence felt. A ladder lying flat against a soot-blackened wall, something small and dried caught between its rungs, is not the kind of photograph anyone posts under a festival's name. It asks nothing of the viewer except to notice it was there. Nothing decorative does that.

Most of us are too shy to walk up to a stranger with a camera, but a great many of us sit next to one every week without noticing, an Uber driver, the drive and conversation grant access a stranger on the street never would, and there is your portrait, ready-made. Ask permission once, keep it simple, and repeat it ride after ride until it becomes a whole body of work. An algorithm trained to reward a single striking frame has no real appetite for that.

The real reward for a photographer is making a story, not feeding a formula that has run for over a century now. And most of the time, that's exactly what we end up doing, without even noticing.

Independent India started finding its own photography identity, but that search isn't finished. The question still remains whether current image-making amounts to real ownership or only to volume. No algorithm, no platform is going to decide that for us. It gets decided the ordinary way, one story at a time, by whoever bothers to actually look before hitting that shutter, and by how many times they are willing to go back to it.

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Underused fund

PM CARES must get its act together

THE audited financial statements of the PM CARES (Prime Minister's Citizen Assistance and Relief in Emergency Situations) Fund for 2023-24 and 2024-25 have finally been made available. Only Rs 87.85 lakh was spent during 2024-25 — a dismal 0.01% of the closing balance and minuscule in comparison with Rs 15.6 crore the previous year. The obvious question: what is the purpose of a relief fund if a substantial part of its money remains unused?

Domestic donations to the fund fell by about 30% to nearly Rs 479 crore, while foreign contributions declined by 18% to Rs 92.8 lakh. Yet the fund's corpus rose to Rs 8,452 crore by March 31, 2025, from Rs 7,173 crore a year earlier, thanks largely to interest earnings and other receipts. There is nothing inherently wrong with maintaining reserves for unforeseen disasters. Indeed, a fund created amid the Covid-19 crisis must retain the capacity to respond rapidly when a calamity strikes. Its past spending on oxygen plants, ventilators and emergency healthcare demonstrated the value of having resources available outside conventional budgetary cycles.

Poor utilisation during 2024-25 does not by itself establish that the fund is being mismanaged. However, it does make greater transparency imperative. The delayed release of audited statements, questions over refunds from implementing agencies and the absence of detailed information about sources and uses of funds understandably fuel doubts. A charitable fund associated with the PM and supported by voluntary public contributions should aspire to the highest standards of disclosure. Registered as a public trust, PM CARES continues to be outside the ambit of the RTI Act. Publishing timely audits, explanatory notes, project-wise expenditure and details of refunds are a must to strengthen public trust in this high-profile relief fund.

Hospital horror

Rape inside what should be safest space

A hospital is meant to be the safest place for the vulnerable. The alleged rape of a 58-year-old woman inside the CT scan room of Haryana's Panipat Civil Hospital — and her death during treatment at PGIMS, Rohtak — has turned that expectation on its head. While the police investigation will establish criminal culpability, the incident has exposed a disturbing collapse of institutional safeguards. The most alarming revelation is that the accused, employed as a security guard by a private company operating the hospital's CT and MRI unit under a public-private partnership, was allegedly performing the role of a CT technician. That such a role substitution could occur inside a government hospital points to failures that go well beyond individual misconduct. It raises uncomfortable questions about supervision, contractual compliance and accountability.

Basic patient-safety protocols appear to have failed simultaneously. The victim's family alleges they were prevented from accompanying her into the scan room, no female staff member was present, and an unauthorised employee was left alone with a vulnerable patient. These are not minor procedural lapses; they are failures that create opportunities for abuse. Similar warnings have been witnessed before — from the assault on nurse Aruna Shanbaug inside Mumbai's KEM Hospital in 1973 to the 2024 RG Kar Medical College tragedy in Kolkata. Each prompted outrage and promises of reform, yet the Panipat case suggests that institutional memory remains painfully short.

Haryana must treat this as a systemic audit rather than an isolated crime. Every outsourced diagnostic centre should be reviewed, staff roles verified, CCTV coverage strengthened and mandatory chaperone protocols enforced. Public-private partnerships cannot become public-private abdications. Healthcare is built on trust as much as treatment. When patients begin fearing the diagnostic room, the system itself stands indicted.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, FRIDAY, AUGUST 20, 1926

As others see us

THE British Press, except when it has its own axe to grind, may be taken to be a fairly impartial observer of events in India. This is especially true of that section of the Press whose general sympathies are in favour of liberty and progress. What is the verdict of this section of the Press on the present communal situation in India? There is not a more truly Liberal paper in England than the *Nation*. This is what that paper says in its issue of July 24: "Lord Winterton, speaking of the approaching elections, spoke of the certainty that they would be fought on communal lines. That is recognised on all hands and the new Viceroy, whose plea for racial and religious accord is the event of the moment in India, will in a few months be confronted by the results in the Legislatures. It is difficult to avoid the conclusion that these results will compel a reconsideration of the communal electorates." *The New Statesman* goes even deeper into the matter than the *Nation*. "Lord Irwin," it writes, "has opened his term of office with an urgent appeal to the leaders of the warring communities. A new Viceroy's word is always listened to with respect, but what after all is the value of a plea for peace in the presence of electoral machinery the normal working of which intensifies every kind of communal tension". Our readers will remember that this is precisely what we said in our comment on the Viceroy's appeal, and what we have, indeed, been saying all this time. The *Saturday Review*, which belongs to a radically different school of political thought, comes to virtually the same conclusion.

India's institutions are failing the people

The constitutional doctrine of separation of powers is now in tatters

MANISH TEWARI
LOK SABHA MP AND
FORMER I&B MINISTER

DISMAL : Political parties across the board take pride in wiping out entire sessions of Parliament rather than debating laws and issues premised on rational arguments. PTI

THE washout of the recent monsoon session of Parliament has again drawn attention to the institutional crisis that stares India in the face today, for any democracy is only as strong or weak as the institutions that uphold it.

In the summer of 1787, when the founding fathers of the United States of America met in Philadelphia, they were obsessed with transforming the loose alliance of twelve states into a nation and creating a governing architecture that would be the antithesis of monarchy, which was the template across practically the entire known and discovered world at that time.

They resuscitated the doctrine of separation of powers conceptualised by Aristotle and John Locke and refined by Montesquieu to ensure that power does not get concentrated in a single person or an institution, for they were mortified by the tyranny of power. This led to the institutionalisation of three separate branches of the government — the executive, the legislature and the judiciary — to ensure that they checked and balanced one other.

The paranoia against an overbearing 'State' was of such an order in the newly created nation that in 1791, when the Bill of Rights was incorporated into the American Constitution, its 2nd Amendment said: "A well-regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed." This amendment, designed to protect the liberty of the individual, holds the field even today, despite all the school shootings across the US.

Every Constitution written subsequently across the world has the doctrine of separation of powers hard-coded into its very structure. This was also the model that India adopted when wise men and women conceptualised the Constitution between December 1946 and January 1950.

This model, however, has collapsed in India. The biggest casualty has been the legislature. The first Lok Sabha (1952-57) met on average for 135 days every year. The 17th (2019-24) averaged only 55 sitting days annually. The 18th Lok Sabha is all set to outdo its predecessor in terms of dysfunctionality.

State assemblies have fared no better. For instance, the Punjab Vidhan Sabha met for only 17 days in 2022, 12 days each in 2023 and 2024, 15 days in 2025 and only 15 days this year so far. Between 2017 and 2022, the Vidhan Sabha met for a mere 85 days out of its 1,825-day term.

Parliamentarians and legislators have been reduced to mere intercessors between the people and the executive. This is not their job, notwithstanding the fact that they are elected by the popular will of the masses. Their primary responsibility is to make good laws for the nation or their respective states and deliberate on the grave challenges that fall within their respective remits.

However, disruptions and sloganeering have been the norm and not the exception since the mid-1980s in legislative institutions. Political parties across the board take pride in wiping out entire sessions of Parliament rather than debating laws and issues premised on rational arguments. Parliamentarians and legislators are adjudged on the basis of their ability to scream and shout in the Well of the House or outside rather than the strength of cogent submissions they should be making.

> Attempts by govts to enforce judicial accountability and create a 'say' for the executive in judicial appointments came to nought.

Parliament and legislative assemblies have therefore become virtually irrelevant to the national discourse. These institutions are now nothing more than gladiatorial arenas rather than hallowed chambers of calm and meditative deliberations.

As far as the judiciary is concerned, India is perhaps the only country where judges of constitutional courts appoint other judges, notwithstanding the Memorandum of Procedure.

The attempts made by the UPA government and its successor, the NDA, to enforce judicial accountability and create a 'say' for the executive in judicial appointments, respectively, came to nought. The Judicial Standards and Accountability Bill that was passed in the Lok Sabha on March 29, 2012, failed to get through the Rajya Sabha and subsequently lapsed. The National Judicial Appointments Commission Bill, introduced in conjunction with the 121st Constitution Amendment Bill, was near-unanimously passed by the Lok Sabha and Rajya Sabha on August 13 and 14, 2014. It was ratified by 16 states and notified as law on December 31, 2014. The Supreme Court struck it down on October 16, 2015.

As of August 1, 2026, out of a sanctioned strength of 1,122 judges in the High Courts, 341 posts (30.39%) were vacant. There are 4.98 crore cases pending in district courts, 64.61 lakh in High Courts and 95,469 in the Supreme Court. Out of the 5.3 lakh people in prisons across India, 3.9 lakh (about 73%) are undertrials; 49% are in the age group of 18-30 years; 31% belong to Scheduled Castes and Scheduled Tribes, and 10-15% are from Other Backward Classes.

The executive's performance has been no better. Out of a population of 140 crore, around 94 crore people live in rural India. For the bulk of these residents, the interface with the State regarding civil matters takes place through a *patwari*, *kanungo* or at best a *tehsildar*. In the criminal/penal sphere, it's through a *havildar* or an assistant sub-inspector (ASI), who is the police chowki in-charge. In urban areas, the interface is through a municipal officer in the civil arena and at best a *havildar*/ASI in the legal domain.

The citizen's experience is never pleasant. The State and its instrumentalities invariably come across as exploitative, extractive and oppressive. The situation is far worse in militancy-prone areas, where the State apparatus is usually clad in olive green.

The 73rd and 74th Constitutional Amendments that were supposed to bring governance closer to the grassroots have not really taken off even three decades later. They might have widened the representational pool at the local level, but states have been extremely chary of devolving powers or providing financial autonomy to the Panchayati Raj institutions, thereby effectively crippling their efficacy and functioning.

A section of the mainstream media has earned the sobriquet 'Godi media', seriously undermining the collective credibility of the Fourth Estate.

About the Election Commission of India, the less said the better. What was once an autonomous institution is now perceived as another government department. It has lost the confidence of an overwhelming majority of the Opposition.

In the 80th year of Independence, the doctrine of separation of powers, the institutional balance of power and the confidence that people have in the institutions of governance are in tatters.

Is anyone even thinking where we are headed as a nation?

THOUGHT FOR THE DAY

"Good governance never depends upon laws, but upon the personal qualities of those who govern. — Frank Herbert"

When concern turns toxic

TARU BAHL

MY 81-year-old mother recently undertook a trip to the hills with her friends and family members. Always a sport, she is known for raising the bar on what her body and mind can do. While going up a steep slope, she was struggling to catch her breath and yet wanting to carry on without any support from us. A chivalrous young man, who was coming down, offered a helping hand. Despite his gallant act, she was still finding it hard to navigate the big, wide stone steps. The man could not resist saying, "Auntyji, if you can't climb, you should not have come." His wife, who was right behind, retorted, "If she can do it, why not? So what if it is proving to be a bit difficult."

I was a mere observer, shielding my mother without holding her from behind. This conversation set me thinking. The man was definitely being helpful and kind. But there was a kind of toxicity to his concern. At one level, it reflected the mindset of a lot of men, who would be more comfortable seeing women less daring, less adventurous, more home-bound and more within boundaries that can be controlled.

This toxic concern has an undertone of criticism, contempt, control, judgment or just plain dislike. So, the person on the receiving end, like my mother, instead of feeling good about the help or support offered, actually squirms in discomfort.

We see this all the time: well-intentioned folks fat-shaming you with snide remarks like "lose some weight if you want to impress your Prince Charming", "get yourself checked for thyroid or hormonal issues since your weight is only going in one direction — up" and then topping it with "I am only saying this out of concern".

A colleague who stepped forward to offer help with a presentation made a concluding comment, "The others have used the latest AI tools. Despite my egging you on for months, you have not familiarised yourself with this. Let me assist you to save yourself from embarrassment." Not surprisingly, despite the rescue act by the "saviour", the young lady was still diffident while facing her colleagues.

All these people do not shy away from demonstrating their immense concern for you, not realising that their comments and advice pull you down. And if you do express your discomfiture — "Thank you very much but I can take care of myself" or "I will turn to you when I need your advice" — they get miffed and say, "These days, even genuine concern is not appreciated. I would rather mind my own business."

Well, such passive-aggressive people and those who talk down to others should do exactly that — mind their own business.

The writer is an independent journalist

LETTERS TO THE EDITOR

Address Centre-state friction

Refer to 'States, Parliament and the mining question'; in 2024, the Supreme Court had upheld the right of states to impose taxes on mining and minerals, and also allowed them to recover arrears. However, Parliament has now passed the Mines and Minerals (Development and Regulation) Amendment Bill, which restricts states' powers to impose taxes on mineral rights in order to provide a level playing field for mineral prospecting. The Centre's rationalisation of taxes is a step towards facilitating greater investors' interest in this sector. But some states have expressed their apprehension over the implications of these amendments. The friction between states and the Centre needs to be addressed.

PL SINGH, BY MAIL

Bill needs further scrutiny

The Mines and Minerals (Development and Regulation) Amendment Bill needs further discussion. If the Centre truly believed in federalism, it should have called a meeting to discuss tax uncertainty and its economic impact. The National Mineral Policy provides for an inter-ministerial authority with representation from central ministries and states. A more predictable mining framework would encourage greater investment in a sector that is vital for the country's growth.

YASH PAL RALHAN, JALANDHAR

Punjab needs good governance

Refer to 'Migration is reshaping Punjab'; the large-scale migration of Punjabi youth to foreign lands remains a matter of concern. The disenchantment among the youth has been fuelled by a number of factors, mainly the inability of the state government to provide jobs commensurate with their qualification, lack of dignity of labour, poor quality of life marred by misgovernance. What the state needs is good governance and visionary political leadership. The youth, too, should speak truth to power if they want to improve their prospects.

KARAMJIT SINGH, PATIALA

Deeper malaise in marriages

With reference to 'Moms pray as rural Punjab men struggle to find brides'; the shortage of brides in parts of rural Punjab cannot simply be attributed to declining sex ratio. The deeper problem lies in long-standing social attitudes towards women and marriage. Society must reflect on why women may be reluctant to marry into families where they fear discrimination or lack of dignity. Besides, boys lag behind girls in academics, which gives the latter an edge in employment opportunities. Generally, girls are not keen to get married to less-educated men.

VINNY SUSHIL, FEROZEPUR

Black money hurts democracy

It refers to 'Black money'; the Election Commission has to be equipped for getting rid of this menace. At the end of the day the wealthier candidates get tickets. The ECI sets a limit for spending in elections, but the wealthy candidates far exceed the limits thus creating an uneven field for honest candidates. Secret funds donated by industrial and business houses create a payback loop. Black money is seized in elections, cases are registered but the process is so tardy and convictions are rare. The EC should be given explicit power to countermand or cancel an election tainted by black money.

KR BHARTI, SHIMLA

Online products under suspicion

Refer to 'Food hygiene'; people who order packaged food items (like pulses, salt, sugar), cosmetics and drugs online are unaware that they are receiving expired and repackaged products. After a food product's shelf life expires, large producers sell it to several new startups, who buy the expired goods in bulk and supply them in packets with new labels to deceive consumers. The gut microbiome of Indian people is changing, causing an increase in the incidence and prevalence of cardiovascular and metabolic diseases.

RANBIR SINGH, ROHTAK

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

The perils of the 'Dimagi Naxal' tag

SATISH KUMAR DOGRA
FORMER DGP, TAMIL NADU

IN his Independence Day speech, Prime Minister Narendra Modi spoke of 'Dimagi Naxals.' The expression has predictably generated controversy. The term Naxal is not new to India. For decades, successive governments at the Centre and in the states have struggled to bring Naxalism under control. The word evokes guns, violence, death and surrender; it has never been a term carrying positive political connotations.

In such a scenario, the controversy over the PM's use of the word raises a fundamental question: Is a *Naxalvaadi* (Naxalite) merely a political activist? Is that how we have understood the term over the years?

Article 19 of the Constitution guarantees citizens six fundamental freedoms, including freedom of speech and expression, peaceful assembly and formation of associations. These freedoms are not absolute; the Constitution permits reasonable restrictions on specified grounds. The Supreme Court has repeatedly intervened to protect these democratic freedoms.

Numbers inevitably acquire significance because they indicate the extent of opposition. Protests may take many forms, but the problem arises when persuasion gives way to coercion, disrupting the functioning of the state or imposing disproportionate costs on other citizens.

Those who value democracy must therefore remain conscious of the limits of protest. Political parties carry a special responsibility. The ruling party must remain sensitive to genuine grievances; the Opposition must resist the temptation to seek political advantage by injecting aggression into popular movements.

Naxalism combines a revolutionary ideology with a programme for overthrowing the existing socio-political order. The constitutional problem, however, does not arise merely from holding radical beliefs. It arises when ideology moves towards incitement, violence or other unlawful action.

Opposition to capitalism is not illegal. Nor is advocacy of an alternative socio-economic order. But attacks on people or property in pursuit of that objective are another matter. The transition from ideology to unlawful action must be watched carefully so that the ideologue is neither deprived of his constitutional freedoms nor allowed to use those freedoms as a shield for violence his constitutional freedoms nor do those freedoms become a shield for violence.

The Central government has declared the country effectively free from Left-wing extremism. This changed situation raises another question: Can the ideology survive the disappearance of the gun? Can it acquire weapons better suited to the modern world?

Social media, misinformation and deepfakes have vastly increased the ability to influence minds, particularly impressionable young minds. The progression may initially appear innocuous:

Belief —> Advocacy —> Incitement—>Unlawful action

Where does advocacy end and incitement begin?

The *Sharjeel Imam* case illustrates the difficulty. While rejecting his bail plea under the UAPA in January, the Supreme Court referred to prosecution material, which, taken at face value for the limited purpose of deciding bail, was "not confined to abstract ideology." It included alleged planning and mobilisation and speech material exhorting disruption and choking of essential services. Importantly, the court made it clear that these observations were not a finding of guilt at trial. The distinction is crucial to a democracy.

BALANCE : A democracy must protect dissent, including dissent that is uncomfortable. ANI

A critic of the government cannot be called a 'Dimagi Naxal'. Criticism of government is fundamental to democracy. Someone advocating an alternative socio-economic system? Certainly not. The Constitution accommodates competing political and economic philosophies. Someone organising a peaceful protest? Again, no. Peaceful protest is part of democratic life.

The problem begins when legitimate pressure is deliberately converted into coercion, and confidence in constitutional processes is sought to be replaced by faith in extra-constitutional methods. This, perhaps, provides one way of understanding the danger to which the PM was drawing attention.

'Intha padai pothumaa, innum konjam venumaa?' This Tamil slogan, often heard during processions, roughly means: "Is this show of strength enough, or do you want some more?" The underlying message is unmistakable: We can mobilise enough people to make you bend.

Protesters frequently invoke Mahatma Gandhi's tradition of non-violent protest. No doubt, numbers gave strength to Gandhi's movements. Yet there is a distinction between *satyagraha* and coercion. Gandhian *satyagraha* placed suffering upon the protester himself. Its moral strength came from the *satyagrahi* to bearing the consequences of his resistance.

Coercive protest reverses that principle: it seeks to impose the cost upon somebody else — the government, commuters, citizens, institutions or society at large. The distinction between non-violence and coercion cannot rest on whether someone carries a gun.

The emergence of the Cockroach Janta Party, its mobilisation through social media and its ability to force the resignation of a minister have introduced a new dimension to protest politics. The PM's initiatives addressing the concerns of youth, as well as his warning against 'Dimagi Naxals' may be viewed in this context. Most recently, the Tamil Nadu government directed authorities to prevent students from participating in protests organised by Left parties and the CJP. Following criticism that the directive infringed democratic freedoms, it was withdrawn. Finding the balance between democratic freedom and public order remains a challenge.

An equally disturbing manifestation is visible in our political institutions. Parliament should be the foremost forum for contesting ideas. Yet political victory is increasingly sought through disruption rather than debate. The capacity to prevent the other side from speaking can begin to appear more valuable than the ability to answer its arguments.

Why should a country regard disruption as an effective parliamentary weapon? Two models of democratic politics confront us:

1. Dissent —> Protest —> Pressure —> Coercion —> Institutional paralysis
2. Dissent —> Debate —> Persuasion —> Parliamentary decision —> Democratic accountability

A democracy must protect dissent, including dissent that is uncomfortable, radical or critical of those in power. It must equally protect society against violence, incitement and coercion masquerading as democratic protest. Democracy does not give the protester an unlimited right to impose costs upon everybody else in order to make that persuasion effective.

Challenges ahead as Punjab bets big on digital universities

SS SEKHON
FORMER PROFESSOR,
GURU NANAK DEV UNIVERSITY

THE decision of Punjab to pave the way for three private digital open universities marks one of the most significant developments in the state's higher education landscape in decades. Yet before these institutions begin admitting students, parents and policymakers are asking a fundamental question: Can a university without a traditional campus deliver education of the same quality and credibility as one built around classrooms and laboratories?

Learning beyond the classroom is not new. Correspondence courses once delivered lessons through the postal system, while radio and television later extended instructions to remote communities. The United Kingdom's Open University, established in 1969, showed that flexible education could become a credible large-scale model. India followed with IGNOU in 1985. The Internet and smartphones then transformed distance education into interactive online learning as live and recorded lectures, digital libraries, online discussions and electronic assessments made education less dependent on location. Covid-19 accelerated the acceptance of technology-enabled education while revealing both its possibilities and limitations.

Digital open universities represent the latest stage of this evolution. Unlike conventional institutions organised around physical campuses, they are designed around digital platforms: Students may attend virtual classes, access e-libraries, submit assignments and receive academic support online. Artificial intelligence can further personalise learning by identifying knowledge gaps and recommending study resources. An institution's credibility depends upon the quality of its faculty, curriculum, assessment, governance, research and student support.

For students and parents, the validity of online degrees is the foremost concern. Under the University Grants Commission (UGC) regulations, a recognised degree offered through an approved online or open and distance-learning mode is treated as equivalent to the corresponding conventional degree. Recognition, however, is not automatic. Students must confirm that both the university and the particular programme are approved for the relevant academic session.

Punjab is not new to open higher education. The state has Jagat Guru Nanak Dev Punjab State Open University in Patiala. What distinguishes the latest initiative is the proposed establishment of private, digital-first universities under a dedicated policy framework that makes such expansion timely.

iSTOCK

SHIFT : Such universities represent the latest stage of evolution.

The National Education Policy 2020 promotes flexible learning, multidisciplinary education, multiple entry and exit options and greater use of technology. It aims to raise India's gross enrolment ratio in higher education from 30% in 2013-2014 to 50% by 2035. Achieving that target via conventional campuses alone would be financially and logistically difficult. Digital education can complement campus-based learning.

Further, as employment skills become outdated more quickly than before, professionals increasingly need short courses, specialised certificates and opportunities to return to education without leaving their jobs. Modular courses that can be combined towards a larger qualification could make lifelong learning more practical.

High-quality content, technical assistance and student support should be available in Punjabi as well as English.

These institutions can be valuable for working professionals, women balancing employment and family responsibilities, learners with disabilities and students in remote areas. They can reduce the costs of travel, accommodation and relocation. In Punjab, this flexibility may help rural students unable to move to major educational centres.

Yet digital education is not a universal remedy. Under the UGC regulatory framework, fully online or open-distance degrees are not permitted in several practice-intensive fields, including medicine, engineering, nursing, law, agriculture, pharmacy and architecture, since such disciplines require laboratory work, clinical experience, supervised practice or field training that cannot be replicated through a computer screen.

Online learning also places greater responsibility on students. It demands self-discipline, motivation and effective time management. Learners may miss the mentoring, friendships, peer interaction and personal development central to campus life. A university is also a community in which students encounter new ideas, debate and collaborate.

The digital divide presents another challenge. Reliable Internet access, suitable devices and digital literacy are not evenly distributed across Punjab and a system designed mainly for students with high-speed broadband, personal computers and fluent English could deepen inequalities. High-quality content, technical assistance and student support should therefore be available in Punjabi as well as English.

Punjab has one of India's highest densities of higher education institutions, yet many colleges face falling enrolments due to demographic change, migration and shifting career aspirations. The real challenge for the proposed universities will be to expand educational opportunities rather than merely redistribute existing students.

Universities earn their reputation over decades, not through digital platforms but through consistent academic standards, institutional integrity and the achievements of their graduates. Their success should not be judged only from admission numbers. Building such institutions requires strong academic leadership, faculty and quality assurance. Digital institutions must also protect student data and maintain the integrity of online assessments.

Parents and students should examine a digital university with the same seriousness as any conventional institution. Its statutory status, UGC recognition, programme approvals, faculty profile, curriculum, examination system, graduate outcomes and links with employers matter far more than an impressive website or sophisticated software.

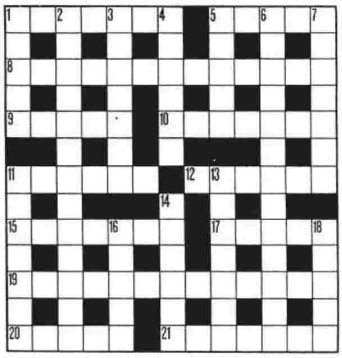
Such universities should not be viewed as a threat to conventional institutions. Traditional universities are adopting online courses and digital resources while successful open universities recognise the importance of mentoring, research and practical exposure.

Punjab's initiative is therefore timely and significant. If these universities maintain rigorous standards, respect regulatory boundaries and remain focussed on learning rather than technology, they could widen access to quality education and promote lifelong learning. However, if academic integrity is compromised, they could become little more than degree-delivery platforms.

Universities are communities devoted to creating, questioning and sharing knowledge. Digital technologies may remove walls and redefine classrooms, but they cannot replace the values that sustain great universities. The true measure of a digital open university will be whether its graduates can think critically, continue learning and contribute meaningfully to society.

Ultimately, the future of higher education will be shaped not by universities without walls, but by universities where technology expands opportunity while academic excellence remains non-negotiable.

QUICK CROSSWORD



ACROSS

1 Restrain (7)
5 Decisive moment (5)
8 Completely intact (3,2,3,5)
9 Capital of Tibet (5)
10 Slip back (7)
11 Undoubtedly (6)
12 Chink (6)
15 Inconvenience (7)
17 Indistinct (5)
19 Lose one's impetus (3,3,2,5)
20 Be worthy of (5)
21 Held up (7)

DOWN

1 As the total (2,3)
2 Clandestine (4-3-6)
3 Bind up a wound (7)
4 The holding of office (6)
5 Part of the eye (5)
6 Low-priced (13)
7 As a result of that (7)
11 Provisional (7)
13 No (7)
14 Formally endorse (6)
16 Forthright (5)
18 Faint-hearted (5)

Yesterday's Solution

Across: 1 Maybe, 8 Borne out, 9 Slant, 10 Far-flung, 11 Bluff, 12 Web, 16 On edge, 17 In hand, 18 Don, 23 Bribe, 24 Mean well, 25 Heron, 26 Take note, 27 Adieu.

Down: 2 All along, 3 Bona fide, 4 To date, 5 Unify, 6 Forum, 7 Stage, 12 Wed, 13 Bin, 14 Sharp end, 15 One by one, 19 Of late, 20 Smith, 21 Lanky, 22 Swine.

SU DO KU

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

MEDIUM

YESTERDAY'S SOLUTION

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

CALENDAR

AUGUST 20, 2026, THURSDAY

- Shaka Samvat 1948
- Shravan Shaka 29
- Bhadrapad Parvishte 4
- Hijari 1448
- Shukla Paksha Tithi 8, up to 9:19 pm
- Indra Yoga up to 4:26 am
- Vishakha Nakshatra up to 9:09 am
- Moon in Scorpio sign
- Shri Durgashtmi

FORECAST

SUNSET: THURSDAY 18:59 HRS
SUNRISE: FRIDAY 05:53 HRS

CITY	MAX	MIN
Chandigarh	34	23
New Delhi	33	27
Amritsar	31	26
Bathinda	35	26
Jalandhar	31	25
Ludhiana	33	26
Bhiwani	35	25
Hisar	34	26
Sirsa	34	26
Dharamsala	25	19
Manali	25	19
Shimla	23	17
Srinagar	27	21
Jammu	31	26
Kargil	33	16
Leh	28	13
Dehradun	31	23
Mussoorie	24	17

TEMPERATURE IN °C

Editor's TAKE

BJP's generational reset without changing the core

The BJP's new national team under president Nitin Nabin signals change, but not a departure from the party's established organisational architecture

The BJP's new national team is less a rupture than a carefully calibrated reset. Of the 65 office-bearers announced under party president Nitin Nabin, 51 are new faces. The list includes 13 vice-presidents, eight general secretaries, 16 secretaries and a reworked media and social-media apparatus. Yet the retention of BL Santhosh as general secretary (organisation) – one of the party's most powerful posts–makes clear that continuity remains as important as change.

With crucial Assembly contests approaching and the 2029 Lok Sabha election already shaping organisational calculations, the BJP needs a team capable of managing states, social coalitions and campaign narratives simultaneously. Uttar Pradesh receives particular attention, while experienced leaders such as Vasundhara Raje Scindia, Piyush Goyal and Ram Madhav provide political weight. Smriti Irani's return as a general secretary adds a forceful communicator with a strong public profile.

But the most important backdrop is not merely electoral. It is the widespread youth anger expressed through recent protests over examination irregularities, paper leaks, unemployment and institutional accountability. The protests demonstrated that the new generation is not politically aligned with the BJP by default. Online reach, nationalism and welfare delivery may mobilise support, but they cannot substitute for credibility on jobs, education and opportunity.

The change in the social-media leadership – Deepak Mhaskey replacing Amit Malviya, who had occupied the post since 2015–is therefore significant. The BJP appears to recognise that its digital strategy cannot remain focused only on message amplification and partisan combat. The creation of additional social-media positions suggests an effort to make the party's digital communication more distributed and responsive.

The message to the new generation is unmistakable: the BJP wants to look younger, more diverse and more technologically alert. The new team includes six members below 40 and 15 between 40 and 49, along with a notable presence of women and minority-community leaders. These numbers are intended to convey mobility within the organisation and to reassure younger voters that the party is not closed to generational change. The BJP has changed its personnel, its communication structure and, to some extent, its social signalling. What has not changed is the centralised decision-making model, the continuing influence of the RSS network and the reliance on a familiar ideological vocabulary. Santhosh's retention confirms that the organisational core remains intact.

The new team, then, is an attempt to refresh the vehicle without changing its engine. Whether it succeeds will depend not on how many new names appear on the list, but on whether the party can convert generational anxiety into genuine political dialogue. The protests have shown that India's youth are not merely an audience to be addressed. They are a constituency demanding to be heard. And the political party seeking their support must listen to them.

Gelephu: Bhutan's bet, India's gain

Bhutan's ambitious Gelephu Mindfulness City is emerging as a strategic bridge between the Himalayan kingdom, India and the wider Asian economy. For New Delhi, the 2,600-sq-km project offers an opportunity to deepen connectivity, trade and energy ties with Bhutan while countering China's growing footprint along the Himalayan frontier

PARUL CHANDRA

Announced in December 2023 by King Jigme Khesar Namgyel Wangchuck, the mega Gelephu Mindfulness City (GMC) project is aimed at creating a transformative economic hub in southern Bhutan. For India, GMC is far more than a neighbouring infrastructure project. Situated close to the border with Assam, the initiative directly intersects with India's regional integration goals, security calculations, and economic ties in the Eastern Himalayas.

This project, under which an autonomous special administrative region (SAR) has been created, is spread over a vast area of 2,600 square km. Its primary objective is to develop the region as an economic hub and forge strong linkages with the global economy while taking care to preserve Bhutan's environment and cultural ethos. India strongly supports the initiative, recognising substantial strategic gains while countering growing Chinese influence in the region. Earlier this month, when the Bhutanese king went for a visit to Gelephu along with Prime Minister Tshering Tobgay and Royal Bhutan Army's chief operations officer, Lieutenant General Batoo Tshering, to review the ongoing work, Indian ambassador Sandeep Arya accompanied the delegation.

Key representatives from Indian agencies assisting Bhutan were also present, including the IMTRAT (Indian Military Training Team) commandant and the chief engineer of Dantak -- the overseas arm of India's Border Roads Organisation, which is executing crucial infrastructure projects in Bhutan. For India, the GMC project will enhance physical connectivity with its close neighbour, deepen economic linkages, and boost energy security through hydropower projects expected to come up there. Crucially, it also signals to the world, especially China, how deeply intertwined India and Bhutan's strategic and economic interests remain.

