



Presumed ineligible

The ECI must end its method of deleting first and verifying later

Not one eligible elector should be left out of the electoral rolls. This statement appears in nearly every document released by the Election Commission of India (ECI) as part of the ongoing SIR process, and the Supreme Court of India, which is hearing petitions challenging the SIR, has also used this refrain. Yet, according to an ECI counter-affidavit filed in the Court, by early September 2026, out of more than 38 lakh appeals submitted to SIR appellate tribunals in West Bengal, just over 1,22,000 appeals were disposed of (a disposal rate of just 3.2%) and 1,13,943 electors were added back to the rolls (an inclusion rate of nearly 93%). This suggests that the claims/corrections phase in the West Bengal SIR – during which judicial officers deployed for verification deemed 27 lakh of the 60 lakh electors flagged for “logical discrepancies” to be ineligible – was deeply flawed. More than 22 lakh of those found ineligible have since appealed, and ECI data show that more than nine in 10 cases decided by the tribunals have ended with the electors back on the rolls. If these “inclusion” and “disposal” rates hold, the majority of the 27 lakh electors should not have been ineligible in the first place and are now struggling to get back on the rolls – an indication that massive disenfranchisement preceded the West Bengal Assembly polls. With municipal elections in the State approaching, the ECI must speed up the appellate process and restore eligible electors to the rolls.

In Phase 3 of the SIR, *The Hindu's* analysis found that in 24 out of Delhi's 70 constituencies, the draft roll now records fewer electors than those who voted in the February 2025 Assembly election. Such large-scale deletion cannot hold unless there was a major migration process in the capital region or large numbers of voters were never ordinarily resident in Delhi. A more plausible answer is that the enumeration itself has struck off actual voters. The process puts the onus of proving eligibility on the elector, and the ECI's dropping of enumeration forms at homes has not translated into full enumeration. Requiring electors to link themselves to rolls drawn in the early 2000s then manufactures “discrepancies” even when documents are valid. In Delhi, this “mapping” has put 13.79 lakh electors under notice with a further 19.33 lakh flagged for “logical discrepancies” on undefined grounds. While hearing the Bihar SIR petitions, the Court had intervened sharply to stop eligible voters from being struck off. Its permissiveness in the year since, towards an insouciant ECI has allowed disenfranchisement on a scale that will remain a black mark on the jurisprudence of universal adult franchise in India. As the Court hears petitions on Delhi and West Bengal, it must compel the ECI to reverse course.

Unsafe space

Deployment of weapons calls for multilateral governance in space

Although the U.S. military doctrine was openly considering offensive and defensive space control by 2025, the admission on September 14 by U.S. Air Force Secretary Troy Meink, and confirmed by Space Force chief Gen. Douglas Schiesl, that the country has deployed “on-orbit space control weapons” to “defend against hostile adversary action” is cause for concern. Satellite systems increasingly underpin communications, energy, and financial networks and many commercial systems serve civilian and military users. To that end, the U.S., Russia, China, and India, among others, have been developing counter-space capabilities while contributing to the technological and strategic environment rendering earth orbit the next major battlefield. The increasing military use of commercial satellites can endanger the protections they enjoy under international humanitarian law even as this law is underprepared for satellites being highly interconnected and often dual-use. That said, the details that justify the need for orbital defence systems also make poorly specified weapons a potential cause of instability. Mr. Meink described the weapon as defensive, but U.S. military doctrine defines “space control” as encompassing both offensive and defensive operations.

Compounding the consequences of confusion when two steerable satellites approach each other without understanding the other's intentions – including due to future autonomous satellites running artificial intelligence models onboard – is the lack of policy details. What constitutes “hostile action” and what the weapon can do remain unclear. While the Outer Space Treaty does not ban weapons in orbit *per se*, Article IV prohibits nuclear weapons or other weapons of mass destruction in orbit – a fluid line considering the centrality of satellite-based networks for contemporary society and the ability of conventional weapons to render damage en masse; its Article III also requires space activities to comply with international law. But when an autonomous, dual-use orbital asset operated by a commercial entity initiates an unwanted defensive strike, the existing rules, including the Liability Convention, cannot be applied straightforwardly to determine accountability. The rules have become too coarse for what contemporary technologies, and the declining esteem for a rules-based world order, warrant. The U.N. Open-Ended Working Group on the “Prevention of an Arms Race in Outer Space” should offer governments an opportunity to address the disclosure. The U.S. government should also reveal the particulars of the weapons it has deployed, and enter into a multilateral governance arrangement that defines exact thresholds of action and escalation.