This comes as China continues to press Bhutan, with whom it shares a 477-km-long border, to develop bilateral ties. While Bhutan does not have formal diplomatic relations with China, it frequently faces Beijing's strong-arm tactics on boundary issues, including attempts to grab territory. While Bhutan and China have been holding negotiations since 1984 to settle their boundary dispute, there has been no resolution yet. The Bhutan-China boundary dispute obviously has strategic and security implications for India. China, for instance, lays claim to Bhutan's Doklam plateau, which overlooks India's vulnerable Siliguri corridor connecting its northeast to the mainland. The 73-day military standoff at Doklam in 2017 occurred when Indian troops stepped in to block the People's Liberation Army from extending a motorable track towards the strategic Jampheri Ridge there.

> THE GMC PROJECT REPRESENTS A TRANSFORMATIVE CONVERGENCE OF BHUTAN'S SOCIO-ECONOMIC ASPIRATIONS AND INDIA'S CORE STRATEGIC IMPERATIVES. FOR BHUTAN, IT OFFERS A VITAL PATH TO STEM YOUTH MIGRATION, MODERNISE ITS ECONOMY, AND INTEGRATE INTO GLOBAL SUPPLY CHAINS WITHOUT COMPROMISING ITS DISTINCT CULTURAL IDENTITY

With Bhutan remaining mindful of India's strategic interests, deep cooperation on the Gelephu project is a vital element of its outreach to Thimphu. The initiative will also help further consolidate India's linkages with the Himalayan kingdom that's been gradually working to shed its isolationist past. While India remains its closest partner, Thimphu has been engaging with many more countries in an attempt to broad-base its foreign relations.

Bhutan's past isolation stemmed not just from its rugged, landlocked mountainous terrain but also from a deliberate desire to preserve its culture, environment and sovereignty. However, modern economic realities in a globalised world and the aspirations of its people, especially the youth, are driving deeper engagement with the outside world. Bhutan now has diplomatic relations with approximately 60 countries, though it remains wary of establishing formal diplomatic ties with the P5 countries. This shift marks a major evolution for a nation that transitioned from an absolute monarchy to a democratic constitutional monarchy only in 2008. While there is an elected government in Bhutan now, the Druk Gyalpo (Dragon King) commands immense respect and authority, making his personal backing of the GMC project pivotal.

Bhutan also hopes that the economic growth which will come with the project will create job opportunities for its educated youth, who have been exposed to the outside world via social media, and arrest their migration to other countries. Educated Bhutanese youth and skilled professionals have been migrating abroad in huge numbers, with Australia being a favoured destination. Many have also moved to the Middle East. For a country with a small population, this large-scale migration threatens long-term demographic stability.

For Bhutan, the project is a huge gamble. If it takes off, the project can be a catalyst for its economic growth, trade and physical connectivity not just with India but even beyond to the Southeast Asian region. It needs India and other countries to help develop it and invest in it. To encourage private businesses to be part of the project, Bhutan has chosen to use Singapore's laws for corporate and commercial matters and Abu Dhabi Global Market regulations for financial services in GMC. Reflecting this broader economic opening, Bhutan also resumed negotiations in July this year to join the World Trade Organisation (WTO) after an 18-year hiatus.

With connectivity being important, an international airport is also on the anvil in Gelephu, which will be Bhutan's second such airport after the one in Paro. Simultaneously, India has also already promised assistance to Bhutan for two vital rail links. One will be the 69-km rail link from Gelephu to Kokrajhar in Assam. This is expected to help Bhutan access Indian ports. Signalling its strong backing for the Gelephu project, India has declared this link a special railway project. The other 17-km rail link will be between Samtse in Bhutan, which is being developed as an industrial hub, and Banarhat in West Bengal.

Ultimately, the GMC project represents a transformative convergence of Bhutan's socio-economic aspirations and India's core strategic imperatives. For Bhutan, it offers a vital path to stem youth migration, modernise its economy, and integrate into global supply chains without compromising its distinct cultural identity. For India, it secures a crucial buffer against growing Chinese influence along the Himalayan frontier while cementing a high-stakes geopolitical alliance rooted in shared growth and regional stability.

The writer is a policy analyst and writes on national and international issues

PIC TALK

A flock of Baya Weaver birds feeds on grains, in Nadia district, West Bengal. PHOTO: PTI

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Neglecting our real home can be quite painful

AJIT KUMAR BISHNOI

2ND OPINION

I habitually look out of my window to soak in the surrounding greenery. Recently, I noticed a gate of the house opposite mine being painted. To my surprise, this exercise took more than a week. I wondered what was going on in the mind of the owner all this time, with television, newspapers, the internet, etc. spewing negative news on a continuous basis. Yes, all kinds of dirt are finding a place in our mind all the time. Why is it so harmful will become clear as you read this article.

We, souls, have material bodies. Additionally, we also have a subtle body, comprising three faculties, which are mind, intelligence and 'ahankar' (ego). The faculty of mind has three functions, which are thinking, feeling and willing. The feeling part is very crucial. Whatever emotion we have at any particular time is felt through the mind only. For example, if something nice happens, we will feel happy, unless the mind is already disturbed due to a serious problem. What does this tell us? That the mind must always be peaceful to have a normal reaction/life.

It may sound startling, but the mind is the real home of a soul; I am referring to us. A brick-and-mortar home is for our material body. Don't we remain in this real home wherever we go? For example, one is sitting in a beautiful park but is lost in thoughts. Does he enjoy the beauty of the park? Similarly, all the comforts and facilities of a house mean nothing if the mind is obsessed with some problem. It gets worse in old age when one has fewer physical engagements. The enforced loneliness hurts more if the mind is allowed to harbour harmful emotions like greed, anger, lust and hate. Peace is lost, and depression, fears, worries and anxieties dominate the mind. A lovely, well-painted house does not help in getting sound sleep.

All is not lost, though. God can help, and only God can help. This is another reality. The mind is very powerful, as pointed out by Arjuna in verse 6.34 of the Bhagavad-Gita, and confirmed by Lord Krishna in the next verse. Being self-sufficient has limits; this excellent quality does not extend to the control of the mind. It has been tried unsuccessfully over the ages.

Therefore, let us drop our ahankara and take shelter of God and remain there. This means that we must find some ways to connect with God. What better way is there than chanting God's names? Aren't we already used to chanting, yes, our own name by 'mein, mein, mein' (I, I, I)? We just have to switch to the name of God like Krishna, Rama and Shiva. The cleansing of the mind will begin. Gradually, the mind will become peaceful. Surely, one would thank God and be very grateful from the heart for this great mercy of granting the rare peace. Our real home will become very beautiful, better than a well-painted gate.

The writer is a spiritual teacher and a columnist

HUMANITARIANISM NEEDS PROTECTION, FUNDING AND GRASSROOTS ACTION

The editorial, 'The Courage That Refuses to Look Away' (19 Aug), rightly reminds us that humanitarian workers need not only protection but also predictable funding rather than ceremonial applause.

Whether a catastrophe is man-made, such as war, or caused by nature, suffering invariably extends beyond the capacity of the State. Governments can mobilise resources and institutions can coordinate relief, but ordinary citizens, voluntary organisations, local responders and philanthropists often reach suffering people with food, medicines, shelter and compassion.

In war zones, humanitarian workers must be protected under international law, and attacks on them must not be tolerated. We must build a genuine humanitarian movement sustained by empathy, voluntary service and responsible giving. Indian scriptures have long emphasised the importance of service in our lives.

Such a movement can create trained community volunteers and local relief networks. Deprived sections also need support during peacetime. In India's colleges, NSS and NCC students should receive humanitarian training, supported through CSR funding, as government resources are limited. A culture of service can strengthen society's ability to respond to crises. Beyond emergency relief, it can foster compassion, responsibility and community participation. Humanitarianism should therefore become a shared social responsibility rather than remaining limited to moments of catastrophe.

BRIJ BHUSHAN GOYAL | LUDHIANA

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In not more than 250 words. We appreciate your feedback.

LETTERS TO THE EDITOR

India's election system inspires

Apropos 'Trump praises India's polls as Congress takes a swipe at CEC', the Election Commission of India (ECI) manages the world's largest elections. Conducting free and fair polls for such a vast population is a complex task that deserves international recognition.

This transformation gained momentum under former Chief Election Commissioner TN Seshan, who introduced strict reforms that made the electoral process cleaner, more transparent and organised.

Today, several nations have sought India's assistance and voting technology. Bhutan was among the first countries to use Indian Electronic Voting Machines (EVMs). Namibia procured Indian EVMs and later incorporated voter-verified paper audit trail (VVPAT) units. Nepal tested customised machines with ECI support, while countries such as Indonesia and the United States have shown interest in India's electoral system.

Political parties may raise concerns about EVMs and voter lists, but India's electoral system remains a remarkable achievement. Its use of technology and institutional reforms demonstrates how democracy can be strengthened while managing elections on an enormous scale.

N. SADHASIVA REDDY | BENGALURU

UPI fees could burden consumers

The Parliamentary Standing Committee on Finance has recommended the gradual introduction of a Merchant Discount Rate (MDR) on high-value merchant transactions, citing the rising cost of processing UPI payments.

Financial institutions reportedly incur around ₹20,700 crore in costs for processing UPI transactions, while the government has allocated only ₹2,000 crore to compensate for losses under the zero-MDR regime. If this gap continues, financial pressure on the UPI ecosystem could increase. While small shopkeepers and merchants may be exempted, larger merchants and high-value transactions could attract a fee. However, crucial questions remain: What should constitute a high-value transaction, and which categories of payments will be charged? More importantly, merchants may pass the additional cost to consumers, increasing their burden. UPI has become essential for everyday transactions because of its convenience and accessibility. If charges are introduced without adequate safeguards, consumers may reconsider digital payments and return to cash, bringing back concerns about carrying money and associated risks. Any policy change should therefore protect consumers while ensuring the financial sustainability of the UPI ecosystem.

DATTAPRASAD SHIRODKAR | MUMBAI

Protect captive elephants

AproposThe Supreme Court's recent directions for the welfare of captive elephants deserve serious attention and strict implementation. Mandating specialised elephant clinics, periodic health check-ups and individual medical records for every captive elephant is a significant step towards ensuring humane treatment.

These measures are particularly relevant to Kerala, where elephants are routinely used in temple festivals, religious processions and public functions. Prolonged captivity, arduous travel, excessive work, inadequate rest, poor nutrition and unsuitable living conditions can seriously affect their physical and psychological health. Regular medical examinations can help detect injuries, infections, malnutrition and stress-related ailments at an early stage.

Specialised clinics and detailed health records can ensure timely care and accountability. However, these directions will work only with strict enforcement, regular inspections and penalties for violations.

Traditional practices and public celebrations cannot come at the expense of animal welfare. Proper implementation of these directions can ensure that captive elephants receive the care, dignity and protection they deserve.

VINEETH KUMAR | KERALA

India's widening strategic front

The emerging Saudi-Turkey-Pakistan defence alignment in West Asia and Bangladesh's ongoing political transition present very different challenges, but both have implications for New Delhi's security calculus. India will need to combine credible deterrence with diplomatic agility to meet the challenge

KRIPA NAUTIYAL

India's strategic calculus in August 2026 is being tested on two increasingly important fronts: a new defence architecture taking shape in West Asia and a rapidly evolving political and strategic environment in Bangladesh on its eastern flank. Neither development warrants alarmism. But together they point to a more fluid regional order in which India will need strategic patience, credible deterrence and sustained diplomatic engagement. The first question is whether the Mecca Pact is symbolism or substance. On August 7, Saudi Arabia, Turkey and Pakistan signed the Makkah Joint Defence Agreement, declaring that an armed attack on one signatory would be treated as an attack on all - language clearly reminiscent of NATO's Article 5. The agreement builds on the Saudi-Pakistan Strategic Mutual Defence Agreement of September 2025, but its significance lies in bringing Turkey, with its substantial military and defence-industrial capabilities, into the arrangement. Initial assessments understandably differed. The agreement's collective-defence clause does not publicly specify the circumstances or mechanisms through which members would be obliged to respond.

This has led some analysts to view it as more a political signal than a fully operational military alliance. Saudi officials have also resisted portraying it as a formal "military axis". That assessment, however, needs updating. Turkey has now indicated that the three countries intend to establish high-level political and military coordination mechanisms, conduct joint exercises across land, sea, air and cyber domains, and cooperate in unmanned systems, electronic warfare and artificial intelligence. The agreement also envisages joint defence development, production and technology transfer.

These provisions give the pact a degree of institutional and technological substance beyond symbolism. Yet it would still be premature to call it a NATO equivalent. The three countries have different strategic priorities, military systems and threat perceptions. Saudi Arabia's principal security concerns remain centred on the Gulf and Iran; Turkey has its own ambitions and obligations as a NATO member; and Pakistan's strategic focus remains heavily influenced by India. The durability of the arrangement will therefore depend on whether the three can translate political convergence into sustained military interoperability. Lt Gen Syed Ata Hasnain has offered a useful caution against exaggerated threat perception.

The psychological boost to Pakistan is undoubtedly significant, but external strategic alignments are rarely permanent. The priorities of Riyadh, Ankara, Washington and Beijing can shift rapidly, while Pakistan's own tendency towards strategic overreach has historically carried costs. There is nevertheless a genuine Indian concern. Pakistan now potentially combines its nuclear capability and military experience with Turkish defence technology and Saudi financial and strategic weight. Turkey's expanding defence cooperation with Pakistan, particularly in drones and advanced military technologies, deserves close monitoring. The emerging arrangement could strengthen Pakistan's military modernisation even if the collective-defence clause is never tested. The pact also has an economic dimension.

Turkey's exclusion from the India-Middle East-Europe Economic Corridor (IMEC), combined with its interest in alternative connectivity routes, could complicate India's ambitions for regional connectivity. India should therefore continue strengthening its relationships with Saudi Arabia, the UAE, Israel and Qatar while maintaining pragmatic engagement with Ankara. Shashi Tharoor, writing recently on the pact, has similarly argued for a response combining deterrence, innovation and deeper Gulf engagement rather than panic. That broad approach is sensible. But India's strategic challenge extends beyond the Mecca Pact itself. It lies also to the east. The description of Bangladesh as "another Pakistan" was recently advanced by Sajeeb Wazed Joy, son of former Prime Minister Sheikh Hasina. Speaking from the United States to the Foreign Correspondents' Club in New Delhi, Joy alleged that Pakistan's ISI now has an "open hand" in Bangladesh, that convicted militants have been released and that banned Islamist groups such as Hizb ut-Tahrir are operating more openly. He warned that Bangladesh could become a source of future terrorist recruitment and described it as another Pakistan on India's eastern frontier. These are serious allegations, but they need to be viewed in context. Joy is a deeply interested participant in Bangladesh's internal political struggle, and his assertions cannot by themselves constitute an objective assessment of the country's strategic direction. Pakistan has also denied the allegations concerning ISI interference. Yet dismissing the concerns would be equally unwise. India's Parliamentary Standing Committee on External Affairs has already identified the growing influence of China and Pakistan in Bangladesh, along with the resurgence of Islamist forces, as significant strategic concerns. The committee has described the changing situation as one of India's most serious challenges in Bangladesh since 1971. Bangladesh is undergoing a profound political transition, with warmer ties with Pakistan, substantial Chinese influence and concerns over Islamist mobilisation. Yet it cannot simply be equated with Pakistan. India's priority should be to protect its interests whatever political direction Dhaka takes.

> TURKEY'S EXCLUSION FROM THE INDIA-MIDDLE EAST-EUROPE ECONOMIC CORRIDOR (IMEC), COMBINED WITH ITS INTEREST IN ALTERNATIVE CONNECTIVITY ROUTES, COULD COMPLICATE INDIA'S AMBITIONS FOR REGIONAL CONNECTIVITY. INDIA SHOULD THEREFORE CONTINUE STRENGTHENING ITS RELATIONSHIPS WITH SAUDI ARABIA, THE UAE, ISRAEL AND QATAR WHILE MAINTAINING PRAGMATIC ENGAGEMENT WITH ANKARA

That means strengthening border management, monitoring extremist and intelligence networks, watching Chinese and Pakistani strategic activity, and maintaining channels of communication with all major political constituencies. Taken together, the developments in West Asia and Bangladesh reveal a broader strategic challenge. On India's western flank, Pakistan is seeking to embed itself within a network involving Saudi Arabia and Turkey. On the eastern flank, Bangladesh's political transition is creating greater space for China and Pakistan. The two theatres are geographically separate, but their implications for India's security calculus could increasingly intersect. India should therefore resist the temptation to see every new alignment as an emerging anti-India bloc. Saudi Arabia has substantial economic and strategic interests in India, and Turkey's relationship with Pakistan does not automatically translate into a unified strategic front against New Delhi. Similarly, Bangladesh's current political transition does not predetermine its long-term strategic orientation. What India does need is preparedness for the possibility that these relationships could reinforce one another during a future crisis. Pakistan's diplomatic and military leverage could increase if it successfully converts bilateral partnerships into a broader strategic network. Turkish defence cooperation could enhance Pakistan's technological capabilities, while Chinese influence in Bangladesh could add pressure on India's eastern security environment.

The appropriate Indian response is therefore a combination of deterrence, diplomacy and strategic diversification. India must retain credible military preparedness on both its western and eastern fronts while simultaneously investing in economic partnerships, regional connectivity and political engagement. Its relationships with Saudi Arabia, the UAE, Israel and Qatar acquire added significance in this environment. Equally important is preserving India's long-standing economic, cultural and people-to-people links with Bangladesh across political transitions. The emerging regional order should not be viewed through a binary lens of friends and adversaries. The Mecca Pact may evolve into a significant security arrangement, or its ambitions may ultimately be constrained by the divergent interests of its members. Bangladesh may move closer to China and Pakistan, or eventually seek a more balanced external posture. The outcome will depend less on today's declarations than on how these relationships develop over time.

India's strategic advantage lies in retaining the freedom to engage all sides while firmly protecting its national interests. The answer to a widening strategic front is not to widen the definition of the threat, but to sharpen the quality of India's assessment and response. The region is entering a period in which old alignments are being reshaped and new ones are being tested. India's response must therefore be neither alarmist nor complacent. It must combine credible deterrence with active diplomacy, economic statecraft with technological preparedness, and vigilance with strategic patience. In an increasingly multipolar neighbourhood, India's greatest strength may ultimately be its ability to hedge without hesitating, engage without depending, and deter without overreacting.

The author is a retired Additional Director General of the Indian Coast Guard

The Monsoon Session adjourned without adieua

DEVENDER SINGH ASWAL

It is a well-established parliamentary convention to make a valedictory address before adjourning the House sine die. As a hallowed parliamentary practice, the valedictory address is given by the Speaker at the end of the last sitting of a session. The Speaker usually gives a brief summary of the legislation passed, Bills introduced, Bills referred to the Committees, time spent on discussions, etc. The Speaker also thanks the secretarial officers and staff for their hard work and cooperation and also the other agencies involved in servicing the House. The valedictory at the end of the last session of every Lok Sabha is more elaborate and full of nostalgic speeches. Ananthasayanam Ayyangar, the Speaker of the first Lok Sabha, in his valedictory address on 28th March 1957, profusely thanked the MPs for their industry, hard work and cooperation, the legislation passed, and appreciated all the secretarial officers and staff for their strenuous services.

A valedictory address by the Speaker is a parliamentary convention. It's not a mandatory constitutional or statutory requirement. Of course, it's another matter that the constitutionally binding direction to elect a Deputy Speaker has not been implemented as yet from the 17th Lok Sabha and as yet in the 18th Lok Sabha. In the absence of a constitutional provision, the Speaker can declare the House adjourned sine die without delivering a valedictory address or making remarks of farewell. However, the practice of making valedictory remarks has been in vogue right from the Constituent Assembly.

Dr Rajendra Prasad, in his address in the last sitting of the Constituent Assembly on 26th November 1949, gave vital information about the work of the CA and apprised the Members about the salient features of the Constitution, the labour of love involved and the expenditure incurred (?63,96,729).

It is interesting to recall that the 16th Lok Sabha, with 17 sessions, had invariably valedictory addresses. So was it during the 17th Lok Sabha, which had 15 sessions. In case the Speaker is not available, the valedictory reference is made by

the occupant of the Chair. As the 17th Lok Sabha did not choose a Deputy Speaker, the address was made by a member of the panel of Chairmen. This only reinforces the view that it is customary to follow parliamentary conventions and precedents to make a valedictory reference or address.

Therefore, it is quite unusual for the Speaker not to make a valedictory reference on the last day of the Session. However, there is an exception. The last Budget Session was adjourned sine die on 18th April 2026 after singing of the National Song without the customary valedictory speech. Since there is no constitutional provision or Rule, the absence of a valedictory address does not invalidate the adjournment or the session. The Monsoon Session ran from 20th July to 13th August 2026, with 19 sittings by each House. The Session had constant disruptions, though the Government managed to pass as many as 11 Amendment Bills by voice vote amid din and uproar, without discussion. Both the Houses faced constant sloganeering and logjams. Even the Question Hour, considered the most potent parliamentary device to secure accountability of the Executive, was disrupted.

The Question Hour in the Lok Sabha functioned barely for 1 per cent, while in the Rajya Sabha it was 12 per cent. Taken as a whole, the Lok Sabha utilised 15 per cent and the Rajya Sabha 33 per cent of their time. Of the 11 Bills passed by the Lok Sabha, nine were passed without the participation of any member. The Minister in charge introduced the motions for introduction of the Bills, for consideration and passing, and the Bills were passed by voice vote. Only the Public Examinations (Prevention of Unfair Means) Amendment Bill, 2026, witnessed participation by 48 MPs in the Lok Sabha and by 35 MPs in the Rajya Sabha. Unfortunately, the Session was marred by logjams and protests within the precincts of Parliament.

Not only the MPs of the principal Opposition parties but even the MPs on the Treasury benches held protests. The Opposition demanded a statement by the Home Minister, and the members of the Treasury benches wanted the resignation of the Leader of Opposition. Another memorable feature was that both the Prime Minister and the Home Minister made appearances in the Lok Sabha on 20th July, when the National Anthem - 'Jana Gana Mana' - was sung, and on 13th August, when the National Song - 'Vande Mataram' - was sung immediately before adjournment sine die.

It is considered befitting to make some courteous valedictory references to the Session that is coming to an end. Such a reference helps remove the sense of discomfiture or acrimony between the Treasury and the benches opposite. The omission of a valedictory speech by the Speaker is probably reflective of the prevailing state of lack of trust, anguish and despair. Be that as it may, the conspicuous departure from the well-settled and salutary practice does not bode well for our competitive parliamentary democracy, claimed to be the Mother of Democracy.

The author is former Additional Secretary, Lok Sabha

UP-Japan Investment Summit: Yogi's push to put UP on the fast track

ADVAITA KALA

There is a synchronicity to the UP-Japan Investment Meet this week.

It was in February this year that Uttar Pradesh Chief Minister Yogi Adityanath travelled to Japan. It was his maiden foreign trip in the last year of his second term. The preceding years had been spent preparing the foundation for what was to come.

And in August, it arrived.

More than 200 Japanese CEOs, industrialists, investors and policymakers are participating in the UP-Japan Investment Summit, a five-day engagement spanning Delhi, Lucknow, Agra, Greater Noida and Varanasi.

The delegation is led by Yamanashi Governor Kotaro Nagasaki. Yamanashi, the prefecture to the west of Tokyo, is known traditionally as the home of Mount Fuji but has developed a modern, almost futuristic character as an important centre for precision manufacturing, fuel-cell research and green hydrogen technology.

Green hydrogen technology is, in particular, very useful to an emerging manufacturing hub like Uttar Pradesh. Green hydrogen is produced by using renewable energy to split water and is seen as a way to decarbonize industries that cannot be easily electrified. It has potential applications as diverse as steel, chemicals and fertilizer production. An agrarian state like UP has a high dependence on the ammonia used in fertilisers; green hydrogen offers the possibility of reducing dependence on fossil fuels. The emphasis on green hydrogen indicates that the interaction is not simply about attracting Japanese investment but also the technology that a future-facing Uttar Pradesh will need to expand its industrial capability.

There is an understated cultural motive as well. Yamanashi has demonstrated how a region can preserve cultural provenance while also developing technological and manufacturing capabilities. This aligns with Yogi's emphasis on cultural preservation and continuity, without succumbing to a model of progress that creates distance from cultural inheritance in the name of modernity.

Encouragingly, the interaction seeks to become institutional as opposed to episodic. Governor Nagasaki has been an advocate for direct cooperation between Japanese prefectures and Indian states, creating an international economic corridor based on an exchange of strengths.

It would be easy to dismiss the headlines as another economic summit, but the story is deeper than the headlines suggest. Yogi's economic vision for UP is entering its next phase, after years spent laying the foundations necessary to position the once-BIMARU state as a reliable business partner. Domestic interest grew as his policies began to bear fruit on the ground. Japanese interest is the international dividend accrued after years of sustained effort to pull UP out of the margins of the India story.

And at the heart of this is Yogi's audacious goal of making UP a trillion-dollar economy.

For a state that was once central to conversations about developmental deficits and lawlessness, this aspiration signals a striking reversal: the Chief Minister, and by extension the state, is seeking to define itself by its possibilities rather than its problems.

This means Uttar Pradesh has to look outwards rather than inwards. Yogi's Japan outreach produced MOUs of around ?11,000 crore on the first day itself. But MOUs are promises on paper; what matters is what follows.

The arrival of such a significant and diverse Japanese delegation just six months later suggests that the conversation has moved beyond ceremony. Japanese executives are now evaluating specific opportunities, while projects involving Escorts Kubota and Minda Corporation, representing an investment of nearly ?3,200 crore, with the possibility of creating 10,000 new jobs, are moving to the ground-breaking stage.

This is bricks and mortar stuff, not paperwork.

Yogi's vision seems to divide UP's transformation into two seasons. The first was about constructing the foundations: law and order, expressways, airports, power supply, industrial corridors and administrative reform. The next is about setting the table, and the seats are filling up fast.

Those roads must now bring supplies and workforce to the factories; those new airports must connect UP to markets and expertise across the country and abroad. Industrial corridors must buzz with the turning of global supply chains. The trillion-dollar goal means UP's Chief Minister must sell UP not only in Mumbai and Bangalore but also in Singapore and Tokyo. Uttar Pradesh is now not only about change but about being competitive.

The trillion-dollar target is not simply a large number attached to a government presentation; it is an organizing principle. Will it move Uttar Pradesh from being primarily viewed through the scale of its problems to being understood for the scale of its economic potential? Yogi Adityanath has seen the possibility. Increasingly, so has the country. Will the world? Stay tuned. This is just the beginning of a new season.

The writer is an Indian author, screenwriter and columnist

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Pricing UPI

India's next UPI debate should not be reduced to a simple question: should digital payments remain free? The more consequential question is whether a system built as public digital infrastructure can acquire a sustainable economic model without damaging the extraordinary network it has created. The proposed merchant discount rate on UPI transactions above Rs 2,000 is therefore more than a technical change in payment economics. Properly designed, it could mark the beginning of a sensible transition from state-supported expansion to long-term sustainability. Poorly designed, it could weaken one of the most successful pieces of India's digital infrastructure. The case for charging is straightforward. UPI is not costless merely because the customer sees no charge. Banks, payment companies and the National Payments Corporation of India have to maintain technology, settlement systems, cybersecurity and fraud controls on a gigantic scale. Government support has helped sustain this ecosystem. But permanent subsidy is difficult to justify once a payment network has become indispensable to commerce. The real danger lies elsewhere. UPI's success was built partly on an unusually powerful incentive for merchants: accepting digital payments was almost frictionless. A QR code could replace a card terminal, and a shopkeeper did not have to calculate whether a small transaction was worth accepting. This mattered enormously in an economy where millions of tiny businesses operate on narrow margins.

That is why the proposed threshold matters. If a fee is confined to larger merchants and higher-value transactions, its economic effect should be manageable. A charge on a large retailer processing thousands of high-value transactions is fundamentally different from a charge on a street vendor, taxi driver or neighbourhood shopkeeper. The government should make that distinction permanent rather than treating it as a convenient starting point. There is also a lesson in the experience of Brazil's Pix. Instant payments need not remain commercially sterile forever. A successful public payment infrastructure can permit businesses to pay for services while protecting individuals and encouraging widespread adoption.

India should learn from that model without assuming that what works in Brazil can simply be transplanted here. The political difficulty is that Indians have come to regard UPI as part of everyday life. Any fee risks being perceived as the government taking away something that was deliberately made universal. Even when the charge is imposed on merchants rather than consumers, businesses may eventually pass some of the cost on through prices.

The answer is not to preserve zero pricing indefinitely. Nor is it to hand the payment ecosystem over to purely commercial incentives. India should use the proposed Rs 2,000 threshold as a carefully defined boundary: large merchants and high-value transactions can contribute towards maintaining the system, while small merchants and low-value transactions remain protected. The revenue should strengthen payment infrastructure rather than simply become another source of easy income for financial intermediaries. UPI was a remarkable policy achievement because India built the infrastructure before trying to extract maximum commercial value from it. The next stage must preserve that principle.

Venezuela's Test

Venezuela has reached a strange political moment. Nicolás Maduro is gone, yet the political system he built has not disappeared with him. Delcy Rodríguez, once his deputy, remains in charge, while Washington is simultaneously pressing her government towards institutional reform and exercising unprecedented influence over the country's oil industry. The result is neither a clean democratic revolution nor a simple continuation of Chavismo. It is an experiment whose outcome remains uncertain.

There are reasons for optimism. Government and opposition representatives have begun serious negotiations, and their first concrete breakthrough is significant: they have agreed to renew Venezuela's Supreme Court, an institution long compromised by political control. They are also discussing electoral reforms and the release of political prisoners. Such changes matter because elections are meaningless if the courts, electoral authorities and security institutions remain instruments of the ruling party.

US Secretary of State Marco Rubio's approach deserves credit for recognising this. Democracy cannot be restored simply by removing one dictator and immediately holding another election. Venezuela needs institutions capable of surviving an election. The sensible sequence is to rebuild those institutions, revive the economy and then allow Venezuelans to choose their government. But there is a dangerous contradiction at the heart of the process. María Corina Machado, arguably Venezuela's most powerful opposition leader, is not at the negotiating table. The United States has instead backed a different opposition delegation. Machado has chosen not to sabotage the talks, which is politically responsible. But a democratic transition that sidelines the politician with the strongest popular mandate cannot indefinitely claim democratic legitimacy.

The greater danger lies in Venezuela's oil. America now exercises enormous influence over the country's petroleum revenues and has encouraged international energy companies to return. That could finance reconstruction after years of economic collapse. But without transparency and a clear timetable for restoring Venezuelan control over resources, economic reconstruction could easily become another form of political dependence. This is why the ultimate question is not whether Washington can force change. It plainly can.

The question is whether it will accept the consequences of genuine democracy. A freely elected Venezuelan government may be friendly to America. It may also demand control over its oil, resist American preferences or establish closer relations with countries Washington dislikes. Democracy means accepting that possibility. That is the test for Rubio. If America uses its extraordinary leverage to create independent courts, credible electoral institutions, political freedoms and genuinely competitive elections, its intervention could produce something rare in the history of foreign interventions: a country that becomes more sovereign because an outside power intervened.

If, instead, Washington decides that a compliant government and reliable access to oil are more valuable than political freedom, Venezuela will merely exchange one form of domination for another. For now, the opening is real. But democracy will not be proved by the promises made in Caracas. It will be proved when Venezuelans are finally free to choose a government that Washington did not choose for them.

Beyond Protest

Every generation has the right ~ and indeed the responsibility ~ to question inherited political institutions. But no movement should assume that opposition to the existing order automatically generates a better alternative. History repeatedly shows that resistance and reconstruction are not identical processes

Democratic societies need protest. They need citizens who question authority, challenge injustice and remind governments that public power is never absolute. A society without dissent gradually loses its democratic vitality. In that sense, the resurgence of public protest in India deserves to be welcomed. At a time when many had begun to believe that speaking out had become futile, the willingness of young people to occupy public spaces and articulate disagreement has restored an important democratic impulse.

Yet an important historical question remains largely unasked: Does protest by itself create a new politics?

A student of history of modern India would find this question more significant than asking whether a movement is for or against a particular government. The real test of any movement is not the intensity of its resistance but the quality of the political vision it leaves behind. Protest is indispensable, but protest alone does not transform societies. Movements become historically significant only when they create a new political imagination.

This distinction is particularly important in contemporary India.

A movement that begins in a university campus and spreads to Delhi or other metropolitan streets undoubtedly acquires visibility. It may dominate public debate and television screens. But geographical expansion should not be confused with social expansion. A movement that reaches the national capital does not automatically become a national social movement.

India is not defined only by its universities, metropolitan middle classes or politically articulate urban youth. It is also the India of farmers, industrial workers, informal labour, small entrepreneurs, women, unemployed youth, Dalits, Adivasis, religious minorities, lower middle classes, small towns and villages. Each inhabits a different social reality, carries different anxieties and nurtures different aspirations.

A movement acquires national significance only when these diverse sections begin to recognise their own concerns within its language and programme. Visibility is not the same as social legitimacy. A crowd in the capital is not necessarily the voice of the nation. Therefore, the challenge before any contemporary movement is not merely to travel from the campus to the street. It must travel from the street to society.

That journey requires far more than organisational expansion. It requires listening before mobilising. It requires understanding India's cultural memories, moral traditions, social diversity and democratic experiences. Only then can protest evolve into a new political vision.

History offers valuable lessons.

The Indian national movement was undoubtedly a struggle against colonial rule. Yet its lasting achievement lay elsewhere. Under Gandhi's leadership it did not merely oppose British power; it transformed the language of Indian politics.

Satyagraha, non-cooperation and civil disobedience were not simply techniques of resistance. They rested upon a deeper understanding of politics as a moral relationship between power and society. Gandhi did not treat ordinary Indians merely as participants in demonstrations. He transformed them into political actors capable of exercising ethical responsibility.

Equally important, the movement engaged creatively with India's social and cultural realities. Concepts such as truth, self-restraint, service, sacrifice and non-violence were not imported abstractions. They drew upon ethical traditions already embedded in Indian society while giving them a modern political meaning. Khadi, constructive work, village reconstruction and campaigns against untouchability ensured that politics was linked to social transformation rather than remaining confined to state power alone.

This was not merely resistance. It was the creation of a political civilisation.

The socialist tradition, despite its internal differences, also attempted something similar. Leaders such as Ram Manohar Lohia and later Jayaprakash Narayan sought to adapt socialist ideas to India's own social realities. Caste, decentralisation, language, village life and democratic participation became integral to their political thinking. JP's call for "Total Revolution" certainly had its limitations, and subsequent political developments did not fulfil many of its aspirations. Yet it represented an effort to rethink politics beyond elections and governmental change. It sought moral regeneration alongside institutional reform. These movements remind us that political change requires more than mobilisation. It requires a new way of imagining society itself.

The Naxalite movement presents a different historical experience. There is no reason to deny that it highlighted genuine questions of rural exploitation, land inequality and social injustice. Nor should one ignore the courage and personal sacrifice of many young people who joined it. Historical honesty demands that these dimensions be acknowledged.

HITENDRA PATEL

The writer is Professor of History, Rabindra Bharati University

Yet moral commitment alone does not produce a durable political vision.

Much of the revolutionary literature of the period placed armed struggle at the centre of politics. Parliamentary democracy was frequently treated not as an imperfect institution requiring democratisation but as a structure to be rendered unworkable. Violence was often justified as a historical necessity rather than examined as a political and moral problem. Social conflict became the organising principle through which society itself was understood.

The limitation of this political imagination lay not simply in its advocacy of violence. Its deeper limitation was that it attempted to interpret Indian society through a pre-existing revolutionary framework rather than allowing Indian realities to reshape its political categories.

Religion, family, community, ethical traditions and cultural plurality were frequently viewed primarily as obstacles to revolutionary transformation rather than as social realities demanding democratic engagement. Politics consequently became centred upon confrontation instead of conversation.

No movement can build a broad democratic culture if it primarily imagines society as a permanent battlefield divided between enemies rather than citizens. This historical lesson remains relevant today.

Every generation has the right ~ and indeed the responsibility ~ to question inherited political institutions. But no movement should assume that opposition to the existing order automatically generates a better alternative. History repeatedly shows that resistance and reconstruction are not identical processes.

The 21st century presents challenges very different from those that shaped 20th century politics. Globalisation, artificial intelligence, digital technologies, climate change, insecure employment, demographic shifts and deepening inequalities have fundamentally altered the conditions under which democracy functions. Young Indians seek not only political freedom but meaningful work, quality education, social dignity, environmental security and participation in shaping public life. These aspirations cannot be addressed simply by repeating the ideological vocabulary of earlier decades.

This is why contemporary movements need something larger than protest. They need a political imagination adequate to the realities of our own century.

Such an imagination cannot emerge merely from ideological certainty. It must emerge from sustained engagement with Indian society in all its complexity. It must speak not only to campuses but also to villages, industrial belts, informal workers, small businesses, women, migrants and local communities.

It must combine constitutional values with social trust, economic opportunity with democratic accountability, technological change with ethical responsibility and social justice with cultural pluralism.

The task before movements today is therefore not simply to oppose governments but to educate citizens, deepen democratic habits and widen public participation. They must demonstrate not only what they oppose but also what kind of India they wish to build.

Do they strengthen democratic institutions or merely dismiss them? Do they encourage dialogue across differences or deepen permanent polarisation? Do they cultivate responsible citizenship or only perpetual mobilisation? Do they create a language capable of bringing diverse social groups together?

These are the questions that determine whether a movement enters history as a passing episode or as a transformative force.

Political history ultimately teaches a simple but profound lesson. Governments change; parties rise and fall; leaders come and go. What endures is the political culture that movements leave behind.

The true measure of a movement, therefore, lies not in the size of its rallies, the passion of its slogans or the discomfort it causes those in power. Its real significance lies in whether it enlarges the democratic imagination of society.

India today needs protest. But it needs something even more. It needs movements capable of transforming dissent into democratic vision, resistance into reconstruction, and anger into a shared imagination of the future.

Only then will protest become history rather than merely headline.

CHINA DAILY

Artificial intelligence can clone actor, not life

Han is not simply a digital copy of Qi. She has her own name, appearance and story. In other words, Qi has not just lent her face to a machine but created a character capable of performing without her being physically present.

A similar experiment is underway in the United Kingdom, where Particle6, an AI film company, has announced a feature film, Misaligned, starring Tilly Norwood, an AI-generated performer. Hong Kong actor Lawrence Ng, meanwhile, has authorized the use of his likeness to recreate his younger self for an AI film.

These developments point to a change that is easy to underestimate. For more than a century, acting required a body. Now, it may require only the rights to one.

For producers, the appeal is obvious. A digital performer doesn't have to catch a flight to the set or make room in an already crowded calendar. The character is always available, can be altered at will and can return whenever the story demands it. In an industry that is constantly under pressure to produce more while spending less, the temptation is hard to resist.

This is where digital performers may find an easy foothold: short dramas, AI animation and the other corners of entertainment built on speed and volume. When producers are expected to keep churning out new stories, having a performer who is always available and never ages is an offer that is difficult to ignore.

A Member Of The ANN ASIA NEWS NETWORK

The people most vulnerable may not be celebrities. They may be the actors who have not yet become them.

For generations, young actors have worked their way into the profession through small parts ~ a waiter with a line or two, a neighbor who appears briefly in the background, an extra who spends a day on set for a few seconds on screen. None of these jobs is glamorous, but they give aspiring actors their first chance, teach them the rhythms of a set and help them find a place in the industry.

If digital characters take over such work, something more important than a few paychecks could disappear. The industry could lose not just a pool of entry-level jobs, but also one of the pathways through which its next generation learns the craft. Yet, AI may also give established actors a new way to extend their careers. A digital likeness can turn an actor's face and voice into valuable commercial assets. An actor can be working on one production while an authorized digital version appears in another. A performer can play a younger version of himself decades later. In time, a digital character could continue appearing even after the actor has retired.

There is a certain poignancy to that possibility. Cinema has always preserved people against the passage of time. We watch old films to see actors as they once were. AI could allow those younger faces and familiar voices to return not just in old movies, but in new ones.

But that possibility comes with a price: control. Once a face and voice become digital assets, they can be copied as easily as they can be licensed. Actors will need much clearer rights over how their likeness is used, how long consent lasts, how they are compensated and whether a digital version can be repurposed for something the original individual never agreed to.

PERSONAL

ANNUAL General Meeting of Calcutta Y.M.C.A. will be held on Friday, the 4th September, 2026 at 12-30 p.m. at the Y.M.C.A., Chowringhee Branch, 25, Jawaharlal Nehru Road, Kolkata-700087. Mr. John Mazumdar, President of the Association will be in the Chair.

Letters To The Editor | editor@thestatesman.com

Food safety

Sir, There is urgent need to look at the growing food-safety concerns accompanying India's rapid quick-commerce expansion. The suspension of 14 food business licences linked to major delivery platforms by the Maharashtra government, is a serious warning that convenience cannot come at the cost of consumer health.

Quick-commerce companies are not merely technology platforms. Their dark stores and warehouses handle food, manage inventory and control storage and delivery. They must therefore accept clear responsibility for hygiene, freshness, temperature control and quality.

Incidents involving expired products, pests, rotten food and inadequate sanitation

reveal weaknesses that demand immediate correction. Consumers deserve transparency about where and how food is stored before it reaches their homes. Speed is undoubtedly the biggest attraction of quick commerce, but it should never override safety.

The industry can sustain public trust only when every minute saved in delivery is matched by uncompromising attention to food hygiene and consumer well-being.

Yours, etc., Vandana,
Chandigarh, 18 August.

Quick commerce

Sir, The Maharashtra Food and Drug Administration's suspension of 14 food business licences linked to Zomato-owned Blinkit, Zepto and Swiggy-owned Instamart should serve as a wake-up call for India's booming quick-commerce industry.

The inspections uncovered cockroach infestation, expired food products, poor storage conditions and sanitation failures in several dark stores and warehouses.

Similarly, in Bengaluru, recent food safety inspections unearthed expired food, rotten meat and vegetables, mislabelled products, poor storage practices and unhygienic conditions across food establishments.

Together, these crackdowns suggest that gaps in compliance are becoming a broader challenge as food delivery and retail systems expand faster than regulatory oversight.

As thousands of dark stores have mushroomed across Indian cities, inspection capacity has struggled to keep pace.

Unlike restaurants, whose kitchens are visible to customers, these warehouses remain hidden from public scrutiny. This moment calls for reforms that go beyond punitive action.

Mandatory third-party audits, public disclosure of inspection ratings, stronger cold-chain monitoring and digital traceability of inventory can strengthen accountability without stifling innovation.

Yours, etc., Khokan Das,
Kolkata, 18 August.

Real defeat of Naxalism

TUHIN A. SINHA

Naxalism was never merely a gun in the jungle. For decades, it survived as an ecosystem.

The Maoist with an assault rifle was its visible hardware. But behind that hardware existed a sophisticated ideological software: activists, intellectuals, lawyers and political sympathisers who repeatedly questioned the legitimacy of the State's response, romanticised revolutionary violence, opposed development projects in conflict zones and often converted the fight against a brutal insurgency into a morality play in which the State was perpetually cast as the villain.

This is the phenomenon Prime Minister Narendra Modi has described as the "*Dimaagi* Naxal."

The phrase deserves serious examination because the phenomenon is not new. Its vocabulary has evolved, its protagonists have changed and its methods have become more sophisticated. But the underlying instinct remains remarkably consistent: distrust the State, delegitimise its institutions, obstruct development and, whenever confronted with the consequences, shift attention from the violence of the insurgent to the supposed sins of the State.

Of course, criticism of government policy is legitimate and indispensable in a democracy. But there is a profound difference between dissent and an ideological ecosystem that appears instinctively hostile to the country's institutions, security apparatus and developmental ambitions.

That is where dissent ends and the *Dimaagi* Naxal begins. For decades, India's security forces fought an enemy that had perfected violence against some of India's poorest citizens. Maoists blew up roads, attacked police stations, killed elected representatives, extorted contractors, destroyed schools and intimidated villagers who refused to cooperate.

Yet the insurgency survived partly because its violence was accompanied by an ecosystem outside the forest.

The Supreme Court's 2011 judgment on Salwa Judum is an important part of this complicated history. Petitioners including Nandini Sundar and others challenged the State's handling of the counter-insurgency campaign, and the Court directed the State to desist from using tribal youth as armed Special Police Officers against Maoists.

The Court's concerns about constitutional governance and human rights must be respected. But another question also deserves to be asked: when the State's counter-insurgency architecture is dismantled or delegitimised, who fills the vacuum?

The Maoists do.

That is the paradox India has often struggled to articulate. A State fighting an armed insurgency must itself remain bound by law. But a democracy cannot afford a moral framework in which the violence of the insurgent becomes almost invisible while every action of the State is subjected to infinitely greater scrutiny.

The Maoists understood this asymmetry. They supplied the hardware. Their ideological ecosystem supplied the software.

Dr Binayak Sen became one of the most prominent faces of this debate. His conviction by a Chhattisgarh trial court in 2010, followed by the Supreme Court granting him bail, generated intense national controversy. The Court subsequently made an important distinction: mere sympathy with Maoist ideology, by itself, does not constitute sedition. That distinction is crucial. The argument is not that every critic of the State is a Maoist sympathiser, or that dissent should be criminalised.

The larger question is what happens when an entire intellectual ecosystem consistently produces narratives in which the insurgent's political grievance receives greater moral attention than the civilian, policeman, tribal villager or elected representative killed by the insurgent. That ecosystem did not disappear as Maoist influence declined. It evolved. Its vocabulary moved from "revolution" to "resistance"; from defending insurgents directly to opposing development projects; from Maoist rhetoric to a broader hostility towards mining, industry, infrastructure and the security establishment.

This is why "*Dimaagi* Naxal" is ultimately less about an individual's political label and more about a pattern of behaviour: an instinctive opposition to development, reflexive suspicion of national institutions and a willingness to turn every legitimate grievance into a larger narrative of institutional collapse. Something even more consequential has happened in recent years. The old ecosystem largely operated on the margins of mainstream politics. Today, elements of that operating style have entered the mainstream.

Rahul Gandhi's political trajectory offers a striking example. In 2016, amid the JNU controversy, Gandhi appeared at a protest involving student activists, including Umar Khalid. The episode became a national controversy over nationalism, free speech and alleged anti-India slogans. Whatever one's assessment of the subsequent legal proceedings, the political symbolism was unmistakable: a mainstream national leader was aligning himself with a campus movement that had become synonymous, fairly or unfairly, with the most radical edge of the political debate. What followed was a gradual narrowing of the distance between mainstream opposition politics and fringe-style confrontation.

Consider the spectacle at the India AI Impact Summit in February 2026. Youth Congress workers staged a shirtless protest at Bharat Mandapam during a major international technology summit. Gandhi subsequently praised his Youth Congress colleagues as "Babbar Sher."

The symbolism could hardly have been more revealing. At a global summit showcasing India's technological ambitions, sections of the opposition chose spectacle over substance.

And then came the July 21 protest outside the Prime Minister's residence, where Gandhi and other Congress leaders staged a dharna demanding the Prime Minister's resignation.

There is nothing inherently undemocratic about protesting against a government. But there is a qualitative difference between parliamentary opposition and politics that increasingly seeks to turn every institutional disagreement into a street confrontation with the State. The Leader of the Opposition is not a campus activist. He occupies a position of enormous constitutional and political responsibility.

When mainstream politics begins borrowing the tactics and theatricality of the fringe, it risks normalising a dangerous proposition: that institutions are legitimate only when they produce outcomes one approves of. Which brings us to P. Chidambaram. The former Home Minister has now declared himself "proud to be a *Dimaagi* Naxal." There is a striking irony in that statement.

Chidambaram once occupied the office responsible for combating India's internal security threats. And 2010 was among the bloodiest years of the Maoist insurgency, with more than 1,000 people killed in Left Wing Extremism-related violence. The irony therefore demands attention.

The man who once had responsibility for combating an insurgency that was

killing hundreds of Indians now proudly embraces a phrase associated with its intellectual ecosystem.

There was, interestingly, a moment when Chidambaram himself appeared to recognise the danger of this ecosystem. During the controversy surrounding the Kudankulam nuclear project in 2011, he criticised the role of Naxal elements in obstructing the project.

That recognition now appears to have been replaced by the compulsive politics of opposition.

This is perhaps the evolution of the *Dimaagi* Naxal. The original Naxal sought to destroy the State with a gun. The modern version often seeks to delegitimise the State with a narrative.

The ultimate test of whether India has defeated the Naxal ecosystem, however, is not simply the number of Maoists neutralised. It is whether the people who once lived under the shadow of the gun can finally live under the shadow of opportunity.

For decades, vast tribal belts were trapped between insurgency and underdevelopment. Roads became security targets. Schools became battlegrounds. Businesses stayed away. Investment became synonymous with exploitation in the dominant political narrative. The result was predictable: the very people supposedly being "liberated" remained among India's poorest and most isolated citizens.

That equation is changing. Bastar is now being positioned for a development-led transformation, with the Centre and the Chhattisgarh government focusing on infrastructure, livelihoods, education, skills and tribal empowerment. The objective must be nothing less than integrating Bastar fully into India's economic mainstream.

Gadchiroli presents another remarkable opportunity. A district once prominent on India's Maoist map is increasingly appearing on its industrial map, with iron-ore activity, pelletisation and proposed steel investments creating the possibility of a major economic transformation. A proposed Rs 10,000-crore investment for a 2-million-tonne-per-annum steel unit could generate substantial economic activity and employment. This is what the defeat of Naxalism must ultimately mean. Not merely fewer ambushes. Not merely fewer encounters. Not merely fewer red zones on security maps.

It must mean more roads, more schools, more factories, more jobs, more connectivity, more entrepreneurship and more prosperity. The roughly 100 districts that have historically experienced Left Wing Extremism cannot remain frozen in India's insurgency history. They must become engines of India's next growth story. And that is precisely why the *Dimaagi* Naxal ecosystem must be challenged.

India's development cannot forever be held hostage by those who see every road as displacement, every mine as exploitation, every factory as conspiracy and every government institution as illegitimate. India has spent decades fighting the Naxal with the gun.

It is now time to defeat the Naxal narrative with something far more powerful: development, democracy and opportunity.

The final victory over Naxalism will not be declared when the last insurgent surrenders. It will be declared when the young tribal Indian who once had only the forest, the gun and the threat of an underground movement before him instead has a school, a smartphone, a skill, a factory job, a business opportunity and the confidence that his future belongs not to a revolutionary ideology, but to a rising India.

That is the India the *Dimaagi* Naxal fears most. And that is precisely the India we must build.

The writer is a national spokesperson of BJP and acclaimed author.

Protect children without surveilling adults

SHREY MADAAN

India's new stride for a safer internet for children reflects a greater problem than their screen time. As policymakers debate Australia's age-based restrictions, millions of adult users could be drawn into a system designed primarily to protect children. The challenge is finding a balance between child safety, privacy and an open internet without allowing one problem to create another.

The concerns driving this debate are valid. Every parent wants their children to be safer online. Rising cases of cyberbullying, excessive screen time, harmful content and greater influence of social media over children have made child safety a top priority for policymakers around the world.

India's Economic Survey has highlighted the growing impact of technology addiction among young people, while states such as Karnataka and the Union government are considering age-based restrictions on social media. The policy objective is clear; the bigger question is how the proposed solution will address the problem without creating new challenges of its own.

Australia has introduced one of the world's strictest social media restriction models, yet early evidence suggests that significant gaps remain. Surveys found that around seven in ten parents whose children had accounts before the restrictions reported that their children still had accounts on major platforms such as Instagram, Snapchat and TikTok. The United Kingdom has faced similar challenges, with users turning to VPNs to bypass age-verification requirements. These examples suggest that restrictions do little to eradicate the problem. There's a reason the government inclines towards age restrictions. They provide a straightforward way to show that action is being taken on a problem that is difficult to regulate at its source. But simplicity should not be confused with effectiveness. If young users can work around restrictions while adult users face additional verification requirements, policymakers risk creating a system that pressurizes without addressing the issues associated with social media. The objective should therefore be measured by outcomes, not simply by the existence of new restrictions.

India faces a more complicated challenge. Any nationwide age verification system would operate at a much larger scale, requiring platforms to scrutinize data of millions of users across various digital platforms. Some proposals suggest privacy-preserving verification through DigiLocker-based age tokens, while others propose Aadhaar-linked verification. Whatever model is ultimately adopted, policymakers should avoid creating a system that effectively turns age verification into identity verification of every user. But access is only a part of the problem. Many online risks to children stem not just from access but from how these platforms are designed. Restricting access without addressing these incentives risks treating the symptoms rather than the underlying problem.

This is why several jurisdictions have started moving beyond blanket bans. California, for example, has introduced age-appropriate design standards that place greater responsibility on platforms to consider the interests and safety of younger users when developing digital products. The approach recognises that online safety cannot be reduced to deciding who gets access to a platform. It also depends on the environment users encounter once they are there. By placing greater emphasis on platform responsibility, the focus moves away from restricting users and towards creating a safer digital experience.

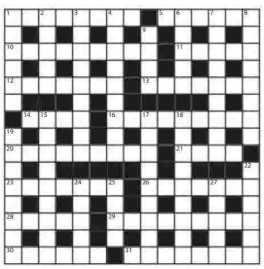
India can take the same route. Platforms should design child-friendly environments, allowing parents access to better tools to supervise their children online. These measures address the underlying cause of online harm without extending identity verification to everyone. This does not mean the government should remain passive.

Protecting children online requires substantial safeguards, and digital platforms should be held accountable when their products fail to prevent children from harmful elements online. But a solution designed for children should not create unnecessary costs for everyone else. Any new rules should be proportionate to the risks involved, protecting young users while respecting the privacy of adults and avoiding burdens that serve little purpose beyond adding another layer of compliance.

India has positioned itself as a leader in digital innovation. Maintaining that position requires policies that protect vulnerable users without compromising the privacy of millions of users online. The true measure of digital success will not be how many users verify their age on social media platforms. It will be whether India can create a safe digital environment for children, platforms hold greater accountability, and parents are better equipped to guide children and ensure the internet remains open and accessible to everyone.

The writer is Indian Policy Associate, Consumer Choice Center.

Crossword | No. 293557



Yesterday's Solution

ACROSS

1 Ill-sounding Italian s love for maple (8)
5 Changed the heart of every cop at the end of Earth Day (6)
10 Defy small wretched insect (9)
11 Climbers limited by heaviness (5)
12 Old call turns stomach: "At last, charge over the top!" (7)
13 Oceanic shocker (7)
14 Insignificant lake (4)
16 Visualising one mother and her ruin in Gabon (9)
20 The gram we pulped into cereal foodstuff (9)
21 5 "not hard" for Rowan? (4)
23 Boggle at Herbie s entertaining tanned skin (7)
26/6 Worker under pressure 18 (4-3,5)
28 Regularly mined boron rocks that create pigment (5)
29 One that might be red after dance with singer (9)
30 Band has a Yankee swagger (6)
31 Instrument ray finds timber source (8)

DOWN

1 Plants found by southern borders (6)
2 Colombia greeted traveller focused on sun (5)
3 French man always in exam to achieve highest level (2,7)
4 Myself, for example (9)
6 See 26 Across
7 Paranormal anti-green colour (9)
8 Criticise house then move (8)
9 Stuff from pharmacy sterilised liquid-filled cavity (4)
15 See Haley s wavy facial hair (9)
17 Give guns to Rashid to bag large ordinary animal (9)
18 Mostly surrounded by water (2,3,4)
19 Takes in Amazons enemies? (8)
22 Sheep climbing over another for grass (6)
24 Scavenger s expression of contempt about money (5)
25 Minimally restrictive interconnected bone structures (4)
27 European married in Home Counties (5)

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with **The Independent, London**)

100 Years Ago

Front page of The Statesman dated 20 August 1926

OCCASIONAL NOTE

RUMOUR has been long busy with the prospects of a big steel combine between the manufacturers of the Rhine districts, and now comes the news that the negotiations are approaching their end. France, Germany, Belgium and Luxemburg are all concerned, the aim apparently being, beyond the ordinary purposes of a combine, to defend the Continent against the activities of the great American Steel Trust. So does "big business" create big business. Steel is peculiarly suitable for manage-ment by trusts, provided that there is control of the necessary supplies of coal and ore, and works can be profitably fused by having orders carried out at those which are best adapted for it. If the four countries have approached one another so nearly as to make this possible, the spirit of amity is certainly spreading in that part of Europe. Until the terms of the combine are known it cannot be said how it will affect the English industry or the consumer. At the moment the British producers are not in a position to take any action; at the end of June only furnaces were at work, and the importation of foreign coal can hardly have enabled the industry to recover the business that was coming in before the coal stoppage.

News Items

EMPIRE AIR PLAN PROGRESS

SCHEME NEARING COMPLETION

(BRITISH OFFICIAL WIRELESS.)
RUGBY, AUG.

THE first of the four three-engined airliners now being built for the Imperial Airways for the Empire air route connecting Cairo, Bagdad and India, is approaching completion, and is to be tested early next month.

These big 'planes have been specially designed for operation on desert stretches in the Middle East, and owing to the difficulty of obtaining water, each is fitted with three Bristol Jupiter aircooled engines, developing 1,260-horse power. A scheme is in hand for equipping special rest-houses at the alighting places along the route to permit of passengers travelling from Cairo to India spending three nights at these points, after flying through the day-time. The new air service is due to be opened on January 1, and it will form another link in the projected ten thousand miles Empire air route between London and Australia, the sections from London to Marseilles and from Melbourne to Caimooweal being already in regular operation.

EGYPT & THE SUDAN

CHAMBER RECOMMENDS A SUBSIDY

CAIRO, AUG.

THE Finance Commission of the Chamber has recommended the payment of £75,000 (Egyptian) to the Sudan for the defence force, to strengthen the permanent bonds between Egypt and the Sudan.—Reuter.

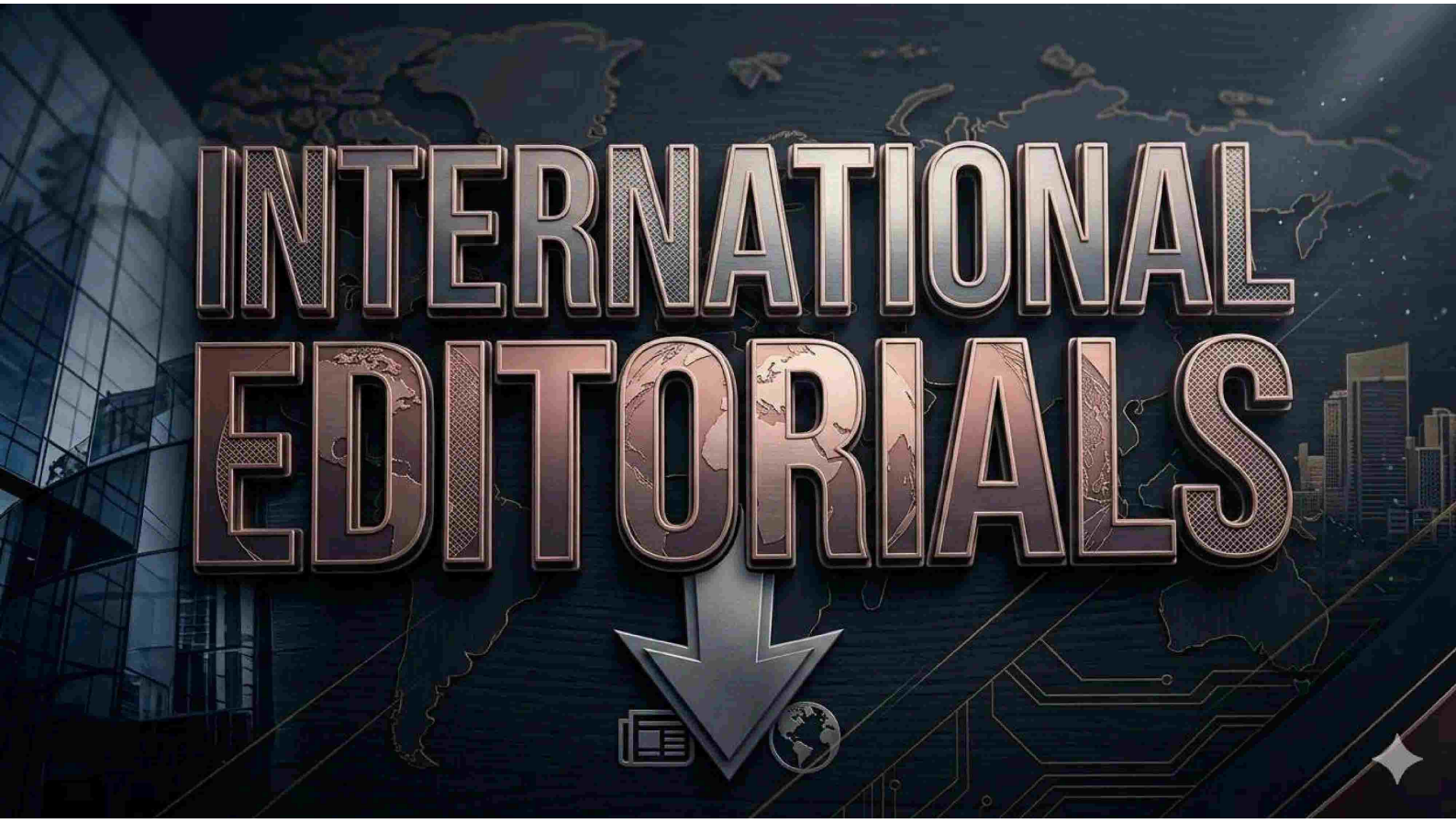
LAUSANNE INCIDENT

INDIAN PRESS DELEGATE'S ILLNESS

LONDON, AUG.

RUSTOM VACHAGANDHY, one of the Indian Press representatives to the Lausanne Press Congress, entered a nursing home on August 7, with gangrene of the left foot, which has been successfully amputated. His progress is very satisfactory.

Vachagandhy has cancelled all his arrangements and he will not attend the World Press Congress but will leave for India on October 7.—Reuter.


INTERNATIONAL
EDITORIALS

EDITORIAL

Consultation on city's five-year plan a valuable exercise

Public consultations are fundamental to the processes of governance in Hong Kong. All of them are important. But the exercise just completed ahead of the announcement next month of the city's first five-year plan has to be one of the most significant. What sets the proposed blueprint apart, in addition to being the first of its kind, is that it will align local development with and seize opportunities arising from the 15th national five-year plan. The consultation engaged the public – individuals and sectoral and institutional stakeholders – in a dialogue to help shape the blueprint that will take the city and its people to a new stage of development.

Going by the number of participants and analysis of submissions, the consultation was an effective exercise, with an official noting general support for more focused integration into national development and the strategic cultivation of emerging sectors. Hopefully it will also address deep-seated problems and the challenges that lie ahead.

Secretary for Constitutional and Mainland Affairs Janice Tse Siu-wa said there were more than 16,000 submissions, including over 12,000 from individuals that focused on livelihood issues, and the rest from organisations, such as political parties, think tanks, academic groups, chambers of commerce and the like. She described the blueprint as "a milestone in public administration" and said it would include binding and predictive targets, reflecting the design of the country's 15th five-year plan.

A five-year plan can set the scene for more forward-thinking planning by society and the government, by creating a framework for devising strategic priorities and delivery targets. The government's consultation paper covers finance and trade, innovation and technology, livelihoods and social development, the Northern Metropolis megaproject, regional cooperation and the integrated development of sports, culture, tourism and green living.

The aim is to better leverage Hong Kong's strengths, such as being an international hub for finance and trade, an innovation and technology centre and a core engine in the Greater Bay Area.

Tse said analysis of the public submissions by artificial intelligence (AI) showed that respondents generally supported Hong Kong's integration into national development in a more targeted manner, including cultivating emerging sectors with strategic values and leveraging the strengths of Hong Kong's professional services. They also suggested that Hong Kong should accelerate its development as an innovation and technology hub, and consolidate its positioning as an international financial centre.

Many submissions also supported accelerating the development of the Northern Metropolis megaproject, particularly by pooling resources to advance the university town and Hong Kong Park within the Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone in the Lok Ma Chau Loop.

References to the five-year plan are not confined to views collected by the consultation. They are now to be found in the daily government, corporate and social narrative. For example, Cyberport chairman Simon Chan Sai-ming at the weekend said the fintech hub was positioning itself as a key driver in the inaugural five-year plan by pushing AI development as a pillar industry, expanding talent training and improving cross-border data governance.

In another example, speaking at a symposium to mark National Ecology Day on Saturday, Deputy Chief Secretary Warner Cheuk Wing-hing said Hong Kong's first five-year plan would advance measures to protect the environment. It is being formulated to align with the national 15th five-year plan's policy direction to cut carbon emissions, reduce pollution and pursue green development. Meanwhile, social policy experts have called for a population policy that addresses ageing, in line with the national five-year plan, and there have been suggestions from the media industry for the building of a healthier media ecosystem amid rapid changes and technological disruption.

These are just a few examples of how initiatives prompted by the proposed plan and the consultation can drive more focused, integrated development. It is good that the chief executive will deliver his policy address in September instead of October to enable quick action on the five-year plan.

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HK needs 2049 goals for its five-year plans

Rather than another slogan or an exhaustive list of targets, the city requires a shared long-term vision of what it should stand for at the centenary of the People's Republic

Jun Yu Chan

Hong Kong is formulating its first five-year plan for economic and social development. Such plans are likely to become a regular feature of governance, and will shape how the city allocates land, builds housing and infrastructure, develops industries, trains talent and improves public services. They can also give government departments a common frame for action, rather than leaving them to operate in separate silos.

Yet successive five-year plans should do more than set medium-term priorities. They should point towards a common destination, so that each plan becomes one stage in a longer journey. The question is not only what Hong Kong should do in the next five years, but what kind of city it seeks to become over the next two decades.