The arithmetic of Tamil Nadu's growth ambition

At the NITI Aayog meeting on June 11, 2026, Tamil Nadu Chief Minister C. Joseph Vijay announced the goal of transforming Tamil Nadu into a \$1.5 trillion economy by 2035-36. A similar view has also been expressed by others.

Required growth rate

Tamil Nadu's Gross State Domestic Product (GSDP) was ₹35.29 lakh crore in 2025-26. To achieve the target of \$1.5 trillion in 10 years, Tamil Nadu would have to increase the size of its economy to ₹172.56 lakh crore by 2035-36, registering a 4.9-fold increase. This calculation is based on the assumption that the exchange rate of one dollar in terms of rupees will appreciate by 2% per annum from its present level, touching ₹115.38 per dollar in 2035-36. This implies that achieving the target would require a nominal growth rate of 17.2% and, assuming inflation of 5%, a real growth rate of 12.2% per annum continuously for 10 years.

If the Tamil Nadu economy grows at a nominal rate of 17.2%, the State's per capita income will increase from \$4,808 in 2025-26 to \$19,157 in 2035-36, which would be slightly higher than the \$16,383 estimated by the writers as per capita income norm for a developed country. This estimation is made based on the past trends in the cut off set by the World Bank. In this scenario, Tamil Nadu, with a per capita



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The State's growth path will determine when it reaches its \$1.5 trillion ambition

income of \$16,672, would achieve Viksit Bharat status by 2034-35, well before India's aspiration to become a developed country by 2047. However, this may not be within the realm of possibility. In the past, Tamil Nadu's real growth exceeded 12% only in three years: 13.96% in 2005-06, 15.21% in 2006-07 and 13.12% in 2010-11. It must also be noted that the growth rate required to achieve the target would rise if the rupee depreciates more than what is implied in the above calculations. Also if the cut off per capita norm for developed country is higher than what we have estimated, it will again take a longer time to reach the target.

Possible scenarios

The table below presents the results for a scenario with a 15% nominal growth rate, which may be considered achievable given the required effort. Under this scenario, the target would be achieved in 2037-38. Assuming 5% inflation, the real growth rate required would be 10%.

Under this possible scenario, the State's per capita income in 2035-36 will be \$15,850, which will be slightly lower than the \$16,383 cut-off for a developed country. However, under this scenario, Tamil Nadu will achieve developed-country status in 2036-37, as its per capita income of \$17,850 will be higher than the \$16,565 cut-off for that year.

The feasibility of achieving this real growth rate depends on the past performance of the Tamil Nadu economy. From 2005-06 to 2011-12,

Tamil Nadu registered strong real growth, at 2004-05 prices, of 10.3% per annum, compared with an all-India growth rate of 8.2%. However, its average annual growth rate, at 2011-12 prices, declined to 6.98%, compared with an all-India growth of 6.96%, from 2012-13 to 2018-19. Interestingly, its growth performance improved to 9.1% from 2021-22 to 2025-26, compared with an all-India growth rate of 8.1%.

With an average real growth rate of 9.1% (and a nominal growth rate of 14.1%), Tamil Nadu's target will be achieved in 2038-39. Under this scenario, the developed-country per capita income norm will be attained in 2037-38. This should also be considered a possible scenario.

One trillion dollar economy

The earlier aspiration for Tamil Nadu was to reach a one-trillion-dollar economy by 2030. Under the 12.2% real growth scenario, the \$1 trillion economy target would be achieved in 2033-34. The target would be reached in 2034-35 under both the 10% and 9.1% growth scenarios.

To sustain a real growth rate of 10%, the investment rate required would be 40% of GSDP, assuming an Incremental Capital Output Ratio (ICOR) of 4. Achieving an ICOR of 4 itself would require improved efficiency in the use of capital. This investment would have to be financed by domestic savings, supplemented by a flow of resources from the rest of India and other countries. Tamil Nadu must be made an attractive investment destination by creating an appropriate investment environment.