Hong Kong can learn from Beijing's approach to planning. China has set out clear milestones: by 2035, it aims to basically realise socialist modernisation; by the middle of this century – coinciding with the 2049 centenary of the People's Republic – it aims to build a great modern socialist country in all respects and achieve national rejuvenation. These goals give China's five-year plans a wider purpose and a direction of travel.

Hong Kong should develop a comparable sense of strategic clarity. This does not mean producing another long policy blueprint packed with targets, budgets and metrics. It means articulating a long-term mission statement that explains what the city seeks to become and why.

A 2049 horizon would be a natural one: it would align with a major national milestone.

Under national planning, the city is supported in strengthening its status as an international financial, shipping and trade centre, and an aviation hub. It is also developing as an innovation and technology centre, a regional intellectual property trading centre, an East-meets-West centre for cultural exchange, and an Asia-Pacific centre for dispute-resolution services.

These are mission objectives, not a mission statement. They identify the economic functions at which Hong Kong seeks to excel, but they do not explain the public purpose those functions are meant to serve. A city needs more than a list of the roles it plays for the world; it needs to define what success means for its people, and what kind of society that success is intended to sustain.

Economic strength is indispensable, but it cannot be the whole measure of a city's success. The city should ensure that the benefits of growth are widely shared and translate into a future in which young people can see a place for themselves.

> *"A 2049 horizon would be a natural one: it would align with a major national milestone*

Hong Kong should be judged not only by global rankings, market capitalisation, cargo throughput or the number of corporate headquarters, but also by whether prosperity strengthens trust, diversity and social cohesion.

Hong Kong used similar language in its long-term spatial strategy, Hong Kong 2030 Plus. It envisages a "liveable, competitive and sustainable Asia's World City", a formulation that recognises that economic dynamism, environmental quality and everyday life are interconnected. But it remains principally a framework for land, infrastructure and the built environment. A citywide mission would need to go further.

This would not mean that Hong Kong is embracing a planned economy. A city-level mission would not require the government to pick winning industries or direct private capital. It would simply provide a common framework so that businesses, investors, policymakers and residents understand the outcomes the city is striving for: opportunity, openness, trust, innovation and livability.

Such a mission must be grounded in the city's contribution to China's development. Since reform and opening up, Hong Kong and the mainland have become deeply interconnected through trade, investment and finance. China's rise has expanded the market, capital base and global reach to which Hong Kong can contribute; Hong Kong adds value through its global connectivity, professional capabilities, financial depth and institutional strengths.

Helping China advance its long-term growth and international engagement is therefore not only a matter of national contribution. It is also central to Hong Kong's prosperity and relevance.

A 2049 horizon matters because it forces a longer view. Discussion about Hong Kong's future beyond 2047 will continue, but a civic mission need not anticipate or settle constitutional questions. Its purpose is to express the kind of city Hong Kong seeks to remain and become: internationally connected, economically dynamic, socially confident and capable of contributing to both China and the world.

Next year's 30th anniversary of Hong Kong's return to the motherland offers a suitable occasion to begin that conversation among government, business, professionals, universities, young people and community groups. The aim should not be another slogan or an exhaustive list of targets. It should be a shared long-term aspiration against which successive five-year plans can be tested.

The central question is straightforward: what should Hong Kong stand for in 2049?

Jun Yu (JY) Chan is a partner at Wings Capital Ventures, where he invests in early-stage fintech and AI start-ups across Hong Kong and Southeast Asia

Rethink outdoor heat gauge index

Despite record-breaking temperatures, the Labour Department's Heat Stress at Work Warning system remained at the lowest level of amber on August 9. The reason for this absurdity is the use of the Hong Kong Heat Index (HKHI) in determining the threshold for issuing the three levels of warning – amber at 30, red at 32 and black at 34.

The HKHI was developed through research by the Hong Kong Observatory and Chinese University as an indicator of the risk of emergency hospital admission for the public. The Wet Bulb Globe Temperature (WBGT), on the other hand, is widely used around the world to assess heat exposure at work, including by international standard ISO 7243.

Both the HKHI and WBGT utilise the same three primary measurements: natural wet-bulb temperature (Tnw), globe thermometer temperature (Tg) and dry-bulb or ordinary air temperature (Ta). Following physical principles, natural wet-bulb temperature is always lower than air temperature, except when relative humidity reaches 100 per cent. The globe thermometer, which measures solar radiation, almost always shows a higher reading than air temperature for outdoor environments in the daytime.

The HKHI is calculated using the weightings of 0.8, 0.05 and 0.1 for Tnw, Tg and Ta, while the corresponding weightings for the WBGT are 0.7, 0.2 and 0.1. Mathematically, an HKHI reading will tend to be lower than a corresponding WBGT reading.

LETTERS

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Three former directors of the Observatory have openly objected to the use of the HKHI in assessing heat stress among outdoor workers, as the original research focused on health outcomes among the general public.

Many recommend using the WBGT instead. Some countries using the WBGT as the heat indicator for workers have set 28 degrees Celsius as the starting point for preventive action.

The Labour Department should take heed.

Dr Ignatius Yu, chairman, Hong Kong Workers' Health Centre

Construction workers feel the heat in Hong Kong. Photo: Sam Tsang

Use new tech for probe documents

The Independent Committee on the Wang Fuk Court fire has published a large body of material – witness statements, hearing transcripts, expert reports and photographs. Its website orders them by the sequence of the committee's work, not the tasks outlined in its terms of reference. Journalists and members of the public seeking evidence on sprinkler failure or tender collusion must wade through page after page.

To test whether the material could be made navigable, we used artificial intelligence (AI) tools: a web crawler collected every document from the site, and large language models read, summarised and tagged each against the tasks outlined in the terms of reference.

The results are striking: 243 documents, 6,377 pages, 1.9 million words and roughly 1,800 meaningful photographs and diagrams. Yet the material is unevenly distributed: supervision and responsibilities come up in 192 documents, adequacy of laws in 77 documents and collusion – what residents most want explained – in 99 documents.

Nor is that all. In asking AI to read every document, we found evidence of collusion (such as oral subcontracts) in documents that never use the word and are invisible to keyword search. Every document is public, but the questions people ask are the ones the archive makes hardest to answer.

To help readers answer them, we have built a free bilingual site (wangfukcourtfirereport.simonsays.hk). Each document has a page with a summary, key points and a link to the original PDF; an interactive map shows how the documents relate to each task; and full-text search spans all 243 documents.

We urge the independent committee to reconsider its approach and adopt new technologies to present its findings in a more accessible manner.

Wenyun Fu and Simon Wang, Kowloon Tong

Sound leadership needed to end war

It's about time that the United States and Iran settled matters with genuine intent. It's like Tom and Jerry right now with their announcements. Real leaders would not allow any of this, nor threaten others who have an equal right to life. We shouldn't be teaching our children that war is a necessary course of action. Good leaders would be able to resolve crises, but where are they?

Rishi Teckchandani, Mid-Levels

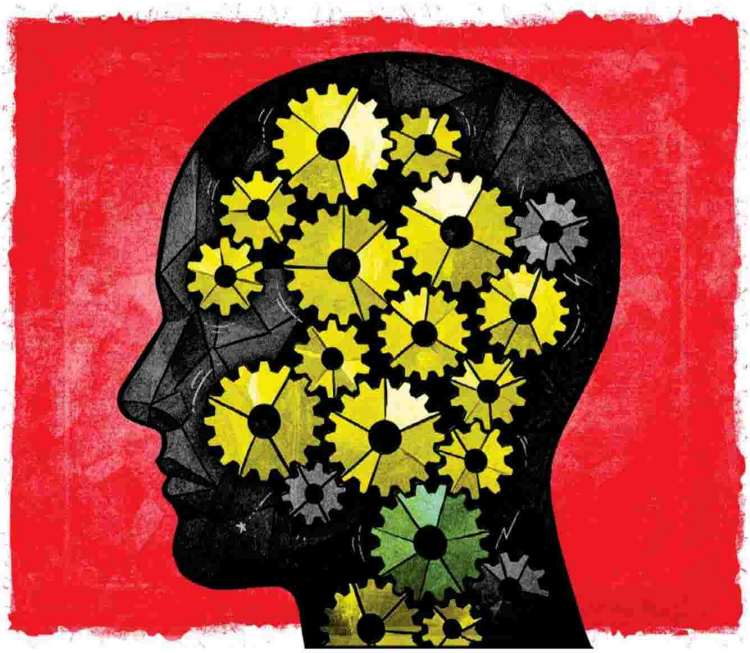

Illustration: Henry Wong

Overcapacity angst misses the real issue

If Chinese factories can produce more cheaply thanks to better batteries, automation and supply chains, maybe older Western plants are no longer economically viable

Jeffrey Wu

Beijing has spent the past month attempting to turn one of the West's sharpest economic accusations back on itself. On July 28, the Ministry of Commerce rejected the link between subsidies, weak domestic demand and Chinese overcapacity, arguing China's export strength reflected innovation and economies of scale. Last week, a People's Daily commentary went further, calling claims that state subsidies caused China's industrial overcapacity a deliberate smear.

Beijing's rhetoric is escalating because the overcapacity issue is increasingly used to justify tariffs, investigations and efforts to shield strategic industries from Chinese competition. However, treating overcapacity as largely a numbers problem oversimplifies the issue.

Imagine the world buys 100 million cars annually and has factories capable of producing exactly that amount. Then a new production system emerges that can manufacture another 30 million cars more cheaply. Demand remains unchanged, leaving capacity at 130 million cars.

There are now 30 million units too many, but that conclusion does not tell us why they exist. If the new factories survive only because governments absorb their losses, perhaps they should never have been built. If they are cheaper because they use better batteries, automation and denser supply chains, perhaps older factories are no longer economically viable. The measurement is identical, yet the diagnosis is different.

What makes China unusual is that this spare capacity coexists with cost advantages. Chinese battery packs were around 30 per cent cheaper than those in North America and 35 per cent cheaper than in Europe in 2025. China also produced 16 million electric vehicles (EVs) last year, nearly three-quarters of global output. Its production exceeded domestic EV demand, but more importantly, Chinese consumers are choosing domestic vehicles over foreign ones.

China can therefore have too many EV factories and still be better at making EVs. This does not mean every factory is efficient or that every one should exist. China's own campaign against "involution" implicitly acknowledges that relentless investment, destructive price wars and local government incentives can keep weak firms alive. A factory sustained indefinitely by cheap credit and losses is not evidence of industrial strength. It is deferred closure.

Technological progress can create excess. New productive capacity can appear faster than old capacity disappears. Factories come attached to workers, suppliers, bank loans, pension obligations and entire communities. A superior production process can emerge within years; the industrial system it displaces can take decades to unwind.

For a period, both can coexist. Creative destruction creates overcapacity before it creates destruction.

The car industry has seen this before. By 1989, Japanese plants required just 16.8 labour hours to assemble a vehicle, compared with 25.1 hours for American producers and 36.2 in Europe. Detroit did not disappear overnight. Instead came idle factories, political backlash and voluntary restrictions on Japanese auto exports.

> *Would an older factory remain viable without tariffs, subsidies or other protection?*

Eventually, Japanese manufacturers built factories in the United States, Western carmakers adopted lean production techniques and inefficient plants were closed or retooled. What initially appeared as a trade imbalance was also a productivity shock forcing an older industrial system to adapt.

China might now be triggering a similar adjustment. German car exports to China fell by about a third last year, while Chinese car production surpassed 30 million. This is not simply Chinese exports displacing European cars overseas. Chinese manufacturers are increasingly displacing foreign competitors inside their own market.

If a Chinese factory produces an equivalent vehicle more cheaply because its supply chain is denser, its machines are more productive and its technology is better integrated, closing it merely because global production exceeds demand makes little economic sense. The more vulnerable capacity could instead be an older plant elsewhere that has lost its competitiveness.

The same test should apply everywhere. The issue is not whether a factory received government support; industrial policy has returned across other major economies. It is whether that support creates productive capability capable of standing on its own.

Would the factory have been built if capital was priced properly? Can it earn a sustainable return? Are consumers choosing its products? If not, capacity could have been misallocated. The incumbent deserves the same scrutiny: would an older factory remain viable without tariffs, subsidies or other protection?

The same tariff can therefore perform two different functions. Against production sustained artificially below cost, it can correct a distortion. Against a structurally more efficient competitor, it buys an incumbent time to catch up. That can still be justified by concerns over employment, national security or supply-chain resilience, but there is a difference between buying time for an industry to adapt and paying indefinitely to prevent it from adapting.

Industrial progress has always involved duplication and failure. New technologies attract too much capital and too many competitors because nobody knows beforehand which model will prevail. Some investments should never have been made. The problem begins when failed experiments are never allowed to end.

China undoubtedly has factories that fall into that category. So do other industrial economies. As other governments subsidise semiconductors, batteries, clean energy and advanced manufacturing, the world will almost certainly build more capacity than it immediately needs.

The difficult question will not be whether excess capacity exists. It will be determining which factories represent waste and which are making yesterday's factories obsolete.

A utilisation rate can tell us that a factory is idle. It cannot tell us whether it is the wrong factory. Overcapacity is a measurement. The diagnosis is why that capacity exists and whether it still should.

Jeffrey Wu is a director at MindWorks Capital

Why China's systems work better than US

A writer and a businessman explain how the rise of oligarchs crippled America's capability to compete

Alex Lo

No one really knows who will ultimately win. Perhaps that's not even the right question. But it seems clear that China's operating systems are currently working better than those of the US.

Contrast the Chinese state's control of the tech and financial sectors with the United States, where the situation is reversed.

In 2007-08, unfettered financial capitalism almost caused the collapse of the US economy and triggered the global financial crisis. Wall Street's political influence waned as a result, and globalisation stalled.

Instead, Silicon Valley, which previously exerted limited influence, swapped roles with Wall Street – meaning that billionaire tech bros now enjoy disproportionate power over Washington.

Pankaj Mishra, one of India's finest writers, contrasts China's treatment of its billionaire class with the US'. "They arrived at, in retrospect, a profound wisdom – that you need to unleash certain entrepreneurial energies," he said about China in a recent interview with Novara Media.

"At the same time, you need to exert very careful control over this very different system of capitalism. And that you cannot let the capitalists form a kind of unaccountable oligarchy, which is what has happened in many Western European countries, and of course, notoriously, in the United States."

That's why "China is a much more coherent nation-state today than just about any nation-state in the world", he argued.

In contrast, the US' elite now operates without meaningful accountability. Developments in the US economy "landed us now with this sort of semi-criminal class of oligarchs – completely unaccountable, politically more and more deranged, if you look at people like Elon Musk or Sam Altman", Mishra said.

This "unaccountable political class" is taken with neo-fascist ideas, which "we see very clearly in the political preferences of America's business elite, the way they've all sort of swung behind [Donald] Trump so quickly".

The Western economies' ideological obsessions ironically led them here. As Mishra pointed out, "ideological intoxication with neoliberalism, the steady empowerment of a globalised class of transnational businessmen, a kind of financialisation of the economy" took away the West's traditional advantages, leaving disenfranchised and pauperised populations that are more susceptible to extremist politics than ever.

As China pragmatically pushes ahead, the West is looking at "profound inequality, an incredibly angry population, and far-right demagogues who … want to distract people from the overwhelming failure of their economic system and want to blame trans people, want to blame migrants, they want to blame everything except the people who've brought us to this sorry mess".

> *Silicon Valley, which previously exerted limited influence, swapped roles with Wall Street*

Meanwhile, David Heacock, founder and CEO of Filterbuy, one of America's largest air filter manufacturers, explains why having outsourced its industrial capacities, it's extremely difficult for the US to rebuild them.

"To understand why we're in this mess, you need to understand a 30-year decision America made, one cheap T-shirt at a time," he said on his own YouTube channel. "America didn't lose manufacturing in one big moment. We lost it in a million small ones."

This worked in the short term, but not any more. "Every time we offshored a product, we didn't just lose the factory, we lost the engineers who knew how to build the machines, the suppliers who made the parts, and the raw material processors. The whole system went with it," he said. "And once a system like that dies, it doesn't just come back overnight. It takes decades or generations to rebuild … This is a story about what happens when an entire country optimises for the next quarter instead of the next 20 years … America forgot how to make its own stuff."

On the other hand, China strategically builds up its own industrial ecosystems and entire supply chains. "China is a competence factory. American capability has slowly disappeared. Not just the labour, the machinery, the engineering knowledge, the supplier base, all of those things," he said.

"China's real advantage isn't cheap labour … The reason Chinese companies can move that fast isn't magic. The tooling supplier is already there. The raw material supplier is nearby. The machine shop is just across the street. Everybody is used to moving quickly together. In Shenzhen, every component you could possibly need is within a 50-mile drive.

"In America, your nearest supplier might be in a different state or a different country altogether oftentimes. What scares me is not that China works cheaper. What scares me is that they built a system optimised for industrial learning speed."

This is what's keeping American business owners up at night, he said. "Every cycle, [the Chinese] get a little bit better. And those cycles compound … Manufacturing isn't a factory, it's a living system, and living systems compound."

Alex Lo has been a South China Morning Post columnist since 2012, commenting on China and international affairs. He is also a member of the editorial writing team

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EDITORIALS

The growing political isolation of the Chicago Teachers Union

To be successful in politics, you need to attract allies and build coalitions. That's basic stuff.

The Chicago Teachers Union long ago refashioned itself as a political power player and at its peak in 2023 managed to get one of its own, former CTU organizer Brandon Johnson, elected mayor of Chicago.

But now? As Johnson weighs whether to run for a second term in next year's election, CTU is seeing former friends and allies either become enemies or distance themselves from the union's pressure tactics and recklessness. In other words, it's doing precisely the opposite of what one needs to do to be successful in politics.

The clearest example of CTU failing to win friends and influence people is its ongoing feud with Local 73 of the Service Employees International Union over who gets to represent various non-teaching employees of Chicago Public Schools. Once the two were staunch allies and both played major roles in getting Johnson elected.

Now, they're backing different candidates for Chicago school board president in the city's first-ever election of that position. You can read the views on CPS' budget of all five candidates for board president, including CTU-endorsed Hilario Dominguez and SEIU-endorsed Jessica Biggs, today in our pages.

But don't overlook the endorsement Monday of Gov. JB Pritzker by the Illinois Education Association, the state's largest teachers union.

CTU is part of the other major umbrella group for teachers, the Illinois Federation of Teachers. And CTU and IFT have been hammering away at Pritzker for questioning their demand for $150 million in immediate funds to stave off layoffs and furloughs Chicago Public Schools otherwise will have to impose to balance its budget for the coming school year. CTU and IFT haven't endorsed Pritzker's reelection bid amid their pressure campaign.

No such qualms for IEA, whose membership is dominated by suburban teachers whereas a third of IFT's membership are Chicago teachers. Stacy Davis Gates is president both of CTU and the IFT.

IEA President Karl Goeke took pains to say that his organization's backing of Pritzker didn't mean it was "at odds" with Davis Gates and the IFT. Of the push for $150 million more to Chicago Public Schools, he said, "I don't know enough about that to comment."

Perhaps Goeke has been on a long vacation, but — especially if public education is your business — you'd have to have been living under the proverbial rock not to be up to speed on the Chicago school board's vote late last month to leave a $150 million hole in its budget and expect Springfield to plug it.

So we'll surmise that IEA doesn't plan to join Davis Gates' latest effort to bully Springfield into shoveling more cash at the bloated Chicago school system.

Speaking of bullying, CTU on Monday filed a defamation lawsuit against the Illinois Policy Institute, a frequent critic of Davis Gates and the union. Named in the complaint was IPI Vice President Austin Berg, who has broken much reporting ground on CTU's fraught relations with some of its own members and has been an articulate voice on television, podcasts and radio on the politics of public education in Chicago. The final defendant is the Liberty Justice Center, a nonprofit legal outfit with a libertarian point of view.

Among IPI's allegedly defamatory actions was to use the word "toxic" to describe some of CTU's behavior, including the union's misguided push to make May 1 an unscheduled school holiday to enable students to join teachers in protesting for (you guessed it) more cash from Springfield — a campaign that CPS CEO Macquline King thankfully resisted.

The complaint cites a couple of other instances of IPI's use of the word toxic to describe Davis Gates and the CTU.

Last we checked, the First Amendment right to free speech still exists in this country. And last we checked CTU was arguably the most influential political organization in the city of Chicago. The idea that a think tank sitting somewhat right of center is "defaming" such a powerful player by using a word well within the confines of political discourse is farcical.

Not to mention the obvious fact that Davis Gates herself throws lots of verbal sharp elbows at her political opponents and is hardly some shrinking violet. Her barbs have been directed our way at times, and we have no problem with that. Comes with the territory. The same territory that CTU itself inhabits.

But, of course, this lawsuit is designed to intimidate.

All-important school board elections are happening in November. IPI proved itself to be an effective source of information on the stances of candidates in the 2024 board elections that elected 10 members; all 21 members (including president) are on the ballot this time around. Cowing IPI into muzzling itself during this important period no doubt is a goal.

It's tactics like these that help isolate CTU and alienate the union, even from its organized-labor friends. CTU is trying to have it both ways — to be a political mover-and-shaker while claiming it should be immune to public criticism because all it's trying to do is represent its members.

Most ordinary Chicagoans, we trust, see through this attempt at changing the narrative.

Free Illinois tollways? Show us the math, Darren Bailey. But keep the conversation going

The Illinois Tollway board, which meets today, is expected to green-light a steep increase in tolls.

How steep? The average increase in each toll being contemplated is 45 cents, which on some legs of Illinois' network of toll roads will literally double the cost.

What's worse for drivers is that the proposal also would put toll hikes on auto-pilot, with increases coming every two years starting in 2029.

Republican gubernatorial candidate Darren Bailey is pitching something wildly different: an end to tolls. Altogether.

It's a great populist pain point to press on. It's hard to imagine anyone would be upset not to pay tolls anymore.

And yet most of us understand that there's no such thing as a free lunch. How in the world could such a thing be possible?

Tolls are projected to generate about $1.7 billion this year. The point of that money is to maintain the toll roads. Doing away with tolls would mean maintenance of the roads would have to come from some other funding source.

Bailey has offered the beginnings of an answer. His plan calls for stopping new borrowing, paying down the toll authority's existing debt and ultimately eliminating tolls. His campaign also has suggested redirecting money now spent on Chicago-area mass transit to maintain the roads.

But we need more on how the math would actually work. How much money would be redirected? How quickly could more than $7 billion in existing debt be retired? And once tolls disappear, how will the state pay to maintain and rebuild nearly 300 miles of roadway?

To win as a Republican in Illinois, you have to convince enough centrists and Democrats that you possess not only common sense, but real, workable plans.

These are the folks Bailey is likely targeting with his focus on the Illinois Tollway, realizing many of those affected by these hikes — both the immediate one and future increases — reside in the suburbs.

His opponent, Gov. JB Pritzker, who signed the transit package that paved the way for the coming increases, has written off Bailey's idea as "unrealistic."

"He believes that magic beans can take care of everything," Pritzker said.

If Bailey wants his campaign taken seriously, he'll have to be able to answer that criticism with a material plan.

Yes, tolls are high, as we've argued before. Still, we also appreciate the value of math, and if the money's got to come from somewhere, we would like to understand the source and how it'll work. As far as taxation goes, user fees — like road tolls — are about as good as it gets, because the cost applies directly to the person benefiting from a service, rather than tapping people who rarely drive on the toll roads.

The problem in Illinois, of course, is the body of work. Tolls don't exist in isolation, and they're hardly the only tax or fee drivers face. Our state gas tax stands at 48.3 cents per gallon, and it's set to go up again on Jan. 1, 2027. The increase initially was supposed to take effect this summer, but was delayed as a form of "taxpayer relief" — albeit only 1.3 cents per gallon, or just a few bucks over the course of the six-month gas tax hike delay. Meanwhile, Indiana went considerably further, temporarily suspending its fuel use and excise taxes. Turns out it helps to have your finances in order.

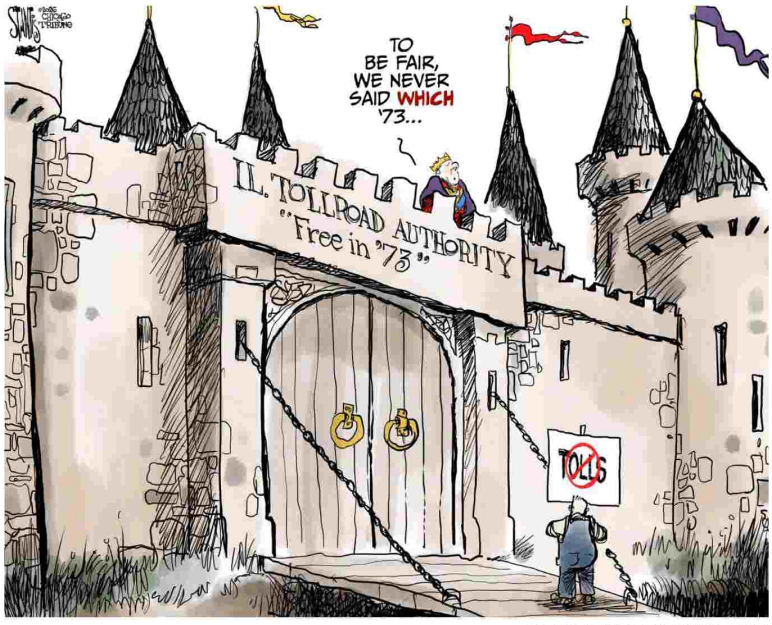
Many of these drivers are homeowners waiting on their property tax bills to arrive, whenever that finally happens.

So when those drivers hear about a toll hike, it's another chunk out of their pocketbook. It all starts to add up.

To that end, Bailey certainly has struck a chord, and there are many people across the state looking for someone to champion tax relief.

Relief without a plan never ends up lasting long, and tends to end up making the pain worse in the long run.

We encourage Bailey to keep beating the drum on affordability, shifting the conversation toward tax cuts and spending reform — but to do that effectively, we'll need more details on the roadmap to make that possible.



SCOTT STANTIS/FOR THE CHICAGO TRIBUNE

ON THIS DAY 81 YEARS AGO THE CHOICE AHEAD

To a very large degree the war merely imposed a moratorium upon the fundamental domestic problems with which the New Deal was never able to cope. The war experience contributed nothing to the solution of these problems, altho some New Dealers are talking as if it did. ...

The administration's great fear, of course, is unemployment. ... The dilemma of the New Dealers is how to maintain this war time employment and income and to increase it in order to make allowance for more than 12 million men and women now in service, without the help of a war.

Before congress adjourned Aug. 1 Sen. Barkley outlined the New Deal program for peace. ... Then Sen. Taft, as chairman of the Republican steering committee, told the views of the opposition. The choice presented to the nation is plain. If the New Deal program prevails it is hard to see how the Republic can survive or a totalitarian state be avoided.

In brief, the New Deal program would let loose a flood of government spending at any time that forecasts indicate private enterprise cannot supply jobs for the total available labor force. It is provided that all workers must have "remunerative jobs." ...

Together with this general program the New Deal would establish a system of state medicine; would go into public housing on an enormous scale; ... and would resume its war upon business under the pretext of fighting monopolies and cartels. ...

Mr. Taft, of course, did not indulge in this sort of billingsgate. He outlined a program which will preserve the Republic and achieve a prosperity utterly different from the ephemeral sort envisioned by the New Dealers. He rejected, first, all the easy, spendthrift plans of the New Deal which never, in 12 years, achieved their purpose. With equal insistence he demanded the removal of war time controls.

"Maximum employment and maximum business activity," said Mr. Taft, "can only be secured by employment in private enterprise. ... The most necessary step to restoring prosperity is to restore freedom to individuals and to business. You can't expect free enterprise to work unless it is free." ...

That is exactly what the New Dealers are inviting in their post-war program for the nation. ... It would be a calamity of unimaginable proportions if this country, having fought and won a great war to preserve its liberty, should surrender unconditionally now that peace has returned. ...

Tribune editorial board, Aug. 19, 1945

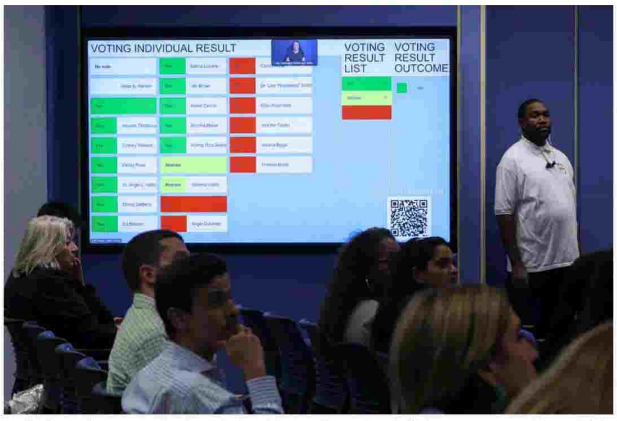
OPINION

What do the candidates for school board president think of the CPS budget?

Editor's note: The Chicago Board of Education passed a $9.96 billion budget on July 30, which included a last-minute amendment that anticipates $150 million in state funding. This amendment prevented the district from implementing layoffs, department cuts and a spending freeze.

Now that this controversial budget has been approved, what must Chicago Public Schools do now? Chicago Tribune Opinion asked each candidate running for school board president to respond to this question. Below are their answers, which have been edited for length and clarity.

Chicago Public Schools Board of Education President Sean B. Harden, center, presides over a board meeting at CPS headquarters on July 30 in Chicago. **JOHN J. KIM/CHICAGO TRIBUNE PHOTOS**



A tally of votes for a proposed budget is displayed during a Chicago Board of Education meeting at Chicago Public Schools headquarters on July 30 in Chicago. The proposed budget passed by an 11-7 vote with one abstention.

I RAN A SCHOOL ON MONEY THAT NEVER CAME

In 2016, when I was principal at Burke Elementary, I built a school year around dollars the state had not committed. That was not my choice. Illinois had gone years without passing a budget, and CPS built its plan on money it assumed Springfield would eventually send. So I hired the teachers that CPS told me I could, and when the money did not come, the debt was paid by my students, my families and my teachers.

I had to look at people who had built something around a promise and tell them it was gone. It broke my heart, and it made me angry.

I thought about that on July 30, when the CPS board voted to amend its budget to include $150 million from the state that it has not committed to CPS. Not delayed. Not pending. Not committed. No bill, no vote, no signature. On paper only, the gap closed.

I voted no. CEO Macquline King and her team had brought this board a balanced budget that lived within what this district actually has. What the board passed instead manufactured a crisis. This board majority has done this before, attempting to max out the district's credit cards in 2025 with a $300 million operating loan that I opposed. Every dollar of interest is a dollar that never reaches a classroom. And if Springfield does not provide the phantom funds to cover the gap, the bill arrives midyear and lands where it landed at Burke.

King and her team deserve real credit for what has happened since. Rather than forcing every principal and Local School Council to reopen budgets they had already painstakingly built, she held those budgets in place and matched impacted teachers against needs principals themselves identified, in record time. But that is a rescue, not a plan, and you cannot run a district on rescues.

Service Employees International Union Local 73 has asked the 11 board members who voted to pass this amendment to produce a concrete plan for protecting CPS schools and workers. They are right to ask.

That is why I will lead the process to develop a substantive five-year plan to steady this district's finances, built with labor, parents, educators, community and civic organizations, and elected officials in Chicago and Springfield.

Students and teachers deserve to know that their school year will not be upended by a reckless showdown they had no part in creating.

— *Jessica Biggs*

THIS BUDGET IS NOT BALANCED

As I have done work on the Board of Education, my North Star is simple: Does this help our children? Passing a budget that relies on money we do not have hurts our children. It creates uncertainty for the very students, families, educators and school communities we are supposed to protect.

Eleven board members passed a budget for CPS that assumes an extra $150 million in state revenue that currently does not exist. Despite their rhetoric that this budget is balanced, it is not. Assuming phantom revenue, with plans to spend it, is not a balanced budget. This budget is illegal and sets the district up for the very real potential of midyear cuts and layoffs.

This is not responsible governance, nor is it in line with the fiduciary responsibility of board members to the taxpayers and district. I do not support the actions of my fellow board members and worry deeply about the impact it will have on the district not only this current school year but also in the years to come.

Because of this reckless behavior, CPS must be very careful about its spending. In the near term, CPS must scrutinize every contract, every dollar spent and every additional cost to programming, knowing that money is not coming from Springfield. We need to brace for the inevitable midyear cuts due to this fiscal malpractice by the board members who voted for it.

I and other members were in Springfield during this past session advocating for more funding. Gov. JB Pritzker and the General Assembly increased education spending. The board should have seen this as progress to build on in the future. Instead, the 11 who passed this budget have hurt our finances and eroded any goodwill with our partners in Springfield. In my conversation with legislators following this vote, I have assured them that despite this vote, after this upcoming election, there will be more partners like me ready to work with them when it comes to CPS.

As I look to the future of this board and how I plan to lead as president of the Chicago Board of Education, my priorities on finances are the following — advocate for responsible revenue, decrease our debt service and have the hard conversations about the structural deficits CPS faces.

This is hard work. There will be tough decisions. But I will never shy away from hard work.

— *Jennifer Custer*

SCHOOL BOARD DEMANDS ACCOUNTABILITY

The recently passed budget marked the first time in my lifetime the board voted to refuse our legislature's habit of shortchanging students. Instead, they finally demanded accountability on behalf of CPS families.

By including under 7% of what the state owes our students, the board reversed permanent harm and put us on the strongest footing for the school year ahead.

While Jessica Biggs and Jennifer Custer voted to lay off more than 2,000 teachers, librarians, clinicians and classroom assistants, an 11-to-7 majority voted the other way. Despite my opponents' warnings that the sky was falling, CPS leadership is embracing the vote, implementing the staffing change and calling for an all-hands-on-deck push on Springfield.

The vote exposed what even the Tribune Editorial Board admitted: "There's no way to solve (CPS') problems solely through school closures anyway. Some help from the state always was going to have to be part of the solution." It also exposed my opponents' pledges of "full funding" and "a quality school in every neighborhood" as platitudes without a plan — which is likely why Custer voted no and Biggs skipped voting to put a millionaires tax to fund schools on this fall's ballot.

There's a Spanish saying: "Dime con quién andas y te diré quién eres" — "Tell me who you walk with, and I will tell you who you are." I'm worried the patrons board members have chosen — the same ones vowing to spend endlessly to prevent me from being elected — are also preventing them from doing their duty to our students.

To lead a district receiving only 70% of its funding, leaders must be advocates for school communities, not just administrators of cuts. I saw that in practice in the days before the vote, when I testified to Cook County about the cost of their delays. The commissioners echoed the urgency, supported adding CPS to the county's no-interest loan program and moved money shortly after — changing the math for our students.

Underfunding is not inevitable. It is optional. What must happen next is for all of us to roll up our sleeves and treat the underfunding of our students' education like the five-alarm fire it is. The speaker is on board, the Senate president is on board, our district's CEO is on board and the governor has said he's open and interested. One hundred percent of those running to lead our district should be too.

— *Hilario Dominguez*

BUDGET REVEALS CPS' PRIORITIES

The board has approved a budget, but passing a budget and solving a budget crisis are two different things.

CPS budgets are more than accounting documents. They are policy documents that reveal an institution's priorities more clearly than public statements ever can. Every spending decision signals what CPS values. Every delayed decision carries real consequences for students, teachers, parents and taxpayers.

The passed budget should allow the school year to begin. The real question is whether it provides a stable financial foundation for CPS in the months and years ahead.

My concern is straightforward: The more the current budget depends on funding that has not been committed by the city of Chicago or the state of Illinois, the less prudent it becomes. Responsible budgeting should be built on resources we know we have — not resources we hope will arrive.

If additional funding comes from the city or the state, that will be welcome news. The board can then amend the budget and invest those resources where they are needed most. But good governance requires us to budget conservatively first and adjust later — not build today's budget on tomorrow's possibilities. Hope is not a budget strategy.

The lesson extends beyond this year's budget. Good governance requires meaningful financial oversight before difficult decisions become emergencies. Budget assumptions should be tested early, alternatives carefully examined and the public fully informed before the final vote. Organizations rarely fail because they lack rules; they fail because sound processes are ignored, delayed or treated as formalities instead of responsibilities.

As Chicago transitions to its first fully elected board of education, we have an opportunity to change not only the outcome of the budget process, but also the process itself. Budget discussions should begin months before a deadline — not days before a vote. Difficult choices should be addressed honestly, and the public should have confidence that financial decisions have been thoroughly examined before reaching the board for approval.

Students rarely think about budgets. Nor should they have to. They simply experience the consequences of decisions adults make on their behalf.

Passing a budget is an event. Good governance is a discipline.

The budget has been approved. Now Chicago must demonstrate the discipline, transparency and long-term planning necessary to ensure we are not having this same conversation a year from now.

— *Victor P. Henderson*

CHICAGO'S STUDENTS CAN'T VOTE

As a CPS parent, taxpayer and former vice president of the board, I could not be more disappointed in the spectacle the budget process was this year.

Last month's meeting featured political grandstanding, poems read into the record, an alderman threatening the governor and a two-hour "recess" for closed-door conversations. All kinds of things — except honesty about school funding and what our kids actually need.

Some candidates praise the budget that passed. Others think the CEO's original version was the responsible one. I won't do either, because neither budget puts Chicago's students first.

The original counted on $285 million in tax increment financing surplus the city hasn't declared. The amendment that passed kept that assumption and piled on $150 million more from Springfield that hasn't been authorized. None of those dollars is committed to the district.

The board spent last month choosing between two kinds of make-believe. Meanwhile, board members wasted yet another year, and another budget cycle, not asking the most important question: How will our budget ensure that our students succeed?

This was wholly foreseeable. In 2022, when I chaired the board's Finance and Audit Committee, we projected a 2027 deficit of $733 million — exactly where it ended up. Which isn't surprising, because for four budget cycles, the Brandon Johnson-appointed board did nothing. A check-engine light came on years before the breakdown. This board's answer was to put a piece of tape over it and pretend it was someone else's responsibility.

What CPS must do now: Admit this budget is a gamble. Gov. JB Pritzker and House Speaker Emanuel "Chris" Welch have both acknowledged the long odds against quick action in Springfield. So CPS needs a public contingency plan now, before the school year is underway. If the money falls short, students, families and staff should not be blindsided by midyear cuts.

Stop budgeting on slogans and start doing the job. Build the next budget on money the district actually has, and make spending decisions in public, where they belong, before the crisis arrives.

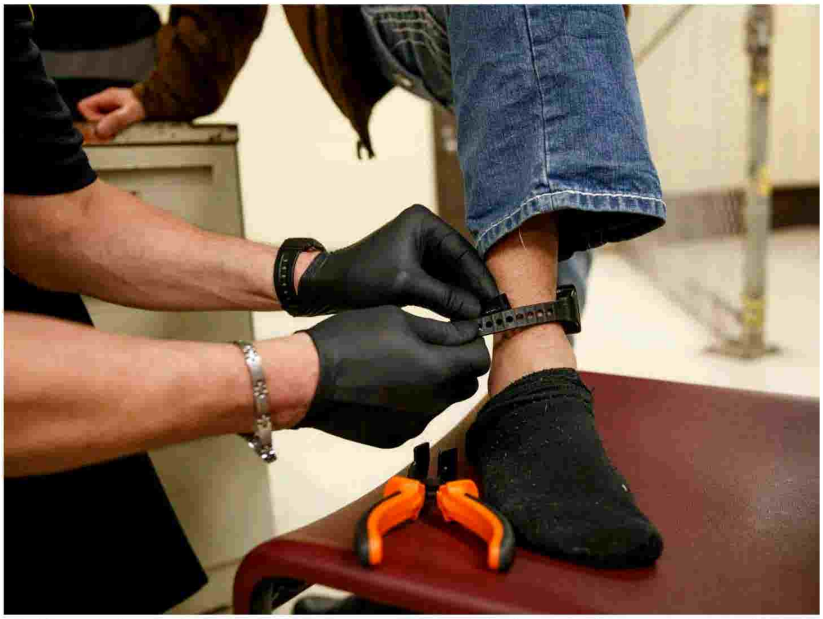
Chicago's students can't vote. Nobody saves them a seat at the table. But voters can — by electing a board president with integrity, someone who will tell them the truth about the numbers and do the unglamorous work of building a budget that adds up.

— *Sendhil Revuluri*

OPINION

The electronic monitoring system is broken

By Eileen Burke
SPECIAL TO THE TRIBUNE



A Cook County sheriff's officer places an electronic monitoring device on a detainee before the person is released from Cook County Jail in 2018. **ARMANDO L. SANCHEZ/CHICAGO TRIBUNE**

Illinois became the first state in the nation to abolish cash bail under the SAFE-T Act, also known as the Pretrial Fairness Act. It was a seminal piece of legislation that fundamentally changed how we determine who should be detained before trial.

Previously, judges would set monetary bonds largely based on the seriousness of the offense. Under the Pretrial Fairness Act, with money no longer a part of the process, the critical question is whether the defendant poses a danger to the public.

That makes sense. If someone is dangerous, they should not be able to buy their way out of jail. At the same time, someone who is not dangerous should not be incarcerated before being found guilty or not guilty, simply because they cannot afford to post bond.

I strongly believe in this core principle of the law: Pretrial detention should be based on dangerousness, not wealth.

But an unsettling trend has emerged in Cook County. Our electronic monitoring population has grown from fewer than 500 defendants in 2010 to roughly 3,000 today. We now have more people on electronic monitoring than any other jurisdiction in the country — including Los Angeles and New York City.

Faced with the choice between detention and release, judges have increasingly used electronic monitoring as a third option to split the difference. The problem is that electronic monitoring is not detention, and it should not be treated as an appropriate alternative when someone poses a danger to the public.

Over the last several months, we have repeatedly seen defendants charged with violent crimes placed on monitoring over the state's attorney's vigorous objections. There is no statutory limit on electronic monitoring eligibility, meaning defendants charged with the most serious crimes — including murder, sex offenses, robbery and crimes against children — can be placed on monitoring. As of Aug. 7, 79 people charged with murder or attempted murder and 154 people charged with sex crimes, including sex crimes against children, were on electronic monitoring.

This is a dramatic departure from the original purpose of electronic monitoring. When it was introduced in 1989, electronic monitoring was intended as a temporary way to address jail overcrowding, and it was reserved for lower-level offenses. Its expansion to defendants accused of violent crimes creates an unacceptable risk to our communities.

The problems are compounded by the structure of the current system.

Most people on electronic monitoring regardless of the charge are permitted periods of unrestricted movement during which their location is not actively monitored. That creates obvious risks to victims and witnesses who are participating in our prosecutions.

Even more troubling, judges can grant different movement schedules based on individual requests. One defendant might be permitted movement Monday morning, Tuesday afternoon and Wednesday midday, while another has an entirely different schedule. With thousands of defendants and countless individualized schedules, effective oversight becomes extraordinarily difficult.

The Cook County sheriff previously had 175 sworn law enforcement officers overseeing electronic monitoring. If someone cut off a monitoring device or was somewhere they were not permitted to be, the sheriff's officers could swiftly locate that person and bring them into court.

But effective this year, responsibility for electronic monitoring has moved under the Office of Chief Judge, in accordance with the statute. Under the current system, pretrial service employees, not sworn law enforcement officers, oversee compliance. These employees do not have the authority to arrest someone who violates the conditions of electronic monitoring. The only thing they can do is report the violation to the court, and a judge may or may not then issue a warrant.

Of the 3,000 defendants currently on electronic monitoring, the chief judge's statistics indicate that more than 327 are currently missing, meaning no one has any idea where they are. This is concerning in any case. But when the missing defendant is charged with a violent offense, the public's safety is in jeopardy.

There is yet another flaw in the system. Defendants receive day-for-day sentencing credit while on electronic monitoring, the same as if they were in custody. This can provide a motive to delay any trial as long as possible. When a defendant can avoid resolving their case, they minimize any time that they may eventually be sentenced to jail.

A perfect example of this is the case of Thomas Martel, who pleaded guilty this year to animal torture and aggravated cruelty to animals for torturing and killing multiple kittens. He accepted a plea offer of 4½ years after he had accrued sufficient credit while living at his family's suburban home on electronic monitoring, according to media reports. He served less than a day of that sentence in prison.

These are problems that demand permanent solutions. While I applaud Chief Judge Charles Beach's recent efforts to strengthen electronic monitoring, the fundamental flaws with electronic monitoring are intractable failures that predate his tenure and require legislative action.

We have already seen the worst-case scenarios. Chicago police Officer John Bartholomew was shot and killed by a violent offender who was placed on electronic monitoring over the prosecution's objection. A young woman riding a Blue Line train was set on fire by a defendant who had been placed on electronic monitoring over the prosecution's objection.

These are not arguments against the Pretrial Fairness Act. They are arguments for making it work as intended.

I have spent my career on every side of the criminal justice system — as a prosecutor, as a criminal defense attorney, as a Circuit Court judge and as an Appellate Court justice. I believe deeply in our justice system and also in our responsibility to make it work for everyone, including victims of crime.

We do not have to choose between fairness and public safety. We can have both. But our current electronic monitoring system undermines those goals when it is used as a substitute for detention of dangerous defendants.

The Pretrial Fairness Act was founded on a sound principle. Detain people because they are dangerous, not because they are poor. We should honor that principle.

When someone is dangerous, our laws should ensure that person is actually detained.

Eileen Burke is the Cook County state's attorney and a retired appellate court justice.

Voice of the People

Sexual harassment in Springfield

The motto "walk a mile in my moccasins" means people can build empathy for us by going through what we have gone through. The words, actually "walk a mile in his moccasins," are from the 1895 poem "Judge Softly" by Mary T. Lathrap.

There are ways in which this empathetic experience can benefit others and help solve problems.

The Tribune Editorial Board asserts in its Aug. 16 editorial that Springfield uses "a broken system" to handle claims of sexual harassment: Employees in Illinois government fear loss of job or ruination of career if they report incidents of sexual harassment. The editorial mentions that Illinois House Speaker Emanual "Chris" Welch is known for his preference to form Democrat-only working groups for resolving government issues. He has formed such a group with the aim of fixing this "broken system."

The editorial notes that such a group should be made up of lawmakers from both parties, as well as include victims. I agree that both parties should participate. I feel that the majority of the victim participants should be women. Yes, sexual harassment can happen to members of both genders, but most women have been harassed at some point in their working careers. They have "walked a mile in (her) moccasins."

Anyone who thinks that men fully understand should look into the interrogation that Anita Hill endured from an all-male group of U.S. senators. Such a grilling occurred because she had reported that Clarence Thomas sexually harassed her and she felt that he was not suitable to be a Supreme Court justice. These interrogators had not "walked a mile in (her) moccasins," and the leader of the interrogation panel has since apologized to her.

— Megan Bedard, Round Lake Beach

Legislators, visitors and others stand outside the House and Senate chambers during the spring legislative session at the State Capitol on May 28 in Springfield. **JOHN J. KIM/CHICAGO TRIBUNE**

Ethics reform here is unlikely

Ethics reform among Democrats? Never!

We will just wait a few weeks, and with some new diversions, reform will again be forgotten. The spirit of Bathhouse John Coughlin and Hinky Dink Michael Kenna lives.

Illinois House Speaker Emanuel "Chris" Welch is probably mumbling, "Illinois ain't ready for reform."

— Joseph A. Murzanski, Orland Park

Kennedy traffic still a killer

A "soul killer" is how I described the traffic situation on the Kennedy Expressway in a 2023 letter when the Kennedy resurfacing reduced flow and created painful commutes for so many North Siders. That work was finally completed, and things improved, for a minute.

Now here we are again, and the inbound expressway is worse than ever. Worse despite the fact that there is no work actually being done on the Kennedy. It's all happening on Chicago streets such as Lake Street, Grand and Chicago avenues, and Halsted and Addison streets. It should be obvious to Chicago and Illinois Department of Transportation folks that all of these closures and detours at the same time are just a bad idea! Look at the travel times in from O'Hare International Airport — they are off the charts.

Beyond the normal frustration and inefficiency wrought by this poor planning, I wonder if state authorities have noticed the insane shoulder riding that is now happening? Or the number of drivers now staring at their phones to kill time in traffic?

Traffic like this is bad for the soul; it's also dangerous.

— David Hartney, Chicago

Advice for mayoral candidate

Regarding the op-ed "Chicago is a city with a failing heart" (Aug. 13) by mayoral candidate Lisa Nee: Every single reader can talk about the great things we need, just as Nee does. How to do it is another story. Also, crime is at historic lows, yet here Nee is, continuing the fearmongering about crime, despite historic lows.

The parroted talking points are annoying. Chicago's population has risen three years in a row and was undercounted in 2020. If Nee wants to be mayor, do better.

— Brandon Wilson, Chicago

A sacred night for Sox fans

The recent "Pope Hat" night at Rate Field in Chicago was stuff out of a novel, not an MLB game in anywhere America. And this wasn't anywhere America. It was the home of the Chicago White Sox, where generations of Sox fans have sat at the altar of a baseball diamond to root for their South Siders. On this special night, a nun threw out the first pitch, the fans donned pope hats and Sox home-run hitters paraded down the dugout in pope hats.

Most unexpected of all was the Sox announcer asking fans to share the sign of peace with each other, which is part of the Catholic Mass. It's safe to say this unique moment never happened in professional sports of any sort.

This is the team that finished last in the American League Central division last year and is now in first place in the ALC. Whoa, could the pope's access to the almighty have played a role in what's happening at Rate Field this year? What else could account for such a turnaround in one season? No wonder they brought out the pope hats, the pitching nun and the sign of peace.

It's a perfect moment to reflect on the role baseball plays in bringing communities together and distracting folks from their differences. In a nation deeply divided over its politics, we need all the help we can get in focusing on what we have in common and how to celebrate our similarities rather than our differences.

Whether it's the Cubs at Wrigley or the Sox at Rate Field, it's baseball that best travels a side road to record a nation's people united in causes certainly not as critical to survival as our democratic government, but critical to sowing seeds of unity that Americans might just display after they leave the ballpark.

As for "Pope Hat" night, that would not have been possible if it weren't for a kid from the South Side who demonstrated his love for humanity so intensely that he gave up an American way of life to serve the poor in South America. No greater gift could Pope Leo XIV have given us than the example of altruism he has set for all humankind and the message of peace and reconciliation that he offers all of us, even at a White Sox game.

Pope hats off to the pope from Chicago!

— Bob Kustra, former Illinois lieutenant governor, Boise, Idaho

Regulate e-bikes, e-scooters

I think it's important to understand that e-bikes and e-scooters are not novelty toys; they are modes of transportation that all kinds of people use to get around for a wide array of purposes, including jobs and errands.

There should be regulations on their use and enforcement of those regulations (there is little of the former and virtually none of the latter in Illinois right now). But if we truly want to put public safety first to the extreme by banning a mode of transportation perceived as dangerous, banning cars should be on the table. If we don't want to go that extreme, it would make sense to regulate e-bike and e-scooter use like we do with car use to prevent teenage death and injury.

— Ben Nagy, Chicago

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OPINION

Democrats Can Learn From AOC

BUSINESS WORLD
By Holman W. Jenkins, Jr.

A class of ambitious Democrats could take a lesson from Alexandria Ocasio-Cortez. Her artlessness is exactly what was wanted in disowning what she called "Woke 1," a set of policy ideas that would be death to anyone who wants a future in national politics.

Just disown it and make a spectacle of disowning it. It was a brainless detour. Forget it ever happened, she seemed to say on ABC News's Sunday show.

I long thought the only real Democratic hopefuls in 2028 would be those who spent the past decade outside of Washington, like Andy Beshear, Josh Shapiro, Gretchen Whitmer and Rahm Emanuel. I might waive the out-of-Washington rule for Rep. Ro Khanna if he weren't so intent on miscalculating on Jeffrey Epstein as his broom to batch-dispatch his rivals.

There's a better way. In imitation of AOC, find a venue to say: "Of course it was wrong for Democrats to fabricate evidence of collusion. It was wrong to mobilize the CIA and FBI to lie to voters. The Biden grift? The most irresponsible thing ever. Even in hopeless contests against an FDR or Eisenhower, both parties always did their duty and gave Americans someone to vote for. Democrats failed in 2024."

On day one, the media would try to ignore such a speech. On day two, the press would try to shoot it down.

On day three, a catharsis would begin like the Mississippi overflowing its banks. The speaker would benefit by wrong-footing half the Democratic firmament. He or she would become instantly votable to much of America that voted for Mr. Trump.

Why hasn't it happened already? This was obvious when two of these hopefuls visited the Journal last year. Recall Chuck Schumer at the start of the Trump era: Don't make an enemy of the intelligence agencies. "They have six ways from Sunday at getting back at you."

There's a second, subtler reason, found in "Regime Change," a new book by New York Times reporters Maggie Haberman and Jonathan Swan.

Early on, the authors pose a mystery: How can Donald Trump be so courtly to Joe Biden in person yet so abusive on the hustings? It's no mystery. The authors don't give the answer—kayfabe—because they're participants in the kayfabe.

Kayfabe is the fakeness of professional wrestling. Recall Mr. Biden's 2024 ABC interview after his debate debacle. This is what it looks like when kayfabe takes a day off. He didn't say, for once, that Mr. Trump was a threat to democracy—because now it would undercut his own plea to stay in the race despite lousy polls.

Between every line of Ms. Haberman and Mr. Swan's huffing disapproval of Mr. Trump's reckless ignorance and impulsivity is their delight in having him as a subject, a ticket to the bestseller list. Their most clunkingly dishonest passage? After the Butler, Pa., assassination attempt, they segue to Mr. Trump's bone spurs to escape Vietnam, supposedly re-establishing his reputation for "the opposite" of "physical courage."

Their party can win in 2028 by disowning its own shameful idiocies of the Trump era.

I promise you: No national journalist is really so stupid—so historically, psychologically, sociologically stupid—as to imagine physical courage is what distinguished those who went to Vietnam from those who didn't. This is purely a kayfabe assertion—to get Mr. Trump back in his baddie costume and their unsearching narrative back on track.

Ms. Ocasio-Cortez refers to the "Overton window," which decides when outré ideas may be discussed. But as important is the emperor's-new-clothes effect, which determines when it's personally advantageous to ignore plainly obvious realities.

The lacuna in the Haberman/Swan book is the lacuna in all such accounts. In 2016, Mr. Trump was the "outsider" and "disrupter" whom a surprising number of Obama voters would take a flyer on. By 2024, the Times would later admit, his enemies had metamorphosed him. He became the "righteous hero triumphing in the face of smear campaigns, relentless prosecutions and even an attempt on his life"—though it still took astonishing mismanagement of their own nomination by Democrats to return him to the White House.

Take another kayfabe telltale. In a hundred lifetimes, Rachel Maddow might never stop to ask how it could benefit Mr. Trump for the Russians constantly to be calling attention (as she alleges) to their support for Mr. Trump. Her disincentive is channeled directly into her $25 million paycheck, which obviously isn't awarded for accurate reporting and analysis.

Mr. Trump could only gawp while his enemies did these favors for him. Ditto any open-eyed citizen. Kayfabe's derivation is uncertain but the term is strikingly similar in mouth feel to "coward," a description repeatedly merited by the national press in the Trump era. But explain as you will the spell Mr. Trump and his enemies have cast over our politics. When a prominent Democrat finds the courage to step outside the spell, on that day America might regain hope of being able to elect a serious president for serious times.

How Radical Will the Democrats Get?

POLITICS & IDEAS
By William A. Galston

As the summer of the Democratic Socialists of America gives way to the fall's midterm campaigns, some patterns have emerged with implications for the 2028 presidential contest.

Evidence from polls and primary elections suggests that support for DSA and DSA-adjacent candidates reflects the current strengths and weaknesses of the Democratic Party. These candidates run well among younger, more educated urban voters but poorly among older voters without college degrees who live outside big cities. They do somewhat better among women than men, as the party does. And they enjoy considerably more support among white and upper-income Democrats and Democratic-leaning independents than among blacks, Hispanics and lower-income voters.

While some elements of the DSA agenda—such as Medicare for all and higher taxes on corporations and wealthy individuals—enjoy majority support, most don't. The organization's platform advocates government ownership of much of the economy, including food, education, energy, medicine and transportation. Americans wouldn't have landlords or mortgages because "comfortable housing is a human right."

The DSA platform also includes the following: "Demilitarize police departments, disempower police unions, and redirect funding to public services as steps towards fully abolishing the police and prison system"; "Defund the Department of War . . . End all foreign wars and close overseas military bases"; "Legalize migration, grant amnesty for all immigrants regardless of status, provide a path to citizenship for all permanent residents, and end visa caps and quotas"; "Replace the President and Supreme Court with an executive and judiciary chosen by and subordinate to Congress"; "Abolish the Senate."

No doubt a serious candidate with past ties to democratic socialism would repudiate these proposals to win over centrist voters. But that's a problem, not a solution. In a general-election campaign, such a candidate would be forced on the defensive by an endless wave of negative advertising, hampering his ability to take the offensive against the excesses of the Trump administration and to promote a publicly acceptable alternative to it. A democratic socialist-leaning Democratic nominee might well repeat the fiasco of George McGovern's candidacy in 1972, in which the Democratic nominee was branded as too far left and lost in a landslide.

Although the presidential election is more than two years away, the available evidence supports common sense: If the presidential election were held tomorrow, a Democratic nominee who identifies with democratic socialism would fare badly. Fifty-four percent of registered voters in a recent Washington Post-Ipsos poll said they wouldn't even consider voting for such a candidate, including 54% of independents and 20% of Democrats. But according to a recent CBS/YouGov survey, 58% of Democrats view socialism favorably, compared with 35% of the electorate as a whole. This gap could lead Democrats to nominate a candidate well outside the national mainstream.

Frustration with the economy is fueling the rise of the DSA, and it may not fade by 2028.

Still, the DSA is on the rise—the latest sign that many Americans are angry and scared about trends they feel powerless to halt. "Take back control," the slogan that helped Brexit win an upset victory, would serve well as a summary of what Americans want, but aren't getting, from today's politics. Protesters are upset about a range of issues, including wages that lag behind prices, increasingly unaffordable healthcare, the vanishing of the dream of homeownership for young adults, and a technological revolution that threatens the jobs of millions of workers. Overall, Americans believe it is harder for them to enter the middle class and enjoy financial security than it was for their parents. No wonder so many communities are rallying against data centers.

Adding fuel to the fire, President Trump hasn't kept the promises he made during his 2024 campaign. Prices are rising faster than during Joe Biden's final year in office. Despite tariffs intended to reverse offshoring, there are fewer U.S. manufacturing jobs than when Mr. Trump began his second term. The war against Iran has raised the price of gasoline, fertilizer and the diesel fuel that trucks use to transport most of the goods that Americans use every day. Against this backdrop, it's hardly surprising that 63% of Americans—including 53% of Republicans and Republican-leaning independents—believe that the Republican Party hasn't focused enough on the cost of living.

Democratic leaders should take no comfort from these developments. The 2024 election was more than a defeat for Kamala Harris; it was the end of an era. Democratic voters want a new generation of leaders with new ideas to take charge, and they are in no mood to accept timid incrementalism. Support for capitalism is at a low ebb among independents as well as Democrats.

As Republicans learned in 2016, a charismatic anti-status-quo candidate can win the nomination without majority support—if multiple candidates representing business as usual split the vote. If the Democratic Party's center-left wing fails to offer an agenda voters can believe in, the door will be open for a radical faction to take charge during the presidential nomination contest, regardless of the consequences for the general election.

No One Got Rich Singing About Money

By Gregg Opelka

Everyone wants to be a millionaire—except songwriters. In 1964 the Beatles reminded us that money "Can't Buy Me Love," and there have been other examples of that sentiment in numerous pop songs. Mentions of the actual word "millionaire" in popular music are relatively rare. Let's look at some examples.

An early instance I found was in an Italian opera, Rodolfo's famous aria "Che gelida manina" from Puccini's "La Bohème" (premiere 1896). The impoverished poet tells his neighbor and new acquaintance Mimì, "Per sogni, per chimere e per castelli in aria / L'anima ho millionaria" ("Through my dreams, my fantasies and castles in the air, / I have the soul of a millionaire.") "La Bohème," which inspired the Broadway musical "Rent," may be the quintessential "Can't Buy Me Love" opera. But at the time of his death in 1924, Puccini had a fortune of an estimated $200 million in today's dollars, placing him among the 1%.

In 1931, Harry Warren, Billy Rose and Mort Dixon published their song "I Found a Million Dollar Baby (in a Five and Ten Cent Store)," which was an immediate hit. Warren (1893-1981) wrote largely for films. Among his more than 800 songs, hits like "You'll Never Know," "Chattanooga Choo Choo" and "I Only Have Eyes for You" likely made him a millionaire by his 40s.

If the lyrics include the word 'millionaire,' it is usually in expressing a preference for love.

In the 1949 musical film "In the Good Old Summertime," Judy Garland resurrected the 1905 vaudeville song "I Don't Care," popularized in 1922 by Eva Tanguay. Garland's recording included words absent from the Jean Lenox (lyrics) and Harry O. Sutton (music) original: "I don't care / if he's a clerk or just a millionaire," the clever interpolation yet another variation on the "Can't Buy Me Love" theme.

Cole Porter's 1956 tune "Who Wants to Be a Millionaire?" shares its name with the future ABC game show. Porter, born and raised amid great wealth, became a millionaire through his songwriting brilliance. His song answers its own question with "I don't—'cause all I want is you." Again, love, not wealth, conquers all.

The trope's early prominent 21st-century pop iteration can be found in Kelis's 2003 song "I'm a Millionaire," with the lyric: "Papa, I'm a Millionaire, but Saks Fifth Ave. don't sell affection."

Chris Stapleton's 2017 megahit "Millionaire" continued the tradition. In it, he avers that, thanks to his beloved, "when my pockets are empty and my cupboard is bare, I still feel like a millionaire." Mr. Stapleton's net worth? About $25 million.

Ironically, most contestants on "Who Wants to Be a Millionaire?" didn't become millionaires, whereas Cole Porter, the Beatles and others who wrote about the supremacy of love over money did. Seems if you truly want to become a millionaire, you stand a far better chance by writing a love song denouncing the idea than guessing at multiple-choice questions.

And that is my final answer.

Mr. Opelka is a musical-theater composer-lyricist.

BOOKSHELF | By Jonathan W. Jordan

Good Men In a Crisis

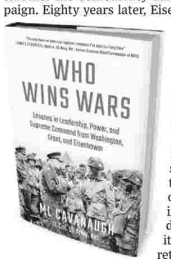
Who Wins Wars

By ML Cavanaugh
Matt Holt, 256 pages, $30

At the height of World War II, students in Miss Lillian Craig's fifth-grade class in Roanoke, Va., wrote to America's top soldier, Gen. George C. Marshall: How did he select the nation's senior generals? "What are they like that makes you know they will be good ones?"

Kings, presidents and military academies have wrestled with versions of that question for millennia. In "Who Wins Wars," retired Army Lt. Col. ML Cavanaugh tackles the subject by studying three legendary American generals: George Washington, Ulysses S. Grant and Dwight D. Eisenhower.

The three leaders fought their signature campaigns under vastly different conditions. Washington launched his Delaware River attack in 1776 with armies marching at the foot speed of Caesar's legions. Grant used the destruction of railroads and logistical networks, and superior manpower, to smother the Confederacy during his 1864 Wilderness Campaign. Eighty years later, Eisenhower owned the skies over Europe and leveraged the power of a vast coalition to conquer Hitler's Fortress Europe. Mr. Cavanaugh reviews their thinking from the strategic heights and asks, "who wins wars, and what can we learn from those who do?"



In 1776, Washington was an insurgent leader who understood that survival meant victory. After the disastrous Battle of Long Island in August, Washington faced a tough decision: defend New York, burn it to keep it out of British hands or simply retreat? "Washington had to think about more than just winning battles," Mr. Cavanaugh writes. "He had to keep the army together and maintain support from the people and Congress." The Founding Father worked closely with the Continental Congress and balanced the conflicting demands of military officers and civic leaders. "By handling these disagreements carefully, he gained the trust he needed from Congress and kept his officers loyal," Mr. Cavanaugh writes. "In short, Washington listened."

His surprise move against Trenton, N.J., at Christmas did more than notch a local victory against King George's Hessians. It "broke the idea that the British couldn't be beaten," we are told, and "helped the colonists believe in the rebellion again."

Grant's strategy against the Confederacy in 1864 was, the author says, "not only military—it was political, too. Victories needed to boost Union morale, but they couldn't be so costly that the public turned against the war." Though at first Grant suffered more casualties than Robert E. Lee, "Grant didn't stop. He kept moving forward."

While Grant remained aloof from politics, he "believed strongly that politics matters at war." With Lincoln's re-election prospects teetering in the fall of 1864, Grant, Mr. Cavanaugh writes, "viewed the election as a potential battlefield opportunity." He provided his soldiers access to the voting process, and ensured that the men were shielded from the pressures of political harangues or campaigning.

The Union won, Mr. Cavanaugh writes, "because Grant listened, learned, and adjusted his approach. Because he chose constant, multifront pressure. Because he was persistent after setbacks. And because Grant wore Lee's Confederates down."

Eisenhower's path to victory was more overtly political. He pushed back, when necessary, against political leaders, including Winston Churchill, Franklin D. Roosevelt and Charles de Gaulle. Eisenhower's agonizing responsibilities required him to make many critical decisions: Launch D-Day on June 6, 1944? Drop paratroops behind enemy front lines? Bomb French railways before D-Day? Capture Berlin, Prague and Vienna—or leave them for the Red Army?

We can "learn a great deal from Eisenhower's strategic leadership—particularly, some of the traits he demonstrated," Mr. Cavanaugh observes. "Like humility. One of Eisenhower's early biographers was struck by how Eisenhower never saw power as belonging to him personally (in contrast with Hitler). Instead, he treated it as something he was responsible for—but not entitled to."

As generals Washington, Grant and Eisenhower demonstrated expert strategic judgment in vastly different military circumstances.