Moreover, a stable economic environment, ensuring both price and fiscal stability, will support strong growth over a sustained period. With nominal growth of 14%, the State should work towards a fiscal deficit of less than 3% so that the debt-GSDP ratio stabilises at around 23%, a sustainable level in the medium term.

What has been presented so far can be described as the arithmetic of achieving a \$1.5 trillion economy by Tamil Nadu. What can happen a decade from now will depend on a number of factors.

Therefore, any projection over such a long period has to be conditional. Perhaps, the most likely scenario is a nominal growth rate of 14% per annum over the next 10 years, which will take Tamil Nadu towards becoming a \$1.5 trillion economy by 2038-39. We can always strive for something better.

Estimated per capita income and other related indicators till 2037-38

Year	Nominal growth (%)*	Nominal GDP (₹ trillion)	Exchange rate (₹/U.S.\$)	Nominal GDP (U.S.\$ trillion)	Per Capita Income (PCI) in U.S.\$	World Bank's PCI norm for developed country (U.S.\$) (estimated)
2025-26	15	35.3	94.65	0.37	4,808	14,558
2026-27	15	40.6	96.55	0.42	5,413	14,740
2027-28	15	46.7	98.48	0.47	6,095	14,923
2028-29	15	53.7	100.45	0.53	6,862	15,105
2029-30	15	61.7	102.46	0.60	7,726	15,288
2030-31	15	71	104.51	0.68	8,699	15,470
2031-32	15	81.6	106.60	0.77	9,808	15,653
2032-33	15	93.9	108.73	0.86	11,058	15,835
2033-34	15	108	110.90	0.97	12,468	16,018
2034-35	15	124.1	113.12	1.10	14,058	16,200
2035-36	15	142.8	115.38	1.24	15,850	16,383
2036-37	15	164.2	117.69	1.40	17,850	16,565
2037-38	15	188.8	120.04	1.57	20,120	16,748

* Required Real Growth = 15% - 5% = 10%

A Malacca-Singapore model for resolving Hormuz

As the siege warfare continues in the Strait of Hormuz and the world suffers, it may be instructive to revisit the Straits of Malacca and Singapore.

The Strait of Malacca runs for some 800 kilometres between the Malay Peninsula and the Indonesian island of Sumatra, connecting the Andaman Sea to the Strait of Singapore, while the Strait of Singapore, some 105 km long, forms its eastern continuation and connects the Malacca Strait to the South China Sea.

A territorial turning point

The Straits were once considered “international” in the sense that they were like the high seas, over which no country had any claim. In 1971, Malaysia, Indonesia and Singapore jointly challenged this notion.

Indonesia, a newly decolonised nation, feared for the security of its individual islands if the waters between them were not considered its territory, and in 1957 declared that all waters “surrounding, between and connecting the islands” were Indonesian waters. Then Indonesian President Sukarno had an adversarial relationship with the colonial powers, and the nation was wary of big-power interference.

As the United Nations Convention on the Law of the Sea (UNCLOS) was being formulated, Indonesia insisted that its territorial waters should extend 12 nautical miles from the outermost islands. Malaysia, despite its 1963 armed conflict with Indonesia over Borneo, revised the stance it had taken at the 1958 UNCLOS conference and also announced a 12-nautical-mile territorial sea, choosing to work with Jakarta on the Straits through bilateral treaties and joint naval patrols. The two nations continue to cooperate actively to this day.

At their narrowest points, the Straits are well under 24 nautical miles wide. Once both states claimed 12-nautical-mile territorial seas, the zones met in the middle, leaving no strip of high seas or exclusive economic zone (EEZ) between them. Under the customary law of the time, this meant that the Straits were simply territorial seas, where foreign vessels enjoyed only the right of “innocent passage” – a right that Indonesia or Malaysia could suspend for security reasons and



M. Kalyanaram

The Malacca-Singapore experience has lessons for navigating the Hormuz impasse

that excluded submerged submarines.

The three nations issued a joint statement in 1971 proposing a coordinating body comprising representatives of the three states to administer the Straits. Singapore, an island nation dependent on trade and shipping, did not quite agree to declaring the Straits “not international”, but did make common cause with Malaysia over the safety of navigation.

The Straits and the great powers

Japan, a major player through the Japan-funded Malacca Strait Council, offered cooperation with the three states rather than seeking an internationalised regime. The United States and the Soviet Union, otherwise rivals, were allies on this one issue – keeping the Straits under territorial waters “international” so that ships retained the right of “continued, politically uncluttered transit”.