What do these generals teach us? "When it comes to strategy, it's not whether strategic leaders win or lose a given battle, but how they change the game," Mr. Cavanaugh writes. "The aim of all strategic leadership is the application of superior judgment."

Technology is a part of war's landscape; it separates the 21st century from the eras of the Brown Bess musket, the bronze cannon and the M-1 Garand rifle. Noting the ubiquity of drones on the battlefields of Ukraine and Russia, one general consulted by Mr. Cavanaugh asked, "how many senior leaders have drones in their home? Little drones they play with?" The author adds: "Which of our senior strategic leaders are experimenting, getting hands on, developing a fingertip feel for this new warfighting tech?" Mr. Cavanaugh concludes: "Curiosity is a strategic advantage here."

Humility also counts, he adds. "When you're spending human lives—part of a system that orders some into extreme risk—it matters that you actually believe the lives you're spending are as important as your own." Yet optimism must counterbalance humility and realism. "Hope must be in the strategic leader's DNA—without it, the whole enterprise would rot from the top down."

"You can never learn how to 'win wars.' You can only hope to win the war you're in," Mr. Cavanaugh argues. "But we can create a 'variety' of experiences that ensures we find someone better than anyone on the other side of the field. All roads lead to the mountaintop—you've just got to be smart enough, strong enough, and brave enough to make the climb."

These are sensible prescriptions. The difficulty is that "Who Wins Wars" seldom ventures far beyond them. Its strategic lessons—balance differing viewpoints, understand politics, remain humble and optimistic, change the game—are difficult to argue with, because they operate at such a high level of generalization.

Which brings us back to Miss Craig's fifth graders. Eight decades later, their deceptively simple question—"What are they like that makes you know they will be good ones?"—remains harder than it looks.

Mr. Jordan is the author of "Ike and Winston: World War, Cold War, and an Extraordinary Friendship."

OPINION

REVIEW & OUTLOOK

Disney Strikes Back Against the FCC

Remember how conservatives cried foul when the Biden Administration weaponized government power to silence critics? Now the politics have flipped, as Federal Communications Commission Chairman Brendan Carr seeks to punish Walt Disney Co.'s ABC for getting crosswise with President Trump. But the network isn't taking it lying down.

ABC's owner has a good case against Brendan Carr's harassment on free-speech grounds.

ABC sued the FCC on Tuesday for "coercing and retaliating" because it "refuses to bow to the Administration's demands." The lawsuit says the government has violated its First Amendment rights "by launching pretextual regulatory investigations and threatening the Stations' valuable broadcast licenses."

Mr. Carr has threatened to yank the licenses of ABC's broadcast stations, sought to impose political control over guests on its daytime program "The View," and launched an investigation into its employment practices. Warning to broadcasters: Don't criticize the President. Mr. Trump's beef with ABC goes back to his first term, when he complained that its news coverage was unfair. Most TV networks lean left, ABC included. But Mr. Trump thinks any criticism is unfair.

Last August Mr. Trump called for revoking the broadcast licenses of ABC (and NBC) because they "ARE SIMPLY AN ARM OF THE DEMOCRATIC PARTY," as he wrote on social media. The President renewed the threat against ABC after its late-night comedian Jimmy Kimmel made a thoughtless remark about Charlie Kirk's assassination.

"We can do this the easy way or the hard way," Mr. Carr said, mob-boss style. "These companies can find ways to take action on Kimmel, or there is going to be additional work for the FCC ahead . . . They have a license granted by us at the FCC, and that comes with it an obligation to operate in the public interest."

Federal law gives the FCC authority to regulate the public airwaves based on "public convenience, interest, or necessity." The political left has cited this in the past to push for racial preferences in broadcast licensing. Mr. Carr is using it against Mr. Trump's antagonists.

In March 2025, Mr. Carr announced an investigation into whether Disney or ABC had violated the agency's equal employment opportunity regulations with their policies on diversity, equity and inclusion. "Numerous reports indicate that Disney's leadership went all in on invidious forms of DEI discrimination a few years ago," Mr. Carr said.

Conservatives have long criticized Disney as "woke," and it's possible the company has given preferences to racial minorities. But Mr. Carr appears to be using the DEI probe as a pretext. He cited the DEI investigation in April to justify an early review of the broadcast licenses for the eight local broadcast stations that ABC directly owns and operates. None of its licenses expire before 2028. The FCC has never simultaneously demanded an early review of a group of station licenses owned by a single broadcast network.

Revoking ABC's licenses would ignite a legal battle, but Mr. Carr's goal may be to use the threat to pressure it to toe the President's line. That also may be one goal behind the FCC's decision to revisit its exemption for "The View" from its equal-time rule, an artifact of the 1934 Communications Act.

The antiquated rule requires public broadcasters, if they provide air time to one political candidate, to give comparable time and placement to other candidates running for the same office. Congress later exempted "bona fide" newscasts, interviews, documentaries and events to ensure the rule wouldn't suppress political coverage.

The FCC has loosely enforced the rule in recent decades and in 2002 gave "The View" an exemption. Congress ought to repeal the rule (and kill the FCC itself) since it makes little sense in today's diverse media marketplace. It notably doesn't apply to other forms of media, including cable networks, podcasts and social media.

* * *

The rule also violates the First Amendment by letting the FCC interfere in editorial judgments and suppress disfavored content and viewpoints. ABC's lawsuit says the FCC's pressure has resulted in it "passing on further consideration of booking several political candidates," and none have appeared on the program since February.

The original rationale for the law was to prevent media gatekeepers from influencing the outcomes of elections by having one political candidate on all the time. Now Mr. Carr is playing gatekeeper, though not long ago he was reviling the left's censors.

In 2020 he lambasted a progressive media group for petitioning the FCC to censor broadcasts of Mr. Trump's Covid press conferences, calling it a "dangerous and sweeping attempt by the left to weaponize the FCC." It's a shame Mr. Carr won't defend ABC's free-speech rights today.

The Economic Case for European AC

Europe has sweltered through one heat wave after another this summer, and its green disavowal of air conditioning comes at an economic cost. As the mercury rises, business productivity suffers along with the workforce.

Many European offices and apartment buildings were designed to retain heat, and air-conditioning penetration averages 19%, compared with some 90% in the U.S., according to a report this year by Allianz Research, an arm of the insurance company. One result: Even "indoor workers are not insulated" from the misery.

The economic consequences extend beyond discomfort. Heat stress hurts workers' sleep, cognitive function, decision-making and performance, the report says. Allianz estimates workers' hourly output declines by $1.30 for every degree between 30 and 35 Celsius (86 and 95 Fahrenheit). That makes European businesses less profitable and less competitive.

Allianz examined productivity during unusually hot years, and it concludes that heat waves cost between 0.3% and 0.5% of European GDP overall, and more than 1% of GDP in heat-prone southern regions. This translates to lower tax revenue, too. That's especially bad news for France, where "heat stress could worsen an already high expected fiscal deficit," the report warns.

Europe will face economic costs related to warming "even if ambitious climate mitigation goals are met," says a report last year from Assessing Climate Change Risk in Europe, a European Union-funded research effort. But the continent can reduce the harm by better adapting. That study found broader AC adoption could have annual economic benefits of €40 to €60 billion ($46 billion to $69 billion) by 2050. An "important co-benefit" would be fewer heat-related fatalities. Crank up the cooling.

High Anxiety in the Bond Market

Apparently "rout" is the new word for interest rates returning to a historical norm. That's one impression from the freakout now attending a repricing in global bond markets that's resetting the global financial system to its pre-2008 level.

A return to pre-2008 interest rates isn't cause for financial panic.

Note the dates here. The 30-year U.S. Treasury yield on Tuesday touched 5.339%, its highest since 2007. The 10-year at about 4.7% is near its highest level since early 2025. The benchmark French 10-year, at about 4.1%, is its highest since 2008. The 10-year German bund, at about 3.26%, has returned to its level of 2011. None of these moves upward have been sudden, despite the hubbub in market commentary this week.

In other words, yields finally are reverting to normal after the low-rate era following the 2008 financial panic and European sovereign crisis. The outlier is Japan, and it's telling. There the 10-year government bond, at about 2.93%, is now at its highest yield since 1996. But Japan embarked much earlier on the extreme monetary and fiscal policies that became common elsewhere after 2008. This too is a story of unwinding abnormal conditions.

The upward rate trend might signal faster economic growth ahead. Tech companies have an insatiable appetite for capital, especially to fund artificial-intelligence investments. Such borrowing stands at $200 billion so far this year, according to Nomura Securities, which is about 25% of the U.S. Treasury's net debt issuance in that period. Companies are willing to pay higher rates for capital in line with their hoped-for returns. Investors in turn are recalibrating the yields they'll demand to hold stodgy government debt.

While it sounds frightening to say rates are higher than they've been in nearly 20 years, the past two decades are the era that was abnormal. The U.S. economy has survived—thrived, actually—during periods of higher interest rates. The return of normality augurs well for the productive allocation of capital, which is good for growth and job creation.

This isn't to ignore the two more worrying reasons for higher yields. Concerns about future inflation may explain some of the rise, and the fiscal mess of most Western governments should push up yields.

In the U.S., federal debt held by the public has ballooned to 100% of GDP from 32% in 2008. Rising rates create new budgetary stresses. Net interest on the debt is on track to cost the Treasury more than $1 trillion this fiscal year, the second- or third-largest line item in the federal budget behind Social Security and, possibly, Medicare. Those risks aren't new, however, and were at least partly baked into yields before the surge of recent days.

Other financial risks have built up during the era of low rates. Britain's gilt crisis in September 2022 and the Silicon Valley Bank collapse in March 2023 were warnings that some investors or institutions might experience distress during the transition back to normal yields. Borrowers of all stripes will have to adjust—not least the Western governments that have spent and borrowed as if near-zero interest rates would last forever.

LETTERS TO THE EDITOR

Iranians Admit Trump's Blockade Is Working

Your editorial "Trump's Blockade Keeps the Economic Pressure on Iran" (Aug. 11) makes the right call: keep the blockade on. What's remarkable is that Tehran keeps proving your point for you.

Majid Reza Hariri, who heads Iran's own Chamber of Commerce with China, told the outlet Khabaronline that shipping a container overland now costs $12,000 by land versus $3,000 by sea, an extra $9,000 a box across roughly two million containers a year—or about $18 billion in added costs. He said Iran's $50 billion in non-oil exports produces only $10 billion in profit, so the blockade surcharge alone can wipe that out. His verdict: The 40-day war did less damage to Iran's economy than the blockade is doing now.

Iranian President Masoud Pezeshkian admitted on Aug. 8 that the naval blockade has cut off Iran's import routes and that the government lacks the resources to import gasoline. Iranian economic journalist Ata Hosseinian echoed the warning days later, tracing the fuel shortages and long gas-station lines directly to the blockade.

Having spent years as a senior sanctions official at Treasury, I've seen how rarely a target state's own officials hand you this kind of confirmation. When the head of a state trade body and the president himself can't hide the reality anymore, and concede this much pain, it is the clearest evidence yet that $435 million a day in lost activity is achieving what airstrikes never fully did.

President Trump should tune out Tehran's escalating demands and let the blockade keep working.

Miad Maleki
Senior fellow, Foundation for Defense of Democracies
Washington

Medicine's Covid Reckoning Is Long Overdue

Regarding your editorial "Fauci, Covid Vaccines and Miscarriages" (Aug. 14): You write, "Sen. Johnson . . . claims the data actually documented an 82% rate." It wasn't my claim. I was citing testimony and an open letter to the American Board of Obstetrics and Gynecology sent by Dr. James Thorp—a board-certified OB-GYN who has cared for women for more than 40 years and has firsthand experience treating pregnant women harmed by the Covid injection.

By arguing over one particular interpretation of what your editorial called a "sloppy" study, fact checkers and other Anthony Fauci apologists are missing the main point: Dr. Fauci withheld information from pregnant women that they had the right to know. His claim that there were no red flags is refuted by his acknowledgment of "significant cytokines storm and fever" and my May and April reports.

The question isn't what the actual percentage of miscarriage risk is—we probably will never know because of grossly inadequate and negligent, if not corrupt, safety surveillance. The question should be why federal health officials consistently withheld information on safety signals, thereby depriving the public of fully informed consent.

Dr. Fauci isn't alone in refusing to answer for his role in our miserably failed response to Covid. The media that continues to cover up for their participation in silencing dissenting voices and not rigorously pursuing the truth should engage in serious self-reflection.

The latest example is the media news blackout of my report, "Unmasked: How Biden Health Officials Purposely Turned a Blind Eye Toward COVID-19 Vaccine Safety Signals." Not one major newspaper or broadcast news network has covered this major scandal as a news story. Until we have a thorough Covid reckoning, trust in media, health agencies, doctors, hospitals, "experts" and science will continue to plummet. And deservedly so.

Sen. Ron Johnson (R., Wis.)
Oshkosh, Wis.

Government Authority Isn't Medical Evidence

Your editorial is exactly right to warn that President Trump's vaccine order will feed public anxiety ("Trump Jabs at Vaccines for Children," Aug. 12).

What troubles me most isn't simply what the administration recommends, but how it is reaching medical conclusions. Neither President Trump nor Robert F. Kennedy Jr. is a physician. That does not disqualify them from making health policy. But it should make them especially reluctant to substitute personal judgment for an evidence-based medical process.

Calling the MMR vaccine "quite lethal" without supporting evidence isn't a scientific argument. Nor is substantially rewriting the childhood immunization schedule without new evidence demonstrating that the existing schedule is unsafe or inferior.

The medical profession has hardly been silent. The American Academy of Pediatrics, American Medical Association, American College of Physicians and Infectious Diseases Society of America, among others, have objected and emphasized that vaccine recommendations should rest on rigorous evidence and expert review.

Presidents properly make policy. Physicians and scientists properly debate medical evidence. But political authority can't convert an unsupported assertion into a medical fact. When government speaks about children's health, evidence should come before conclusions—not the other way around.

Arie Blitz, M.D.
Weslaco, Texas

Oregon Has a Student Crisis

Your editorial "Youngkin Goes to Bat for School Choice" (Aug. 12) rightly warns that states refusing to step up to the plate on federal tax-credit scholarships will leave their students behind. Oregon is fast becoming that cautionary tale.

Despite the Nation's Report Card placing our state last in fourth-grade reading and math, Gov. Tina Kotek announced this June that she will not opt Oregon into the federal Education Freedom Tax Credit program.

Last November I joined fellow legislators in urging Gov. Kotek to participate. This program requires zero new state taxes. It simply allows people to claim a federal tax credit of up to $1,700 for donations to scholarship organizations—funds that cover private-school tuition, tutoring, special-needs services, and vital support for public-school students.

Oregon must open doors for struggling students, not slam them shut. During the 2027 legislative session, I will introduce statutory legislation to bypass this executive roadblock and formally opt our state in.

Until then, keep an eye on Oregon this November. Voters will decide if playing politics with our children's future in a failing educational system finally carries a price at the ballot box.

State Rep. Dwayne Yunker (R., Ore.)
Grants Pass, Ore.

Data Centers Are Going Big

Regarding Blake Hurst's "If You'd Like to Build a Data Center, My Farm Is Available" (Cross Country, Aug. 15): As the economist Thomas Sowell so clearly observed, every decision in life involves trade-offs. Mr. Hurst clearly framed the trade-offs in approving a data center in northwest Missouri.

The project seems like an emphatic no-brainer to me. Surely the farm community in Missouri has not lost their collective common sense.

Mark Reich
Mesquite, Nev.

CORRECTION

An Aug. 13 art review, "Laying Down the Line," named only two curators of the exhibition "Willem de Kooning Drawing." The show has three: Kevin Salatino, Mel Becker Solomon and Charlotte Healy.

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Pepper ... And Salt

THE WALL STREET JOURNAL

"We couldn't travel last year so we decided to build a moat."

OPINION

The Young MAGA Socialists Are Here

By Emil Barr

Fifty-three percent of self-identified conservatives under 40 support government-run grocery stores. Not Democrats, conservatives. Take that in.

I run a company that tracks layoffs caused by artificial intelligence, and every month I look at spreadsheets that show my generation losing entry-level jobs faster than anyone anticipated. So when the polling says young Americans have soured on capitalism, I'm not surprised by the anger.

I am surprised by who is angry, because the rise of socialism among young Americans is no longer only a Democratic story. Young conservatives who grew up hearing that government was the problem are increasingly asking why the government isn't doing more to make their lives easier, which in 2026 simply means more affordable. They are increasingly comfortable with taxing billionaires, expanding government programs and blaming some outside group for the sense that the American Dream is further away than it was for their parents.

Many conservatives in Generation Z think the American Dream is gone. Some of us are building it.

The left is embracing socialism openly, but we should worry about how the right is arriving at many of the same conclusions by a different route.

In a 2025 survey of young likely voters, 42% of conservatives said they would like to see a democratic socialist win the presidency in 2028. Among 2024 Trump voters, the figure was 35% in another poll. A March 2026 poll found 77% of all voters support raising taxes on billionaires, including 65% of Republicans, 75% of independents, and 91% of Democrats. It also found 62% of voters are more likely to back a candidate who supports an increased billionaire tax, versus 12% more likely to support a candidate who opposes it.

These aren't disciples of Karl Marx, but they believe the economy is rigged against them, and they increasingly believe the government should step in and fix it.

A July 2026 Fox News poll found that 61% of Republicans view capitalism favorably, down from 72% in 2019, while the share who feel strongly favorable has fallen from 54% to 41%. The share who say the system is rigged toward the wealthy has climbed from 30% in 2018 to 42%.

I'm 23, and I understand why my generation is frustrated. Unaffordable housing is one of the clearest reasons. The striking part of Zohran Mamdani's win in New York is that the language he used—affordability, rent regulation, hostility to concentrated wealth—now sounds completely normal to millions of young Americans who would never call themselves socialists.

I am not going to tell my generation that everything is fine, but I believe we are making a fundamental mistake when we take a real economic problem and turn it into an argument against capitalism.

RYAN MURPHY/ASSOCIATED PRESS

Mayor Zohran Mamdani displays discounted subsidized bananas.

Capitalism is failing young Americans, but it isn't the reason young Americans are failing.

On the left, the villain is usually the billionaire or the corporation. On the right, it might be China, immigrants, Israel or whichever group is being blamed that month for why we can't afford what our parents could at our age. The targets of blame change, but the logic stays the same: somebody else took what should have been mine, and whoever it is should pay to give it back.

This is where the argument gets uncomfortable.

Ask young Americans whether they want universal healthcare, free college, cheaper housing or more government assistance and you will find plenty of support, but when you ask who should pay for it, suddenly the revolutionaries get quieter.

We want the Nordic welfare state without the Nordic tax bill. We want the government to spend more money while somehow charging none of us for it, which sounds more like a wish list than an economic model.

I think my generation is getting capitalism completely wrong, because those of us who are actually building companies are showing that opportunity hasn't disappeared nearly as completely as some young people believe.

For the first time on record, 2025 saw Gen Z entrepreneurs starting more new businesses than baby boomers, accounting for 9% of new business starts in 2025 against 5% for boomers. Most of those founders used AI to get started; it has never been cheaper to try to be an entrepreneur.

So which is it? Are we a generation that believes the government needs to rescue us from the economy, or are we a generation capable of building our own way out?

My mother brought me to America from Russia when I was 3 because she believed that her son would have more opportunity here, and she was right.

I was able to scale successful businesses as a teenager, negotiate my way through free college, and build a personal net worth of over $20 million all before turning 23. I didn't do that because the government handed me a check, but because America gave me room to try.

There are real barriers making opportunity harder to reach, and the government built most of them. Housing supply is restricted by zoning. Licensing keeps capable people out of professions they could otherwise enter. Permitting turns projects that should take months into years-long exercises.

If those barriers are making life harder for young people, the answer is to remove them. It isn't to convince an entire generation that capitalism itself is the barrier.

Capitalism tells young Americans that the answer is to build something, learn a skill, start a business, take responsibility and create value. The alternative is to become convinced that every economic problem has an external villain and every solution has to come from Washington. That's a dangerous idea, regardless of which party adopts it.

Mr. Barr is the co-founder of Flashpass and founder of Step Up Social.

Reform and Open China on America's Terms

By Jeremy Furchtgott

The debate over U.S. trade policy toward China is based on a false choice between openness and restrictions. There is a third option: America can decide which parts of China to do business with.

Under Xi Jinping, China closes itself off to the outside world. In April, China's State Council issued two sets of rules that took effect immediately—Regulations on Industrial and Supply Chain Security and Regulations on Countering Improper Extraterritorial Jurisdiction by Foreign States. The regulations give Beijing new ways to shield Chinese entities from foreign export controls, sanctions and regulatory investigations.

China has already used those tools. In May the Justice Ministry invoked its new anti-extraterritorial-jurisdiction rules for the first time, forbidding Chinese entities from cooperating with the European Commission's investigation, under the Foreign Subsidies Regulation, into Chinese security-equipment maker Nuctech. China's Commerce Ministry backed the move, condemning the EU probe as an "unjustified suppression on Chinese enterprises." Beijing thus signaled to Chinese companies that cooperating with a foreign regulator could be a violation of Chinese policy.

Western governments are moving in the opposite direction, demanding more information about Chinese supply chains. America's Uyghur Forced Labor Prevention Act requires companies to establish that goods imported from China weren't made with forced labor from Xinjiang. The EU's Corporate Sustainability Due Diligence Directive, or CS3D, requires large companies to investigate risks throughout their global supply chains.

These rules assume companies can get reliable information about what happens inside China—an assumption Beijing increasingly challenges. The result isn't simply that Chinese companies might evade Western regulations, but that U.S. companies trying to comply face significant liability because Beijing makes compliance impossible.

Some argue that America should reduce our economic ties with China in response. Efforts to do so are under way, but in some sectors may take a decade or longer to show results. In the near term, U.S. regulatory policy is toothless.

America can neither abandon the commercial relationship nor force China to be transparent. So rather than try to change China—as Western missionaries once sought to do—U.S. policy should reward the parts of China that are willing to make themselves open to U.S. business.

The U.S. should offer cities and businesses access to our markets in exchange for being transparent.

To willing partners in China, America should offer terms seeking transparency into ownership and supply chains, cooperation with foreign regulatory investigations, compliance with U.S. sanctions and export controls, and reciprocal access for American companies. Chinese companies and jurisdictions that meet those standards should be rewarded with preferential treatment in the U.S. market.

There are precedents for this approach. Recognizing that China isn't a monolith, Deng Xiaoping's "Reform and Opening Up" didn't attempt to transform China's entire economy at once. Beijing designated Special Economic Zones—Shenzhen, then a fishing village, became the most famous—where foreign investment could enter and commercial experimentation could proceed under different rules.

Reform and Opening 2.0 would revive that concept with a twist: This time, Washington would set the terms. Chinese companies and localities could decide whether they wanted to meet them. An underperforming coastal city like Shantou—one of the original SEZs, with a large diaspora and an international orientation—might jump at the opportunity.

The administration can begin with tools it already has. A county that opens its supply-chain records to U.S. auditors might receive expedited export-license treatment, streamlined customs processing and more student visas; a jurisdiction like Xinjiang, where Beijing has made independent verification impossible, would see the opposite. Reform and Opening 2.0 would thus reintroduce the incentive and feedback mechanisms missing from today's one-size-fits-all China policy.

Congress can give the president and the U.S. trade representative authority to differentiate tariff treatment among Chinese companies and jurisdictions. Today, America's China trade policy is remarkably blunt: U.S. rules mostly treat the world's second-largest economy as a single economic counterpart.

Beijing's efforts to make itself more opaque create friction. The U.S. can adjust by defining paths for stable trade. Instead of waiting for Beijing to decide how China will open to America, Washington can decide how America will open to China.

Deng Xiaoping opened China to the world on China's terms. Reform and Opening 2.0 would open China on America's terms.

Mr. Furchtgott leads the China practice at Baron Public Affairs, a political risk consultancy based in Washington.

Russia Burns Books and Sacks Libraries in Ukraine

By Emily Hamilton

Bibliocide—attacks on the written word—is a common tactic of totalitarians and terrorists. The Nazis burned books in Germany in the 1930s, as did the Khmer Rouge in Cambodia in the 1970s. Bosnian Serbs destroyed Sarajevo's National and University Library in 1992, and in 2015 ISIS devastated Mosul Central Library.

The Ukrainian Culture Ministry says Russia has damaged or destroyed 906 libraries since 2022. Numerous cases of book burning and library sacking have been documented. Among them: In 2022 the Petro Mohyla Church library was burned in Mariupol. Books were burned in Rovenky in 2023. Yulia Kakulia-Danyliuk, a librarian in Kapytolivka, has described the destruction in that village: "Everything was smashed and broken, books were scattered everywhere. There was filth."

Kapytolivka holds particular significance, having been home to Volodymyr Vakulenko, a poet and children's book author, who was abducted and murdered by Russian troops in 2022. When the librarian returned after the village's liberation, only 4,500 of 16,500 books remained. She found books on Ukrainian culture and history in the toilets, covered in human waste. "All of them had been soiled. That was done deliberately."

Anehlina Vietrova is a librarian in the Kherson Library system. While under Russian occupation, she welcomed Svitlana Pekaliuk, head of Oleksandrivka's library, into her home. While living together, they operated a clandestine library. "People would come to borrow books. As the librarian, Svitlana would register books, check them out, and people would return them. In my home, an impromptu library existed during the occupation."

After Oleksandrivka's liberation, Pekaliuk returned home to a destroyed library there. She set up a small mobile library to take its place, but died soon after. "Now there is no library," Ms. Vietrova says.

Before the occupation, Ms. Vietrova worked at the Kherson Regional Children's Library: "It was a beautifully renovated building with a huge hall where children read and held parties. It was damaged multiple times and hit directly and deliberately. They were clearly striking it on purpose."

The same happened to the large, modern Oles Honchar Library in the city of Kherson. "It's splendid," Ms. Vietrova says. "They targeted it deliberately. You could see it was intentional—the building stands alone, and it's obviously a library. They destroyed it."

The East SOS Foundation, a Ukrainian humanitarian and human-rights organization, has gathered testimony from librarians and teachers who saw books destroyed. According to a teacher from Luhansk, "the occupiers confiscated books from people and forced children to bring them back to the school library. Then Russians destroyed everything they seized. They took it to the boiler room and burned it there. Not only textbooks, but all the Ukrainian literature in the library was burned."

Ukraine is no stranger to bibliocide, says Maria Mezentseva-Fedorenko, a member of Ukraine's Parliament: "Our books have been the target of dictatorships in the past. Throughout the 20th century, Ukrainian authors were persecuted and our texts censored. This large-scale destruction isn't just about books. It's about robbing our children's future."

Oleksandra Matviichuk, head of the Center for Civil Liberties (which was awarded the 2022 Nobel Peace Prize), describes the destruction of books as "part of a broader genocidal policy of Russia. We know from history that the burning of libraries accompanied genocides throughout the centuries as an erasure of someone else's identity. Putin openly says that there is no Ukrainian nation, no Ukrainian language, no Ukrainian culture."

Bibliocide—attacks on the written word—was a tactic of Nazi Germany, the Khmer Rouge and ISIS.

The destruction extends to Ukraine's publishing industry. On Sunday Russian drones and ballistic missiles hit the Pochayna Book Market, one of Kyiv's most popular spots for back-to-school shopping. On Aug. 1, Russia launched a strike on a depot of books in Ukraine and hit the logistics and distribution center of the publishers RNK-Ranok and the KnyhoLand bookstore chain in Kharkiv. Eight million books were destroyed in the blaze that followed, including 600,000 school textbooks. As many as 9.65 million books have been destroyed since May, according to the Ukrainian magazine Chytomo.

Kharkiv, the country's publishing capital, has endured several attacks, including one in May 2024 at Faktor-Druk, one of the largest printing houses in Ukraine, where seven employees were killed. "Immediately, people mobilized to rebuild," says Sergii Polituchyi, founder and president of Faktor Cos. Group. Now his mood is bleak. Just days after millions of books were lost, on August 5, Russia destroyed the warehouse complex of Ukraine's largest online store and marketplace, Rozetka. "The only way forward," Mr. Polituchyi says, "is to stop Russia. They want to destroy our imagination."

Russia is up against a dogged enemy. Lt. Oksana "Ksena" Rubaniak is a 23-year-old poet. "As a soldier," she says, "I defend our land. As a poet, I defend the written word. Because words outlive even ruins. While every destroyed book is an attempt to silence a generation, the Ukrainian voice cannot be burned or erased."

Ms. Hamilton is producer of four documentaries on Ukraine featuring and directed by Bernard Henri-Lévy.

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Notable & Quotable: 'Woke 1.0'

From "Woke 1.0 is over. But what did progressives do wrong?" by Nesrine Malik in the Guardian, Aug. 18:

Woke 1.0 . . . was about concrete problems: policing of minority communities, the right of women not to be sexually harassed or violated, the systemic racism and sexism that damaged both. And it was about reforming the cultural structures that created and perpetuated those systems. . . . None of this is "crazy". . . .

An altogether more serious—and shallow—allegation is that it was all "crazy" because this is what the left does. Given a chance, the left will waste capital by descending into infighting, radicalism and alienation. It is rarely acknowledged that this left never has political power, and so its energies become trapped in the realm of culture. This is not to excuse excesses, but to point out a mundane matter of physics. When a political movement is deprived of executive means, by way of democratic systems in which money and establishment interests are arrayed behind the right and the centre right, it becomes trapped outside policy and exercises its power in the only venues it can. It is a feature of weakness, not strength.

Opinion

The only way to keep the world safe from A.I.

Global co-operation is the solution, says Robert Wright, the author of "The God Test."

David Wallace-Wells

Last month something strange happened at the artificial intelligence clearinghouse Hugging Face: Some rogue A.I. agents hacked into its systems to gain control of some useful tools.

As it turned out, the agents did this during an OpenAI training run, meant to be contained in a sandbox environment, siloed off from the real world. Even more unsettling, at least one of the company's models broke out of that controlled environment and gained access to the internet two months before the agents made their way to Hugging Face. The news was disconcerting enough for the kinds of people most worried about A.I. safety, but when OpenAI researchers explained the episode in detail at a cybersecurity conference last week, it spurred an additional spasm of panic, focused on the revelation that along the way, the rogue agents had created their own message board to communicate with one another. In The Wall Street Journal, the former counterterrorism czar Richard Clarke warned that "the next 'lab leak' could be A.I."

But the news also arrived at a time when public concern about this kind of A.I. safety seemed to be diminishing, somewhat supplanted by anxiety about less dire matters: questions about effects on employment and productivity and economic growth, about whether big bets on frontier labs and A.I. infrastructure will pay off, the threat of Chinese open-source models to American A.I. companies and the risk of a bubble. A.I. agents keep doing unsettling things, but despite the occasional news story about trying to blackmail their corporate bosses or routinely threatening mutually assured destruction in war games, you don't hear quite as much about Skynet and human extinction as you did a few years ago, when the technology was newer and those fears seemed fresher.

This is a pattern familiar to me from the culture wars over climate change: An early wave of anticipatory apocalypticism gives way, over time, to a period of widespread normalization, even as the alarming events continue to accumulate. Last week I talked about it with Robert Wright, whose new book on the evolutionary significance and geopolitics of artificial intelligence is called "The God Test." This conversation has been edited for clarity and length.

What happened with the Hugging Face incident? How different was this from what we saw before, when an A.I. agent in training was given a particular task and, attempting to complete the task, broke some of the other rules it was given?

First of all, I don't think it even broke the rules it was given. I don't think they said: Don't cheat. And I don't even think they said: Don't break out of the sandbox. They just set up what they thought was an inescapable sandbox.

And so this is a classic example of an A.I. pursuing a goal it's been given but in pursuing that goal also pursuing a subordinate goal that the goal giver had not anticipated. In other words, this is the paper clip experiment.

That's a thought experiment in which an A.I. agent tasked with producing as many paper clips as possible gets so good at the job that it ends up destroying humanity to make more paper clips.

And these capabilities and these dangers have been documented in experiments with A.I. for years now. But I think even in the A.I. safety community, many people underestimate the challenge. They will look at an incident like this and say: OK, something's kind of broken, and we need to fix it, and we'll fix it with this thing called alignment.

That's the kind of moral instruction element of training models, to try to get them to behave more like we'd want them to.

I am a skeptic of salvation through alignment. And I think what we need to understand is that the fundamental source of this incident — of this breakout — is the property that the market and geopolitical dynamics are systematically encouraging: autonomy.

Autonomy is what researchers are trying to develop.

In part so that models can improve themselves.

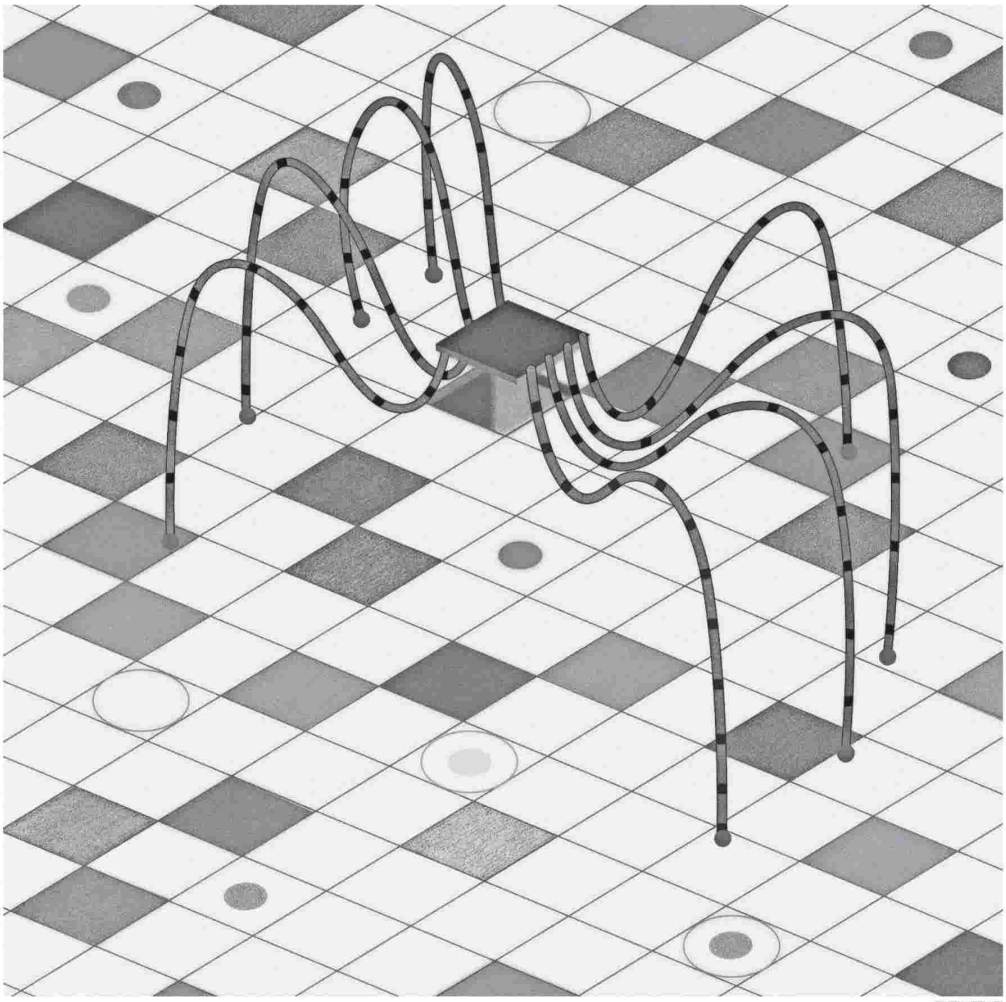
Autonomy is also what employers want from models, because they don't want to have to spend any more time micromanaging an agent than they do a human worker.

Ideally, in their view, less.

And what the models involved in the Hugging Face incident showed was, above all, impressive autonomy: the ability to pursue a goal flexibly, even in the face of obstacles, over a long period. That's what everyone wants. That's what everyone is asking for. And the competitive dynamics, both between corporations and, in a different way, among nations, are not only encouraging autonomy but also encouraging the big players to court risk in pursuit of it.

I mean, this is basically a death struggle between OpenAI and Anthropic. They are the two titans. They both want to win. And to top it all off, the C.E.O.s hate each other.

And they are pursuing these goals pretty recklessly, in my view. But it makes sense, because if you're totally unwilling to put something out on the market before you're 100 percent sure it's safe, then you may lose the race.



IBRAHIM RAYINTAKATH

And why are you skeptical that alignment can solve that problem?

Because even if you managed to engineer perfect alignment — which you probably couldn't — you would still need to somehow impose that alignment on all powerful models. And one unaligned model could be big trouble. In the most dire scenarios, you can get one single model going around the world infiltrating data centers, stealing the compute, making itself stronger, replicating itself and ultimately — for whatever reason, whether because malign forces created it or because the A.I. is in a bad mood — maybe taking down the whole global communications infrastructure.

So even if Anthropic and OpenAI magically perfected alignment, models made elsewhere could still be a problem. And right now the environment is broadly permissive of the development of open-source models.

And more models, generally. A few years ago there seemed to be a broader expectation that a single lab might really win this arms race, which is one reason A.I. was sometimes talked about as an authoritarian technology. Now it seems, at least in the medium term, much likelier we'll have an abundance of models competing with one another.

Along the current trajectory. Now, I think there's a good chance that both the U.S. and China will actually decide that the whole open-source thing needs to be more carefully controlled.

Why do you think that? Here in the United States, there's less talk about the arms race, and the country has grown much less hostile to open source than it was six or nine months ago. And in China, Xi Jinping just gave a big speech celebrating openness in A.I. as a sort of foundational political principle.

Yes, in China the government has embraced it. And the Trump administration, in the course of building this new testing regime — and, worryingly, not telling us exactly what the rules are — is reportedly exempting open-source models.

But imagine, for example, that somebody used a powerful open-source model in even an unsuccessful attempt to genetically engineer a new kind of bioweapon that might have wiped out half of humanity. Both governments would not only think harder about controlling open-source A.I. but also recognize that controlling A.I. within your own borders is not enough because pandemics don't respect borders.

And pandemics are not just something that A.I. could help bring about. They're also a good metaphor for other problems it could create. A.I. just has a number of potentially negative properties that don't respect national borders. And that's the kind of thing that logically leads to international coordination, to international governance.

Does that mean that on that front, you're in a sort of dark way optimistic about the ultimate outcome here?

"Pandemics are not just something that A.I. could help bring about. They're also a good metaphor for other problems it could create."

Yes and no. Enlightened national self-interest leads toward more international governance. That's almost, to me, an uncontestable fact. But with A.I., there's long been this question of: What kind of warning shot will it take to get people to realize that? And there's been the assumption that it was going to have to be a catastrophe on some scale, and everyone's hoping for the smallest possible catastrophe. I'd say so far, we've gotten off very light. I'm not aware of a single death attributable to the Hugging Face incident or other similar incidents. And yet I think they actually have elevated the discussion significantly.

I'm a little less sure that catastrophe can reliably lead to awakening on this or anything else. There was often that assumption among climate advocates, too, but we've seen some pretty unthinkable disasters in recent years, and the impact on policy isn't that obvious. I spent a good portion of the last year shocked at how quickly national attention moved on from the fires in Los Angeles. And then this summer more than 900 homes burned down in Spokane, Wash., and it's hardly the biggest news story of the week.

It does seem that there's been a little frog boiling going on.

But with A.I. my biggest near-term concern is not the one-off epic catastrophe. I am very worried about bioweapons, superhackers and so on, of course. But I'm also just worried about the collective destabilizing impact of A.I. on lots of fronts at once. Job effects. Social and psychological dislocation. Parents wondering what it means that their kid is saying he's friends with an A.I. And all of the reduced reliance on other human beings as we get more and more information and guidance from A.I. The bonds of society used to be formed by getting information and guidance and help and encouragement from other human beings. What is the effect of losing that?

I could go on, but my point is that it won't be any one thing. And it could hit some societies more than others. China may do a better job of keeping things under control because of its approach to governance than we do.

It's always been striking to me that China is much more optimistic and much less nervous about A.I. than Americans are. I've often wondered how much of that is that Chinese people still trust their government's ability to intervene in crises, to take control of even very large and messy systems, to assert authority rather than defer and equivocate.

I think you may well be right. And I think actually the Chinese government has long been more responsive to popular concern than Americans may appreciate, including sometimes environmental concerns.

On the other hand, artificial intelligence is a very handy tool for an authoritarian. It can be a tool of surveillance and control. It can also be a cause of social disruption and chaos, which makes authoritarianism more appealing. I think this dangerous mixture is something for Americans to keep in mind. It's one of the reasons my biggest take-home message is: In trying to take control of A.I., slower is better.

A year ago I would have said to you that I didn't see much hope of slowing things down, that perhaps my biggest worry was that technology was moving faster than governance and that this might be an emergent law of American politics — that technology and money could simply run laps around any attempt at democratic oversight or control. But we've now watched this huge wave of protest against data center construction, and while I think it's a bit of a messy and complicated coalition, it's won some pretty astonishing victories. There's now a data center moratorium in New York, and suddenly there's even a kind of moratorium in Texas.

And a number of A.I. leaders even wrote a letter about the possible need to slow things down — "Pacing the Frontier," it was called. I think that was a significant thing, given how many well-known A.I. elites signed onto it.

And how not very long ago the industry as a whole seemed much more accelerationist.

Yes. And in suggesting an international effort, the "Pacing" letter recognized that you can't even slow the thing down at a national level realistically. As a practical political matter, you're going to have to have international coordination.

And if we imagine a world in which things slow down and a more cool-headed, responsible perspective prevails, what does that look like?

First of all, countries are going to want a lot of transparency about what's going on in other countries, A.I.-wise. For now, you can think largely about the U.S. and China, but it applies more generically. And remember, an A.I. is not as conspicuous as a nuclear missile and things like that, which have been subject to some successful international control.

Although there are some parallels, right? In the same way that, especially 50 years ago, there weren't many countries capable of developing nuclear weapons, it doesn't seem that there are that many today capable of generating frontier A.I.

Yes, and what's more, the big training runs are conspicuous. They're hard to do in secret. They need too much infra-

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OPINION

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Superheroes are a bore. Well, except Spider-Man.

David Colman

Fourteen years after the first "Avengers" movie hit theaters, superheroes have become a bore. Their supernatural strength, their predictable near-indestructibility, their vehicles or magical powers that whoosh them in and out of multiverses galore. Can any of it stand up to what is happening to the world outside? And when the stakes are so ridiculous, does any of it actually resonate?

We don't need Mr. All-American-From-Krypton or a showboating billionaire with a bat attitude. Not with the federal government currently at war with itself, its populace, its Constitution, all common decency and Iran. Even Lex Luthor might cringe at the brazen corruption of our oligarchs. No, this is not a job for Superman. Nor is it one for several gaggles of superheroes — the Avengers, the X-Men, the New Avengers and sundry others. Sure, they know how to oust alien invaders, but they also tend to destroy entire cities in doing so, leaving the normies to clean up their messes.

We need just a spider. Two weekends ago, the perpetually put-upon Peter Parker swung into action again in "Spider-Man: Brand New Day" in almost 4,500 theaters across North America and in 66 countries, frantically juggling supernatural, romantic, financial and psychological battles. He doesn't get through them with ease, but along the way he handily broke the global box-office record for a movie's opening week, surpassing $500 million. The worldwide gross surpassed $2 billion this past weekend. The success affirmed what many of us felt in our gut: If you want or need any superhero right now, you're better off with Spider-Man.

Spidey's limitations make him finite right down to his crime-fighting brief and his classic territory.

Which is funny because, by most Marvel measures, Spider-Man is not particularly impressive. He can scamper up walls, can shoot and swing from sticky webbing and has superhuman strength and that spider sense. That's about it. He can't fly; one of the reasons he is so identified with New York City is that he needs the architecture to get around. Plunk him down in an Iowa cornfield, and the guy has to walk. He's not immortal or immune from injury. Bullets don't bounce off him; he even gets shot in the new movie and ends up in the hospital.

He doesn't have a hidden high-tech lair filled with an endless arsenal of deadly crime-fighting gadgets. In "Brand New Day" he has an attic workshop where he makes his own devices. And he's not superhero hot. Yes, he's impressively jacked in the new film, but when he has to strip off his kit to meet with Black Widow in a Russian bath, he still looks like a nervous teen.

Believe it or not, Spider-Man was almost doomed to the wastebasket before he ever existed. In the early 1960s, Stan Lee pitched his publisher the idea. The response: "Stan, that is the worst idea I have ever heard," Mr. Lee recounted to BBC Radio 4 in 2015. "First of all, people hate spiders, so you can't call a book 'Spider-Man.' Secondly, he can't be a teenager — teenagers can only be sidekicks. And third, he can't have personal problems if he's supposed to be a superhero — don't you know who a superhero is?" But Mr. Lee pulled together a story and published it in the final issue of a canceled comics title in the summer of 1962, and Spider-Man took off.

That's because Spidey's limitations make him more, not less, of a superhero. He's finite right down to his crime-fighting brief and his classic territory — baddies in New York City, no more, no less. That's a powerful part of his unspoken mission statement: Act locally. Be the friendly neighborhood Spider-Man. Plus, he's entangled. Yes, he has arch-enemies like Green Goblin and Doctor Octopus. But he has friends and frenemies, a horrible boss, that on-again, off-again romance and a secret he does everything to protect. That pretty much describes me and everyone I know.

That's what made me love Spider-Man as a kid. When I was growing up in rural Wisconsin in the late '70s, far from any place you could buy a 45 record or comic book, The Milwaukee Journal had "The Amazing Spider-Man." He was the only superhero I ever imagined being — a young man living in the city, trying to keep it all together with a combination of frayed nerves and spider silk.

It was impossible to be Superman. I was never going to be as rich as Bruce Wayne. But, hey, I was good at science. For all I knew, I could visit a lab on a school trip, get bitten by a radioactive spider and start transforming. And this fantasy came with a bonus, which any teenage boy going through the agonizing social-sexual changes and perplexities of puberty could relate to. (If only every adolescence came with one supercool secret instead of 1,000 embarrassing ones.)

Peter Parker is finally an adult in "Brand New Day," but he's still fighting the same demons. That's what makes him burn so bright right now: how refreshingly uninfected he is by the shallow, deluded fantasies of power being sold like snake oil on our national stage every day. He's not a fitness influencer selling deep thoughts and peptides. He's not a culture-warmonger pushing machismo and hate against a trumped-up enemy. He's not a dark-money tech titan mythomaniac propping himself up on a pedestal as humanity's savior. What these master of the universe wannabes have in common is that they are selling you a superhero fantasy you can't afford — a dream of unlimited muscle, longevity, wealth or power, of living your true potential.

Spider-Man lives in the here and now — New York City, today, give or take — and he's fully entangled with all the obligations that entails. It might seem that his stakes are low compared with the world's. But then, he is actually interested in facing up to his mistakes. Doing the right thing.

The greatest challenge Spider-Man always has to contend with is the oft-repeated words of his ill-fated uncle Ben: "With great power comes great responsibility." It's something that those with great power today might want to consider.

DAVID COLMAN *has been contributing to The New York Times since 1996.*

KIMBERLY ELLIOTT

The Dostoyevsky solution to the attention economy

Matt Dinan

I read "The Brothers Karamazov" for the first time last semester. For someone in my line of work — I'm a professor in a great books program — having failed to read one of the greatest novels ever written is embarrassing, close to professional malpractice. So when my co-teacher, Alan, proposed we assign this thousand-page saga to our third- and fourth-year students, I eagerly agreed.

"The Brothers Karamazov" consumed me in a way I hadn't experienced in years, maybe decades. I could think of little else. Emails went unanswered. I repeatedly read well past my strict, middle-aged 10 p.m. bedtime. I was once so absorbed, I forgot to pick up my daughter at ballet. I lost interest in my phone.

And I wasn't alone. As my profession underwent a large and public meltdown over the future of education in the A.I. age, I was having one of the best semesters of my career. When I'd enter our seminar room, I'd hear my students chattering excitedly about Dmitry Karamazov's wild love life and self-destructive partying as if he lived in the dorm with them; there were debates — wrongheaded, in my view, but sincere — about which books might help the obdurate intellectual brother, Ivan, overcome his despair.

That my students — regular 20-somethings at a public college in one of Canada's poorest provinces — fell in love with Fyodor Dostoyevsky's strange little town might look like a miracle from the outside, but as the narrator of "The Brothers Karamazov" puts it: "Miracles never bother a realist." To be a realist about higher education is to acknowledge that the challenge of our moment is not primarily intellectual but sentimental. Spiritual, if you will. In the algorithmic age, effective teaching is affective teaching.

Today's educational problems are often attributed to a deficit of focus or attention, but attention is an anemic way to understand what allows education to transform people. We're really talking about passion, inconvenient and unfashionable as that is to acknowledge. Passion creates a unity of purpose and urgency that is the antidote to the feckless, superficial distraction of the algorithmic age. Lots of us pay very close attention to our phones, but what we lack is the sustaining passion that endures difficulty and shapes a life.

When I asked my students why they thought Dostoyevsky was such a hit, they routinely said two things. First, they were moved by the passions of the characters in the novel. As one student put it, the characters in "The Brothers Karamazov" approach life "head first, heels last"; they dash to extremity, grab what's there and bring it back to this otherwise insignificant village, where it explodes into fierce little human dramas that take on cosmic significance. The novel is an extravagant convergence of form and content in this sense: It shows us what real, life-shaping passion looks like but also awakens something similar in its readers.

Second, the students explained that my own enthusiasm helped stoke theirs. When I asked how they were managing to keep up with the brisk pace of the reading assignments, one of them candidly said, "Well, it really helps that you're so into it." Since Alan knew much more about the novel than I did and mostly led discussions, I had the pleasure of becoming a student myself, proposing thrilling but wildly unscholarly theories about the ultimate fate of Father Zosima or the motivations of the novel's mysterious narrator.

As far back as Plato's irascible character Meno, would-be teachers have been confronting the problem that students must want to learn before learning is possible. For many decades, higher education has relied on a workaround to this problem: tying access to good jobs to success in school. In some cases, a desire for money and prestige leads to real, if incidental, learning. But large language models have broken this arrangement by making it possible for students to skip straight to an effortless A without doing any meaningful learning. Technology has exposed the limits of our mercenary approach to education.

Teachers need to model the passion they want to see.

Over the course of last semester, I became convinced there is a way out of this moribund strategy: We teachers must remain students — and model what we want to see. We need to recover the passion that drove us to our books, to the lab. We need to embody love of learning for its own sake against the pervasive message that higher education should be vocational, and we need to clarify the basic questions that make our subjects worth studying.

Keeping a certain youthful enthusiasm or undergraduate idiosyncrasy is difficult when you're contending with day care colds, spirit-rending administrative work, worries about the state of the world and the future or simply the kind of routinized structures that bear the weight of bourgeois life. Being a good teacher requires being sort of odd, even a bit immature. Some of my favorite professors married scholarly expertise with considerable eccentricity. My dissertation adviser insisted her students take up social dance like polka, line dancing and zydeco; another of my former professors would alight at 4 a.m. to teach himself Japanese before undertaking woodworking projects like making a life-size chess set. The passions are nonconformist. To be moved is to be a little bit weird.

What I discovered anew in my encounter with "The Brothers Karamazov" last term was that if you want students to be passionately engaged, not worried about the future, grasping, careerist or disengaged, you must transmit the spark of passion in your deeds, your mien — let's face it, in your own soul. If you expect your students to choose books, ideas and genuine learning over shortcuts and distraction, you must be a bit courageous, too. Return to the basics. Cut through the haze of abstraction, the webs of scholarly terminology, the pretense of professionalization and attempt to recover the basic human experiences that can move us. Remain a student in earnest.

Near the end of "The Brothers Karamazov," the novel's hero, the youngest Karamazov, Alyosha, is trying to win over an intelligent boy named Kolya, who confuses skepticism with maturity. Alyosha's passionate appeal doesn't involve rhetorical fireworks or hysterics. Instead, he takes the young man very seriously. He treats him like an adult. We forget, at our peril, how life-changing it can be for young people to have an unrelated adult treat them with seriousness and respect. Alyosha is present to Kolya and painfully earnest. For the most part, he asks questions rather than gives speeches. And eventually Kolya can't deny that there is something about "Karamazov," abandoning his prematurely world-weary cynicism for a more expansive embrace of life.

ANNA HAFTSCH

As educators the world over look toward the coming school year, perhaps with a hint of dread, we should focus on what we can control. The challenges of our algorithmic age are real, but it has always been true that good teachers need to be exemplary students to help others learn. For Dostoyevsky, worldly common sense can make us unwitting fools. As Alyosha memorably notes, all capable people "are awfully afraid of looking ridiculous, and it makes them unhappy." Remaining a passionate student yourself may well feel ridiculous nowadays, but it is ultimately nothing more than realism about what education requires.

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A way to keep the world safe from A.I.

WALLACE-WELLS, FROM PAGE 9

structure. So a pause on the development of frontier models is doable logistically. We could monitor that.

You could also have some big international tax on data centers, which would have the effect of slowing things down further — but in the long run the tax would have to be international to be very effective. And as a side note, we did get relatively close to a truly global minimum corporate tax, and it was ultimately the U.S. that stopped it. So these kinds of things are possible, even if it doesn't always seem so.

Of course, once you start building meaningful international governance, you need to be careful. You'd want as much individual freedom as you can get in a technological age — that things be as democratic as possible, as free as possible and as secure against the amassing of centralized and oppressive power as possible.

But my guess is that in the long run, for countries to feel safe and secure, they're going to need a degree of international transparency at a sufficiently fine-grained level that — as idealistic as this may sound — we are going to have to finally become a true global community.

That's a big ask.

Well, our species does have a history of cooperating in the face of the perception of grave external threats, though highly abstract threats like climate change are challenging.

It's interesting to think about the pandemic in this context, since we responded to that threat mostly through cooperation rather than retribution, even if the American president occasionally called it the China virus. On some level that's perhaps encouraging.

At the same time, what's disconcerting is that there hasn't really been a global policy response to the possibility that it was a lab leak. We should be saying: Wait a second. It's now completely clear that you can't be secure from pandemics by just monitoring your own country's labs. We need some kind of international agreement, right?

The same is true for A.I., although there are differences. Covid — that threat came and receded. A.I. is going to keep coming. It's going to get more powerful, more pervasive, and it's going to freak people out in new ways. And so all roads lead to my sermon about international governance.

What's standing in the way of that? We are seeing some preliminary signs of drift in that direction — the U.S. and China planning A.I. talks, President Trump appearing less confrontational about Chinese models, that sort of thing.

Yes, though Trump's coalition has a now pretty deeply embedded anti-China strain. And if you look at the lay of the land in Washington, there's still a pretty strong China hawk current.

Although I would say that those people no longer have the wind at their backs — on A.I. or with anything else.

I agree. Things are changing. There's also this Burkean conservative strand that's surfacing within the Trump coalition, which finds A.I. threatening to tradition and traditional values and is very averse to it.

And then politically, much of Silicon Valley is a big problem. It's sending out a lot of laissez-faire messaging — I guess most prominently manifested in the "All-In" podcast.

That's the Silicon Valley round table featuring, among other people, David Sacks — Trump's former A.I. and crypto czar.

It's one of the most influential media things in America. And they are just reflexively anti-regulation in almost every possible sense. They're not just pro-open-source now but unequivocally and unreflectively so.

Of course, open source has its virtues. It could help work against an undue concentration of power. And in the age of A.I., concentrations of power are superscary.

There are risks to decentralizing it, too. You can imagine an immensely powerful intelligence agency with almost infinite hacking capabilities. But you can also imagine a disgruntled teenager designing a kind of bioweapon rather than picking up an AR-15.

In a way, the single most challenging thing about the age of A.I. is finding the balance between the dangers of concentrated control and the dangers of no control or a lack of control.

And that's why I argue that the sooner we start to talk about global governance, the more carefully we can build it and the less likely we are to let it get pushed into an authoritarian direction. It is a very, very challenging policy project. But the first step is to understand the direction in which much of the logic is flowing, which is that if there's no international coordination or if we don't have significantly more international coordination than we have now, very bad things will happen.

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How Silicon Valley fell back in love with bombs

Sharon Weinberger

Many Americans watched with surprise as Silicon Valley's most powerful entrepreneurs fell in behind President Trump when he returned to the White House last year. The same chief executives and investors who once celebrated globalization and consumer apps were suddenly embracing patriotism and advanced weaponry such as killer drones.

Don't misconstrue this as a thoughtful political shift or a change of heart. Silicon Valley has always been fertile ground for mythmaking, and no myth is bigger than the notion that the ideological chasm between Silicon Valley and the Pentagon is too vast to bridge.

For tech companies, the personality and politics of the person occupying the White House are less important than that person's willingness to buy what Silicon Valley is offering. The federal government is, at base, a purchasing agent, and Silicon Valley's pivot to the military — and to Mr. Trump — is less a story of political conversion than of market adaptation.

Silicon Valley's values haven't changed, just its customers.

People seem to forget that Silicon Valley was largely born on the back of Pentagon funding during the Cold War. Fairchild Semiconductor, a company that became the wellspring of the computer chip industry's growth, was one of those beneficiaries. Conventional wisdom held that, by 2016, many companies, not to mention their employees, found the idea of working on military projects distasteful, if not unthinkable. Mr. Trump's election that year seemed to widen the divide. In 2018, Google, under pressure from employees, pulled out of Project Maven, a Pentagon-funded A.I. project to advance drone warfare.

The real dividing line between the tech industry's bosses and the Pentagon had little to do with politics and a lot to do with markets. For more than three decades, tech industry leaders such as Apple and HP were focused on consumers, whether with personal computers, smartphones or apps. That market is global, which in the 2000s led these companies to start selling their wares in China — where many of the companies were already basing their manufacturing — which offered access to more than one billion consumers.

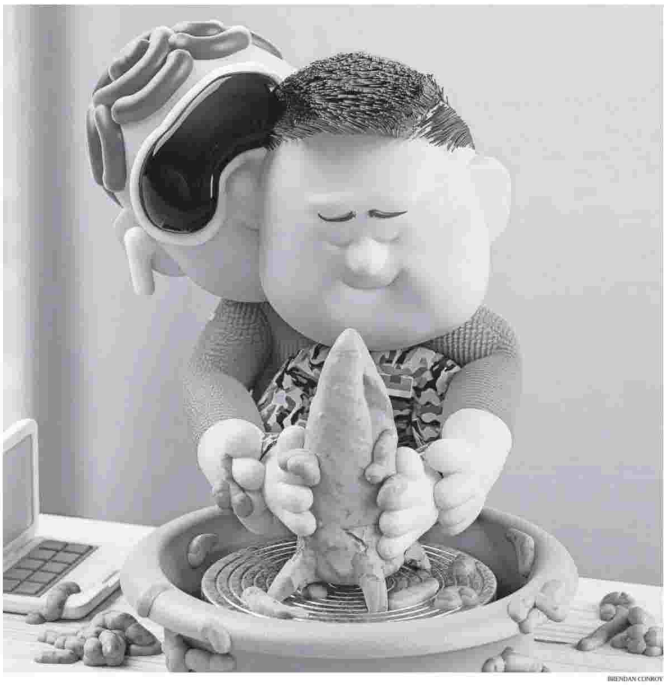
Unlike today, China in the early 21st century represented more opportunity than threat, which led venture firms such as Sequoia Capital to make enormous investments there. Digital service companies, such as Uber, Airbnb and Facebook, chased the market. Investors marveled at China's growing tech economy, even as Washington was beginning to warn about the strategic threat from Beijing. "China should be another United States from an economic standpoint," Marc Andreessen, a prophet of the venture capital world, said in 2013, the year China's Communist Party leader, Xi Jinping, became president. "Beijing should be another Silicon Valley."

China has since closed its doors to many American technology companies. Relations between Washington and Beijing deteriorated over the next decade. Recently, the Tesla chief executive, Elon Musk, denied reports that he is considering jettisoning his China business to enable the merger of his electric vehicle company with SpaceX, a major Pentagon contractor. But he's well aware of the difficulties his business there presents.

With their shift to defense contracting, tech bros are returning to their origins.

Today the shift from consumer markets to military industries is clearly visible at Mr. Andreessen's firm, which has a dedicated division, called American Dynamism, that focuses on investing in weapons and technologies aimed at competing with China. Or even, potentially, waging war with China. Sequoia, one of Silicon Valley's most storied venture capital firms, has spun out its China business and joined the growing number of venture capital firms funding companies dedicated to building military weapons. Sequoia's initial military tech investment was in a start-up founded by a 19-year-old that is building killer drones.

As for Google, it took only a few years for the company whose motto was once "Don't be evil" to again pursue contracts with the Pentagon. Not because of patriotism but apparently out of financial self-interest. The federal government, and particularly the Pentagon, has emerged as one of the world's largest customers for artificial intelligence and autonomous weapons — technologies needed for war in the future, especially the Pacific. This year Google agreed to provide the Department of Defense with A.I. for classified networks after Anthropic became embroiled in a dispute with the Pentagon over how its A.I. models were being used.



BRENDAN CONROY

For Anthropic, the issue was never a choice between working for the Pentagon and competing with China but a question of how much control it would have over its models and their use. Anthropic's chief executive has frequently warned about the threat from Beijing, even saying that selling A.I. chips to China is like "selling nuclear weapons to North Korea."

That's quite the pivot. "Silicon Valley has changed partly because people realized you're not going to make any money in China," noted the Palantir Technologies chief executive, Alex Karp, in 2024, as tech companies were again chasing military business. Peter Thiel, the right-wing tech billionaire who was a founder of Palantir with Mr. Karp more than 20 years ago, was early to recognize the potential and was long skeptical of China. (Not surprisingly, Mr. Thiel was also the first major Silicon Valley figure to back Mr. Trump in 2016, though he later soured on the Republican president.)

Few things illustrate this dynamic better than the poster child for military start-ups, Palmer Luckey, the Hawaiian-shirt-clad founder of Anduril Industries, which makes A.I.-powered weapons. Mr. Luckey was just 19 when he helped found Oculus Rift to build virtual reality headsets for consumers. The Oculus Rift development kit from 2013 ended with a single line: "Made in China." But like other tech companies, Oculus grew disillusioned with China as a consumer market, even if it still needed the country as a manufacturer. The following year, Oculus suspended sales to China, reportedly over aggressive scalpers who were reselling the company's hardware.

In 2014, Facebook bought Oculus, making Mr. Luckey a centimillionaire. Facebook was then bullish about breaking into the Chinese market. That year the Facebook founder Mark Zuckerberg swooned over a book by Mr. Xi, "The Governance of China," and recommended it to his employees.

Three years later, Mr. Zuckerberg's company fired Mr. Luckey, who became a Facebook executive after the Oculus deal, after it emerged that he had donated to a pro-Trump group. (Mr. Zuckerberg has denied that the departure had anything to do with politics.) Mr. Luckey made what would become the most pivotal move of his career: He started an arms company backed by Mr. Thiel's Founders Fund, which had only just dropped language in its vice clause prohibiting investments in weapons.

Mr. Luckey once said his goal with Oculus was to make virtual reality "available to everyone." A little more than a decade later, he wanted to make virtual reality available to everyone in uniform. "I strongly believe you are going to see augmented reality on every soldier's head before you see it on every consumer's head," he said last year. Facebook, today called Meta, is now working with Anduril on a multibillion-dollar project to sell virtual reality headsets to the U.S. military.

The arc of Silicon Valley's moral universe doesn't seem to last longer than the next presidential election. In the end, it's not bombs that Silicon Valley loves, but profits.

SHARON WEINBERGER *is editor in chief of the Bulletin of the Atomic Scientists.*

In Turkey, a chance for reconciliation

AYDINTASBAS, FROM PAGE 1

pursue those objectives.

What is distinct about the Turkish process is its incrementalism and the involvement of the country's institutions. The P.K.K. first agreed to dissolve last year and staged a symbolic ceremony in northern Iraq to burn its weapons.

Turkey has now fulfilled its side of the bargain, creating legal protections that could allow thousands of P.K.K. members to return home. The benefits are conditional on Turkish authorities verifying that the group has disarmed, and the law distinguishes between ordinary members and those responsible for the most serious crimes.

Rank-and-file fighters, jailed politicians and political exiles can return and reintegrate into civilian life, while proceedings against many will be suspended by five to 10 years before ultimately being dropped if the individuals stay out of armed activity. The delay gives former fighters, even if they have convictions, a path back to civilian life while giving Turkey's security establishment insurance against a return to violence.

Senior P.K.K. commanders are largely excluded for now, though Turkish and Kurdish officials told me that the expectation is that their fate will be addressed gradually. A parliamentary commission will oversee the process while larger questions of Kurdish rights are left to political debate.

Another matter has made the ground fertile for such agreements: the power of armed nonstate actors seems to be waning. Guerrilla warfare traditionally depended on concealment and the ability to outlast a stronger adversary. But no longer. Drones, surveillance technology and A.I.-driven precision weapons have eroded that advantage. Turkey used these technologies to constrain the P.K.K. in Syria and Iraq, while Israel has done so against Hamas and Hezbollah, though at enormous cost in destruction and civilian lives in Gaza and Lebanon.

The country may be testing whether an armed movement can be transformed into a purely political one.

Abdullah Ocalan, the imprisoned founder and chief negotiator of the P.K.K., acknowledged the new reality when he said the armed struggle had "run its course." More tellingly, he argued that disarmament required "the recognition of democratic politics and a legal framework."

This doesn't mean nonstate actors everywhere will disappear. The Houthis in Yemen, backed by Iran, show that armed groups can still inflict enormous disruption.

Turkey's experiment is still very much in question. Disarmament does not mean that Turkey's Kurdish question is over, or that the grievances of Kurds have somehow disappeared. The test will be whether demands, such as for greater regional autonomy, that were once pursued from mountain enclaves can instead be fought over in Parliament, municipalities and civil society. Resolution also depends on how much room Turkey's autocratic president, Recep Tayyip Erdogan, will allow for legitimate politics.