As UNCLOS entered its final phase of formulation in the 1970s, the United Kingdom introduced the concept of “transit passage” for straits connecting the high seas or EEZs – a right of transit only in a “continuous and expeditious” manner, with no stopping or loitering, but one that applied to warships as well, going beyond mere innocent passage. Indonesia agreed to this formulation with reservations, trading its acceptance for greater security for its archipelago, which UNCLOS eventually addressed separately. Malaysia's concerns centred on environmental safety, insurance requirements and permissible vessel draught.

In 2007, the three states working with the international community arrived at a Cooperative Mechanism building on a traffic separation scheme similar to what Iran and Oman had agreed for the Strait of Hormuz in the 1960s. A core aspect of the 2007 mechanism was for user states and industry to contribute to a fund for aids to navigation, hydrographic surveys and safety projects, administered jointly with the littoral states.

The Aids to Navigation Fund is supported through voluntary financial contributions from non-profit organisations such as The Nippon Foundation and the International Foundation for Aids to Navigation, as well as industry

stakeholders and states with an interest in the safe and efficient use of the Straits. These contributions do not amount to tolls. The fund is administered on a rotation basis by a committee comprising representatives of the three littoral States and the contributors. The three littoral States – Indonesia, Malaysia and Singapore – do not impose fees, tolls or any other form of payment on ships exercising their right of transit passage.

The geographic parallel

The Strait of Hormuz is similar to the Malacca-Singapore Straits, in that the territorial waters of Iran and Oman intersect, making sections of the Strait part of their territorial waters.

In 1993, Iran, which has not ratified UNCLOS, passed a law requiring foreign warships to seek its authorisation to pass through the Strait. This continues to be a sore point today.

Persian Gulf nations have a history of both conflict and cooperation. The United Arab Emirates, for instance, was among Iran's leading trading partners. Qatar is among the Persian Gulf nations that have supported the Iran-Oman talks. It had also mooted the Malacca-Singapore straits as a model.

Yet, even if the Gulf nations arrive at a framework they all agree on, the U.S. has shown that it may not accept it. The Malacca-Singapore issue was resolved as UNCLOS itself was being put into effect, when trade-offs were part of negotiating a convention intended to govern the world's oceans.

A key concern in the Malacca-Singapore Straits was the safety of navigation and the environment, whereas in the Strait of Hormuz, the key issue is Iran's security.

Iran is demanding that all nations revisit the Strait of Hormuz, and some are willing to do so. Though Iran and Oman have apparently agreed on a framework for reopening the Strait of Hormuz, the Strait has not been reopened, and the U.S. has not accepted the arrangement. The context has changed, even though there are clear parallels in the technical details.

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LETTERS TO THE EDITOR

A tussle that distresses

The challenge to the reappointment of N. Chandrasekaran as Chairman of Tata Sons on September 17 is distressing to the company's stakeholders in particular and to thousands of shareholders in the Indian corporate world in general (Page 1, “Tata Sons Board did not meet conditions: Trusts”, September 21). The reputation and esteem meticulously built over

many decades by the Tata brand in the business world are at great risk of erosion because of the impatient and intolerant attitude of the Board of Directors. A quarrel in public is no way to resolve differences among learned, experienced and wise board members. India, known for a paucity of eminent leaders in politics, eagerly looks to the corporate world for wise and pragmatic business leaders who can

provide good governance. Individual egos need to be set aside.
M.V. Nagavender Rao,
Hyderabad

Politics and decorum

Even the staunchest critics of Prime Minister Narendra Modi would find it difficult to accept Rahul Gandhi, the Leader of the Opposition in the Lok Sabha, turning an event meant to address the serious issues confronting today's youth into a vehicle

to lampoon the Prime Minister. Using a stand-up comedian to mimic and ridicule Mr. Modi at such an event was unbefitting of the office of the Leader of the Opposition. By encouraging such mimicry, Mr. Gandhi has betrayed a lack of political maturity. A person portrayed by Gandhi family loyalists as a potential Prime Minister is expected to conduct himself with dignity and poise. The Bharatiya Janata Party's

outrage is not misplaced.
S.K. Choudhury,
Bengaluru

The developments remind me of the days when Jawaharlal Nehru was Prime Minister. The celebrated cartoonist K. Shankar often drew cartoons criticising and poking fun at Nehru. Far from taking offence, Nehru reportedly encouraged Shankar to continue criticising him through his

cartoons. Whether one agrees with the criticism or not, this reflects an important democratic principle: those in power must be able to tolerate criticism, satire and even ridicule. Freedom of expression is one of the very foundations of a democratic society.