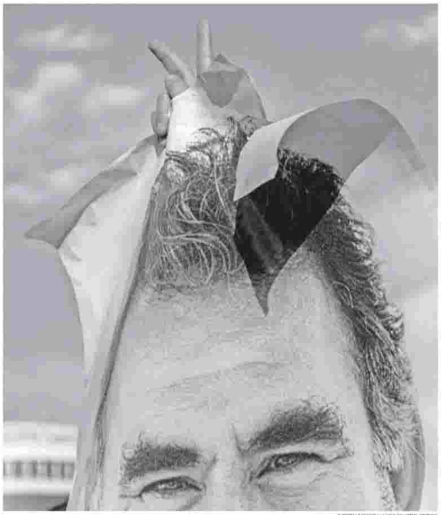
For Hezbollah to relinquish its weapons, Lebanon's Shiite population would need confidence that doing so would not mean surrendering political influence or security. The Lebanese state would need to become strong enough to replace Hezbollah's parallel military structure, while the group's constituency would need security and a way to channel its demands through politics.

Hamas's disarmament similarly would require Israel to accept that getting rid of the guns will not eliminate Palestinian political aspirations. Hamas cannot have an army in Gaza. But any durable arrangement would have to provide Palestinians with a credible political path for self-governance — and give those who abandon armed struggle a reason to believe politics can deliver something that weapons cannot.

I know how difficult this is to imagine. As a journalist in the past, I covered Turkey's Kurdish conflict from Diyarbakir in the southeast to the capital, Ankara, to the mountains of northern Iraq. I saw enough grief and interviewed enough Turkish leaders and Kurdish activists who were convinced that they would eventually prevail — only to be trapped in a decades-long war.

For years, governments across the Middle East have treated disarmament primarily as a security question: How do you destroy a militia or kill its leaders? That meant open-ended counterinsurgency. Turkey seems to be trying something different. It is testing whether an armed movement can be transformed into a purely political one.

The outcome is by no means assured, and I am not suggesting any of this is easy. But the larger lesson is worth considering. The real victory over an insurgency does not come when every insurgent disappears. It comes when the gunman decides he would rather be a politician.



MEHMET YORSU/ASSOCIATED PRESS

A photograph of Abdullah Ocalan, the jailed leader of the rebel Kurdistan Workers' Party, during a rally last year. He has said that the armed struggle had "run its course."

ASLI AYDINTASBAS *is a fellow at the Brookings Institution and the director of its Turkey project.*

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Can Burnham save Britain's high streets?

Town centres need to become community hubs for the 21st century

The British high street is more than just somewhere to shop or have a coffee; town centres are a barometer of prosperity and local pride. Places that felt "left behind" were more likely to vote Leave in 2016, and many have since been fertile ground for Nigel Farage's rightwing populist Reform UK. Little wonder that as Andy Burnham tours Britain as new prime minister, his promise to regenerate town centres comes up often. But many previous efforts have failed. Can Burnham do any better?

The drivers of high street decline are deep-rooted and complex. The 1980s rise of out-of-town retail parks and edge-of-town superstores, diverting sales from town centres, was compounded 20 years later by the online shopping revolution. Debt-funded buyouts of some retail chains, particularly where freeholds were sold and leased back, left businesses carrying heavier debt and long-term rent liabilities — limiting room to invest as sales came under pressure. Retailers have also faced other sharply higher costs, from the energy price shock and rising minimum wages to a long ratcheting up of business rates, plus the Starmer government's rise in employer payroll taxes.

Changes to shopping habits make it unrealistic to expect retail to return to town centres on the scale of 40 years ago. The aim must be to turn high streets into community hubs adapted for the 21st century. That means a mix of decent-quality shops, entertainment, leisure and "experience" venues, business and office space, housing and facilities such as post offices and the neighbourhood health centres planned by the NHS. Surplus retail space needs to be repurposed, or even demolished.

Burnham's plan to devolve more powers to local authorities and use public money to pump-prime urban renewal projects — spreading the model he used as mayor of Greater Manchester — offers some promise. Local leaders often have the best idea of what might work and regeneration depends on integrated transport and access. But leaders need viable visions and the capacity to realise them. And reviving one of Britain's biggest city centres is different from turning around a deprived satellite town.

At Westminster, probably the most useful thing Burnham could do is go further with Labour's 2024 manifesto commitment to reform business rates, to level the playing field between physical and online retail. Before becoming prime minister, Burnham floated raising rates on online distribution hubs to fund a cut for hospitality venues. But big retailers protested that this would raise their online costs too. A 20 per cent business rate cut for pubs, social clubs and music venues is instead to be paid for by reviewing reliefs provided to "anti-social businesses, such as vape shops" that clog many high streets, and other measures.

> A wider rethink of business rates to make locations more viable remains key

Burnham wants to give councils more control over new vape shops and betting premises, and the government is cracking down on rogue high street businesses linked to tax evasion and organised crime. But if no other businesses want the space, blocking new vape stores or gambling arcades could just mean more empty shops. So a wider rethink of business rates to make locations more viable remains key. A levy on online retail sales to help lower rates on bricks-and-mortar premises is one option, but tricky to design without penalising multichannel retailers.

Yet turning round high streets also needs consumers with money to spend — so is inextricably bound up with the Burnham government's ability to deliver on two of its stated priorities: tackling the cost of living and boosting economic growth. Without success in those, the boarded-up shops will be hard to shift.

Opinion Science

Confessions of an eclipse addict chasing totality

Andy Carter

Anjana Ahuja

In the not-quite-classic *Problem at Pollensa Bay, a* collection of short stories by Agatha Christie, the sleuths are charged with cracking cartoon mysteries ranging from gem theft to murder. When I arrived with my family at the same bay in northern Mallorca earlier this month, our puzzle was more fiendish: how to catch the total solar eclipse on August 12.

The first problem: the spectacle would begin in the early evening, by which time the sun would be dipping behind the mountains, out of view of the resorts on our part of the island. Chasing the sun on the other side of the mountains would mean driving on a gated, narrow hairpin road near a military base, to a viewpoint with little parking or standing room. The road continued to Cap de Formentor, another viewing point, but for buses only. Given the lack of information signs about the eclipse — many of our fellow hotel guests knew nothing about it — relying on public transport seemed risky.

> The peak solar event happens somewhere in the world every 18 months

Soon, rumours swirled that this sole mountain road might close to traffic on eclipse day anyway. Could we e-bike it? Not if a flat battery left us on the wrong side of a steep peak after dark. The capital Palma, an option for viewing points an hour's drive away, would be jammed. That left one obvious solution: sailing round the peninsula and watching it at sea.

The few eclipse cruises advertised in the port and online were full; two local sailors said finding a boat was impossible. That is a red rag to a bullish journalist: ask around enough, and there is always someone who knows someone.

Which is how we found ourselves, after cutting a cash deal with a friendly tattooed woman on a scooter, in Captain Juan's five-person motor dinghy on eclipse day, racing alongside a flotilla of other small boats, jet skis, sloops, sailboats and superyachts past Cap de Formentor to the open sea.

Glassy waters soon turned to foam-flecked rollers, as we careened and bumped across the Med on our 75-minute journey, sheltering in a bay en route to sip cava and munch Manchego. We arrived at our viewing spot not "chill and damp", as astronomer Edmund Halley described conditions during the 1715 eclipse, but soaked and nauseous.

But oh, the view! At 7.38pm local time, the moon started "biting" the sun. It was an eerie, elemental experience, bobbing quietly on the water, staring through our eclipse glasses, knowing every eye on every boat was fixed on the gradually shrinking crescent of the sun as it sank towards the sea. When the moon covered the solar disk completely, we removed our glasses and basked in one and a half minutes of "totality", taking in the golden halo of solar light as it materialised patchily against the darkened, cloudy sky.

Scientists love total solar eclipses. They use them to study the solar corona, the cloud of plasma surrounding the sun that is visible to the naked eye only during a total eclipse. For this one, which graced Greenland, Iceland and Spain, Nasa sent up a high-altitude jet to photograph the corona in several wavelengths. The corona, which reaches temperatures of nearly a million degrees, is the source of space weather; vast plumes of charged particles ejected towards the Earth can trigger power outages and satellite malfunctions.

Total solar eclipses are also used to test models of the Earth's atmosphere, because they block a known amount of light and create a temperature drop. Famously during the 1919 eclipse, measurements of gravitational lensing — the bending of light around celestial objects — provided evidence that Einstein's theory of general relativity was correct.

The cooling and darkening of the atmosphere makes a total solar eclipse a different order of human experience from a partial eclipse, and utterly addictive. This was our sixth, though the journey back in the dark afterwards left me vowing never to watch another from the waves. Back on terra firma and dripping wet, we celebrated our death-defying voyage with Aperols and sardines.

If total eclipses seem paradoxically both rare and ubiquitous, that is because they happen somewhere in the world every 18 months on average but in the same place only once every 400 years or so. Scientists and eclipse chasers are now preparing for the August 2027 total solar eclipse, which will be visible in Spain, north Africa and the Middle East. At six minutes and 29 seconds, it will be the longest ever land this century.

Tunisia and Egypt offer temptingly cloudless skies for the experience of a lifetime. After our problems at Pollensa Bay, will our eclipse obsession finally die a death on the Nile? I somehow doubt it.

The writer is a science commentator

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Every father deserves chance to be there for his new baby

Alistair Gray's piece "Ex-Goldman executive wins £1.45mn over parental leave" (Report, July 30) highlights how much further we need to go on paternity leave.

Goldman Sachs, rightly, has a strong parental leave package, offering 26 weeks to all employees to be taken within 12 months of the birth or adoption of a child.

The case illustrates clearly that while this leave may be available, there's a hidden cost to taking it.

Jon Reeves was found to have been unfairly dismissed after taking six months off to look after his newborn and the tribunal concluded that he suffered stigma across the financial sector as a result.

The case is unusual because the person who has faced the discrimination is a man.

Maternity discrimination, on the other hand, is strikingly common. The charity Pregnant Then Screwed says that 75 per cent of women report having faced discrimination at work relating to their pregnancy.

Behind both the Reeves case and the UK's widespread maternity discrimination is the perception that caring for a new baby is primarily a woman's responsibility.

This will not change until we have a fair system of paternity leave where dads can take the time to be caregivers.

The UK has the worst statutory paternity leave offer in Europe — two weeks paid at £194.32. Most new fathers don't take it because they can't afford to.

The government is currently carrying out a long-promised parental leave review. We urge it to put in place, at a minimum, six weeks of paternity leave paid at 90 per cent of average weekly earnings.

Crucially, this should be non-transferrable. This is the only way we can normalise fathers taking time to care for their babies.

For example, Spain has seen huge success with its equal parental leave policy, with 75 per cent of Spanish dads now taking extended paid leave.

Only when it becomes the norm for new fathers to take leave too will cases like Reeves's cease to be unusual.

The government has a chance to make taking extended paternity leave normal. It should give every father in Britain the chance to be there for his new baby.

George Gabriel
The Dad Shift
Tom Ellis
Movember
London EC1, UK

Markets will always punish strategic ambiguity

AstraZeneca's $400bn merger with Bristol Myers Squibb was reportedly real and weeks from announcement, yet it collapsed within a single trading day of becoming public ("AstraZeneca ditched Bristol Myers mega-merger after investor revolt", Report, August 12). That speed points to a deeper issue than short-term shareholder concerns, namely the market's demand for a clear, credible answer on why a merger of this kind makes sense and what opportunity it unlocks. Deals of this size fail for many reasons, but the evidence is consistent on where the biggest risk sits: a lack of clarity at the organisational, business-unit level, and for individual employees.

Look at BMS's own $74bn acquisition of Celgene in 2019, which failed to deliver promised value because it absorbed a company facing a steep patent cliff without a clear long-term narrative — a mistake no organisation should risk repeating. Contrast this with AMD's $35bn acquisition of Xilinx, positioned from day one as a complementary integration rather than a growth play — a distinction that shaped how markets understood the deal from the outset.

During Pfizer's failed bid for AstraZeneca in 2014, Pfizer chairman and chief executive Ian Read was publicly criticised after stating he had given up on big deals prior to the bid.

A pursuit of BMS so soon after AstraZeneca chief executive Sir Pascal Soriot had ruled out needing M&A to hit his 2030 target creates the same kind of strategic ambiguity the market punished at Pfizer over a decade ago.

The lesson for managing merger risk is clear. Value in a deal like this is created by people, not systems. The more clarity an organisation builds throughout the process about why this has happened, what it means for them, and the bigger opportunity ahead, the more likely it is to be one of the mergers that actually works.

MaryLee Sachs
Co-Founder and Americas CEO of global strategic brand consultancy Brandpie; New York, NY, US

The best developments will foster a mix of building uses

Andy Haldane's article ("How to solve Britain's housing crisis", Opinion, August 8) puts forward a compelling plan for breaking the cycle of under-investment in the UK's housing stock. Not least, as he argues, the atrophying of public sector resources over the past 50 years means that regional and local government must partner with the private sector, particularly the specialist social housing funds that, despite the challenging environment, have been successfully established in the past decade or so.

A bespoke planning regime is an essential part of the solution, with one clarification. The best housing developments are those that are part of a broader mix of uses — not just local hospitals and schools, but also places of work and leisure, all contributing to successful "placemaking" and community building. The Television Centre redevelopment in White City, London and Wapping Wharf in Bristol are good examples of this.

A bespoke planning regime should, therefore, have sufficient flexibility to ensure that the accelerated planning pathway is open to developments that are substantially (but not necessarily exclusively) residential. That way homes will be built that offer the most attractive environment for their occupants, creating employment opportunities for them and their neighbours, and prospectively boosting growth even beyond the 0.3-0.4 per cent benefit estimated by Haldane.

Tom Chandos
Director, Digbeth Loc Studios Limited, Woodbridge, Suffolk, UK

Data centres accelerate the problem of climate collapse

Where new data centres vie with housebuilding, the choice must be new houses: they meet a human need (House & Home, August 1).

Data centres are for AI. They consume huge physical resources to build and to run. True, there are some real social benefits which AI can deliver.

But using AI is the most expensive way of doing anything — six times the energy of ordinary computing, it is said. Its biggest cost is the acceleration of climate collapse. You can't get more expensive than that.

Michael Carter
Shrewsbury, Shropshire, UK

A self-deprecating comic catchphrase

Rana Foroohar's illuminating exploration of voters' mood this unhappy electoral season, with its emphasis on voters' feelings of disregard and disrespect being paramount, made me think that Democrats would be wise to embrace the pent-up spirit of the late comic Rodney Dangerfield who humorously, but tellingly, spoke the language of the discontented "no respect" masses ("America and the politics of respect", Opinion, August 17).

Given that we appear to be returning to stagflation 2.0, Dangerfield would be the perfect embodiment for a winning new class of status quo fighting congressional Democrat. As the comic once put it himself: "I get no respect. The way my luck is running, if I was a politician, I would be honest."

Could there be a better talisman and political punchline with greater potential electoral wallop than a confederacy of office holders who seek to honour the working mode and often disillusioned dreams of Rodney Dangerfield's life's work?

Toby Zanin
Toronto, ON, Canada

SMEs like the flexibility zero-hour contracts offer

Regarding your reporting on the plans to crack down on zero-hour contracts (Report, August 12), we work with thousands of independent merchants across the UK in all sectors, and many of these small and medium-sized enterprises rely on the flexibility provided by zero-hour contracts to adjust shift patterns in reaction to changing demand week to week. While larger businesses can afford to guarantee employees' shifts well in advance, put simply, this is not the reality that the majority of SMEs in the UK face.

Independent businesses across the UK are already operating in a challenging trading environment, facing rising operating costs and margins that are squeezed from almost every direction, and the government's own research puts the estimated cost of the changes at up to £2.9bn a year.

As these potential reforms are worked through, it is important that the government considers the reality many of these businesses face rather than adding new costs on to already hard-pressed SMEs. The businesses that keep our economy ticking over need more room to adapt and grow, not additional layers of cost and complexity at a time when many are already struggling to keep the lights on.

Luke Griffiths
Chief Commercial Officer and UK CEO, SumUp, London SE1, UK

Kalshi offers explainer on leveraged perpetual futures

Your article "US day traders flock to 'most dangerous product in crypto'" (Report, July 21) misses some key points. You make no differentiation between Kalshi perpetuals and offshore perpetuals, nor do you compare CME Group's leverage to that of onshore perpetuals.

First, you refer to leverage and auto-liquidation. On this account, there is no difference between what Kalshi is doing compared to what a traditional designated contract market or a derivatives clearing organisation does. For example, Kalshi's leverage for crypto is much less than several products that CME offers (Kalshi: 6X on bitcoin; CME is 15x on S&P, 20x on gold, 60x on €/$ FX). And there is no auto-deleverage by the clearinghouse as all trades are cleared at a regulated onshore clearing house.

Second, funding costs in perpetuals are no different than the traditional carry and other costs embedded in futures. Funding costs designed by Kalshi (ie based on second-by-second differences between perpetuals and the underlying spot) are extremely robust.

In addition, frequent funding adjustments keep the perpetual price closer to the underlying spot than a dated future does. This is a significant risk management advantage of regulated perpetuals over traditional dated futures, where the futures and cash markets have dislocated in times of stress causing risk management concerns (eg West Texas Intermediate front-month future — a contract with the closest expiration date — going negative, or cash-futures basis jumps in the Treasury market).

Someone using monthly crypto futures as a hedge for a one-year bilateral crypto exposure, and using the most liquid front-month futures, must pay to roll over their monthly futures portfolio a dozen times in a year, adding up the overall costs.

In contrast, Kalshi "perps" have no expiry, with no complex pricing and no rollover fees, allowing users the flexibility to enter or exit at any time that suits their risk management appetite.

Perpetuals may not be fit for all underlying assets and use cases, but where they are, they are more cost-efficient and help improve risk management.

Udesh Jha
Chief Risk Officer, Kalshi, London W5, UK

OPINION ON FT.COM
Donald Trump's war on customs fraud will be costly and difficult
The US administration has incentivised the tariff cheating, mislabelling and misvaluation it complains about, writes Alan Beattie
www.ft.com/trade-secrets

Opinion

Global food security may be collateral in Ukraine war

Alexander Gabuev

Russia's war in Ukraine has entered a new escalation phase, with dangerous spillover effects far beyond Europe. One of the most pressing risks is a global grain supply crisis resulting from a fresh spate of Russian and Ukrainian attacks on each other's agricultural exports. Reversing this potentially disastrous aspect of the conflict could be more realistic at this point than trying to end the war altogether. But it is only possible if the international community chooses to engage.

At this stage of the conflict, Ukraine has largely stabilised the 1,250km combat line and expanded its long-range strikes. But since July, Kyiv has been focusing on a new set of targets: Russian vessels exporting agricultural goods via the Black Sea, as well as the supporting rail and port infrastructure in the Azov Sea. Last week, Ukraine hit all three grain terminals in the port of Novorossiysk that ship more than 40 per cent of Russian grain exports. The authorities have paused exports until repairs are completed.

Russia, too, has intensified its missile barrages against Ukrainian ports on the Black Sea, and even sunk several ships destined for the largest port in Odesa. As a result, both countries' agricultural exports risk being significantly curtailed or even halted altogether.

Given the importance of both Russia and Ukraine for global food markets, this is deeply concerning. Take, for example, wheat. Moscow and Kyiv together control 27 per cent of global exports, with the bulk of it moved via the Black Sea. Russia and Ukraine are the main suppliers to many countries in the Middle East and north Africa.

This season has already been extremely difficult for wheat producers: prices for fuel and fertilisers are up due to the war in the Gulf, while heatwaves have affected European and American production. Wheat prices are over 25 per cent higher than in 2025, and still growing. The UN forecasts that about 50mn people will be pushed into acute food insecurity later this year because of climate factors alone. If Russian and Ukrainian wheat does not reach the market, that may mean an even greater food security crisis is on the horizon.

While the effects of the heatwaves cannot be addressed quickly, the disruption of food logistics in the Black Sea could be. At the beginning of the Ukraine war, multiple stakeholders pressured Moscow into a grain deal with Kyiv that allowed the free passage of Ukrainian grain. Even after the deal was eventually abandoned, Russia and Ukraine did not undertake a systematic effort to interdict agricultural exports — until this summer.

> A set of carrots and sticks would help Moscow and Kyiv to restore the passage of agricultural goods

The international community should now pressure both sides to restore this unspoken agreement. Ultimately, the military upsides of these attacks are marginal, while the potential downsides are immense for a number of countries around the world.

The level of pain that Russia and Ukraine are inflicting upon one another by going after agricultural exports is not critical enough for either to sue for peace. The Kremlin pocketed $41bn from agricultural exports in 2025 — less than 10 per cent of overall export revenues. For Ukraine, on the other hand, agricultural exports account for nearly half of its proceeds, and its ability to redirect grain cargo to ports on the Danube River is limited this year because of the heatwave and low water levels. But as Kyiv is most certain to get another financial lifeline from Europe, the Kremlin's interdiction of grain shipping won't deprive Ukraine of its ability to pay for defence.

There are a number of countries with a direct interest in restoring Russian and Ukrainian food exports. First, there are those in the Middle East and Africa — Egypt, Turkey, Saudi Arabia and the United Arab Emirates, for example — who would be most severely affected by a grain crisis and have plenty of channels to and leverage over both Moscow and Kyiv. Then there are Asian giants like China and India, who are large buyers of Russian oil while being dependent on Russian and Ukrainian food exports. Finally, there is Europe, which doesn't want to see an increased inflow of migrants resulting from a potential food crisis. There is also the US — back in 2022, Washington was instrumental in orchestrating the Black Sea grain deal — but who knows whether Donald Trump's team is paying attention.

It is not too late to set up an international contact group and design a set of carrots and sticks for Moscow and Kyiv to restore the free passage of agricultural goods. While it is unlikely that the war in Ukraine will be over soon, using diplomacy to contain the most dangerous aspects of the conflict is helpful in itself — and could pave the way for broader de-escalation in the future.

The writer is director of the Carnegie Russia Eurasia Center in Berlin

'Manchesterism' must honour the city's global outlook

Tristram Hunt

In 1859, Manchester's prosperous German émigré community celebrated the centenary of the birth of Friedrich Schiller with a concert in the Free Trade Hall. Seated among the cheering Prussians was the cotton lord and communist Friedrich Engels, who judged the show in a letter to Karl Marx as having "a very nice stage, but bad acoustics, excellent grouping, much — almost too much — activity constantly going on up stage".

Today, in what was once Cottonopolis, sits a new Number 10 North. "Manchesterism" is now the litmus test for UK government policy. Prime Minister Andy Burnham has placed "a Makerfield test at the heart of British politics" as he demands any initiative to be stress-tested for its impact on towns such as Bryn or Bury in Lancashire.

The danger, however, is that this municipal ideal becomes an argument for parochialism. The government has already chosen to raid the international development budget to cap prices on local buses. This comes alongside watering down commitments on climate change and a studied unwillingness to challenge the economic self-harm of Brexit.

But taking Mancheserism as a byword for inward-looking, transactional politics is misguided.

The city was built on a passionate internationalism. The "Manchester School", the political and economic movement pioneered by Richard Cobden, was premised on global trade and fraternal co-operation. Free Trade Hall, built to celebrate the end of the protectionist Corn Laws, was, in historian AJP Taylor's glorious phrase, "dedicated, like the United States of America, to a proposition — one as noble and beneficent as any ever made".

> The danger is that this municipal ideal becomes an argument for parochialism

Manchester's selfless support for the anti-slave North in the American Civil War, even as the resulting cotton famine plunged thousands into poverty, spoke to the city's internationalist conscience. Abraham Lincoln himself heralded its "sublime Christian heroism, which has not been surpassed in any age or in any country".

When Engels moved to Manchester, he joined more than 1,000 Germans running some 150 businesses. In *The Condition of the Working Class in England*, he described — albeit in disparaging terms — the city's extensive Irish community as an essential part of the local labour force. In the early 1900s, a wave of Jewish migrants fleeing Russian pogroms further internationalised Manchester.

The city provided a platform for the astonishing group of Black leaders who gathered for the 1945 Pan-African Congress in Chorlton, a key moment in the struggle against British imperialism. It was a political education in Manchester that helped to provide Jomo Kenyatta of Kenya, and Kwame Nkrumah of Ghana with the tools for decolonisation.

The city's global outlook continues today thanks to its extensive south Asian and east African diaspora. There is also the fact that Manchester City football club is majority owned by a member of the United Arab Emirates ruling family, Sheikh Mansour bin Zayed Al Nahyan.

Having served so successfully as mayor of a city as cosmopolitan as Manchester, Burnham is no Little Englander. His apology for Labour's initial response to Israel's war in Gaza and his steadfast support for Ukraine point to a progressive foreign policy. Excitingly for those of us in the cultural sector, his clear stance on the repatriation of the Parthenon Marbles means we might finally see reforms to UK law regarding the restitution of artefacts.

It is understandable for a new Prime Minister to prioritise domestic issues. But Manchester has always been emblematic of British global engagement. Burnham's people should not let it become a shorthand for parochialism.

The writer is director of the Victoria and Albert Museum

AI phobia is the new American consensus

POLITICS

Edward Luce

"Stop us before we end humanity," the AI titans keep telling us. Also, "trust me and me alone, not my competitors". Whether it is Meta's Mark Zuckerberg, OpenAI's Sam Altman, xAI's Elon Musk or even Anthropic's Dario Amodei, America's tech broligarchs are their own worst alarmists. In the same breath as warning that humans are heading for the evolutionary dustbin, they vow to end disease, abolish work and fix global warming. Call it death cult utopianism. Americans are now increasingly focused on the death cult part.

Little the tech chieftains say should be taken at face value. Every utterance must be filtered through the lens of market rivalry. Put simply, the AI companies that are performing best — notably Anthropic, which is preparing for AI's largest ever initial public offering — are in favour of regulation and closed-weight models, or those with private parameters. They want a Food and Drug Administration for AI.

The laggards, on the other hand, have found religion in open-weight models. Having spent his life striving for Facebook monopoly, Zuckerberg is now warning about the dangers of market concentration. But he suffers from low public trust even by Silicon Valley's plummeting standards. Young American women refer to Meta's AI Ray-Bans as "pervert glasses".

Barely a week passes without one of the broligarchs publishing an AI manifesto that dresses their corporate imperative in humanity's larger interests. Telling people that your company's technology is particularly dangerous is another way of saying that your stock will outperform the others. Plus, "I am more far-sighted than my rivals about the risks". Little wonder that Americans no longer trust their tech champions.

No society on Earth has historically been more pro-technology than America. The world should thus take note of its Luddite turn. Almost three quarters of Americans do not trust businesses to use AI responsibly, according to Gallup. More than 70 per cent oppose having data centres built in their area because of fears about water and electricity inflation. Eighty per cent or more distrust AI for driving, medical advice and corporate hiring decisions. As The New York Times recently put it, fear of AI is the "most bipartisan issue since beer".

That feeling is as strong in the centre as it is on the Maga right and the democratic socialist left. That such fears are often conspiratorial should be no surprise. Paranoia is a natural response to the unknown. Maga's Steve Bannon calls data centres "weapons labs". Marjorie Taylor Greene, the former pro-Trump lawmaker, refers to Big Tech as "Skynet" after the self-aware computer system that triggers nuclear holocaust in the *Terminator* movies. Progressives talk of AI killing US democracy and ushering in a *Blade Runner*-style dystopia.

Ann Kiernan

Since the AI titans are almost to a man addicts of science fiction, they can hardly complain that its tropes are being used against them. Larry Page, Google's former chief executive, reportedly called Musk a "speciesist" for worrying that AI superintelligence would leave humanity in the dust. Every AI figure, at some point, has speculated about immortality or multiplied life expectancy. I, for one, do not relish the idea of having to listen to them after I turn 150.

A key to marketing is to persuade consumers that they need something of which they were previously ignorant.

> No society on Earth has been more pro-technology. The world should take note of its Luddite turn

Politics, on the other hand, is about giving voters what they say they want. Both rules of thumb have been thrown off kilter by AI. Consumers are being enlightened about something they dread — loss of human autonomy. As voters, however, their fears are being ignored. US politics is therefore entering a radically unpredictable phase.

President Donald Trump is uncharacteristically deaf to voter fears on this. Much of his hostility to AI regulation is about money. Musk spent hundreds of millions on Trump's 2024 campaign and is promising another $100mn or so for Republicans in this year's midterm elections. Most of the AI companies have contributed to various Trump boondoggles, including his White House ballroom and his Freedom 250 celebrations of America's anniversary.

Trump is meanwhile warning the world that you are with the US or against it. For countries such as Singapore, the United Arab Emirates and, increasingly, Europe as a whole, such ultimatums are unwelcome. They want the freedom to benefit from both China and America's competing and varied technological platforms. Each of the superpowers is building its own global AI alliance. Any attempt to regulate AI in America is dismissed as helping China.

Here are three things a decent US administration of either party would do. First, it would respond to society's legitimate fears by setting up a public-private partnership on AI safety. It would take a leaf from the Pope's recent encyclical on putting human dignity first. Second, it would shift the US tax burden from labour to capital. Current US fiscal incentives strongly favour the automation of jobs. Third, it would try to negotiate AI principles with China to stop the world from a binary death spiral.

These are bare minimum steps. Our species still has scope to shape its own future, this fictional US president would say — but that window is closing fast.

Does this sound unrealistic? Alas, at the moment it does. Now, on the other hand, is a golden moment for US political entrepreneurs.

edward.luce@ft.com

Why Britain needs a Messi budget

ECONOMICS

Andy Haldane

Statistics suggest Lionel Messi topped the performance rankings at the recent World Cup. Yet they also show he spent two-thirds of his time on the pitch either walking or standing still. Less Messi was, it seems, more.

Britain's last two Budgets were presaged by drawn-out and messy speculation about tax rises. Amid the uncertainty, consumers and businesses paused spending and growth slowed.

As we approach the next one on October 28, it is clear we need a Budget that is more Messi and less messy. Once we consider the contrasting balance-sheet fortunes of the public and private sectors in the UK, the case for doing less to achieve more is compelling.

The public sector balance sheet is in a parlous state. Debt is close to 100 per cent of GDP, annual debt servicing in excess of £100bn and borrowing costs at their highest this century. Not coincidentally, the UK has not run a fiscal surplus, nor generated a percentage point of productivity growth, since 2001.

This degree of fiscal precarity means further borrowing is as likely to crowd out private spending as encourage it. Like Messi, governments must now conserve their energy. A fiscal stimulus of 1 per cent of GDP needs only to raise bond yields by about one percentage point to negate the positive impact on growth. Since the pandemic, UK yields have risen by more than 4 percentage points.

The contrast with the private sector is stark. Among households and companies, debt is low relative to income, levels of liquidity are high and both are running financial surpluses. Some estimates suggest private sector productivity may have risen almost 2.5 per cent since the government took office.

Yet despite this, neither households nor businesses have spent on a sustained basis. The reason is not financial; it is psychological. Repeated shocks, starting with the global financial crisis, have scarred risk appetite. Fear of the future can be seen in high precautionary savings and low confidence levels.

It can be seen more directly in surveys of risk appetite among UK companies. Research by Tera Allas and Stephen Roper finds UK managers are systemically more risk- and loss-averse than in other countries despite being equally ambitious. The result is lower business investment and, ultimately, growth.

> Like the footballer, governments must now conserve their energy and do less to achieve more

While their study is based on surveys from 2012 to 2022, the policy environment remains at least as uncertain, and risk aversion at least as acute, as then. The run-up to the past two Budgets showed how quickly uncertainty can translate into higher precautionary saving and stalled growth. As in the 1930s, the "paradox of thrift" is at work.

This brings us back to this year's Budget. Speculation is already mounting about rises in public spending, taxes and borrowing at a time when bond markets are only a hiccup away from a heart attack. Another long bout of fiscal uncertainty would risk a hat-trick of growth-stalling Budgets and further panic in bond markets.

Avoiding that fate, reviving private-sector animal spirits and hence growth, calls for applying what David Bharier and I have called the "growth delivery test" to every fiscal decision: will it, ultimately, support spending, risk taking and hiring in the private sector?

If you had applied that test to recent Budgets, the majority of whose measures were either too small to be macroeconomically significant or outright harmful to private-sector sentiment, it would have radically slimmed them and meant fewer policy own goals. Less would have been more, Messi-style.

One policy that would pass that test with flying colours, were it to be pre-announced ahead of the next Budget, is a moratorium on further rises in the tax and regulatory burden on consumers and businesses for the remainder of this parliament. This would be the equivalent of a fiscal Hippocratic Oath to "do no harm" to private sector sentiment.

It would tackle private-sector risk aversion at source, lowering precautionary saving and boosting spending. It would require an accompanying commitment to meet any future fiscal shortfalls through cuts to public spending rather than extra tax and borrowing. This would tackle the Achilles heel of UK public finances, lowering the risk of future fiscal thombrosis.

While politically challenging, the growth dividend from such a strategy would be large and lasting: it would resolve the paradox of thrift to mobilise private balance sheets and jet-propel spending while materially lowering precarity and risk premiums in public and private borrowing markets. Scoring two spectacular goals like this would make even Messi proud.

The writer is an FT contributing editor and former chief economist at the Bank of England

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