Mohan Nedungadi,
Cheruplassery, Keralam

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The Koran and politics of purdah

Recently, Kanthapuram A.P. Aboobacker Musliar of the Samatha Kerala Janmyathul Ulama issued a circular directing public halls and madrasahs not to permit women to share public spaces with unrelated men during religious events.

He subsequently sought to justify the restriction with the startling claim that bringing women onto public platforms would cause "great destruction." He attributed this danger to the mixing of men and women and said that the Koran itself requires women to remain confined to their homes, and prohibits them from appearing in public.

But the Koran does not instruct women to remain confined to their homes. It is conservative clerics who have historically sought to impose such restrictions by taking out of context the instruction in verse 33:33 to "stay in your houses" and "do not display yourselves as was the display of the former times of ignorance."

Yet the verse occurs within a passage beginning at verse 28 that is explicitly addressed to the Prophet's wives wherein the Prophet is instructed to give them a choice: they may seek the comforts and adornments of worldly life, in which case they will be granted a gracious separation, or they may choose Allah, the Prophet and the hereafter, for which they will receive a great reward. Their position is then distinguished from that of other women before laying down a heightened standard of conduct for them. They are told to avoid overly soft speech with men, to remain in their houses, not to display themselves as women did in the



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The historical record does not support the idea that Islam required women to be confined to their homes or excluded from public life

pre-Islamic period, and to follow Allah and the Prophet. The passage culminates in a reference intended to keep the Prophet's household spiritually pure.

Not about all women
As is clear, the command to "remain in your houses" is addressed only to the Prophet's wives. To remove this instruction from its specific context and present it as a universal Koranic command requiring all Muslim women to remain at home is to extend the verse beyond the scope stated in the passage itself.

Moreover, the historical record does not support the idea that Islam required women to be confined to their homes or excluded from public life. Hazrat Khadija, the Prophet's first wife, was a successful merchant who conducted her own commercial affairs, and the Prophet himself worked for her as a trading agent before their marriage. Even after he became the Prophet, there is no indication that he asked Khadija to abandon her public life. Obviously, the Prophet did not regard a woman's participation in economic and social life as incompatible with Islam.

The same is true of the Prophet's wives who lived after the revelation of Koran 33:33. Hazrat Aisha travelled with the Prophet, including on military expeditions and for the Hajj, and later became one of the most important authorities on religion in the early Muslim community. She also played a public role in the political conflict that culminated in the Battle of the Camel in 656 CE. Hazrat Umm Salama, another wife of the Prophet, was likewise consulted on public matters.

These examples make it difficult to interpret "remain in your houses" in 33:33 as a command of absolute physical confinement. Whatever restrictions it imposed on the Prophet's wives, the historical record provides little basis for turning it into a universal prohibition against women participating in public life or sharing public spaces with men. Not surprisingly, in *Al-Muhaddithat*, the English introduction to his 43-volume Arabic compendium of Muslim women scholars, Mohammad Akram Nadwi rejects the view that Islam is "a human construct, done mainly by men and therefore do to secure advantages for them at the expense of women."

Nonetheless, the subjugation of women cannot be challenged through reformist rhetoric alone. It requires the Muslim laity to publicly question clerical authority itself, and political leaders to stop lending legitimacy to regressive clerical institutions through high-profile visits and public engagement. The recent meeting of Malaysian PM Anwar Ibrahim with Mr. Aboobacker in Kerala illustrates the problem. Such public recognition can embolden male clerics to present patriarchal interpretations as divine commands and discourage Muslims from questioning them. The future of Islam cannot be left to those who claim a monopoly over its interpretation. If Muslims are to progress, the Koran must remain the primary point of reference, while the Prophet's life must be taken seriously as evidence of how Koranic principles were actually lived.

Persistent antagonism towards Urdu

In June 2026, a group of approximately 10-15 men entered Bharat Chandra High School in Armoor, Nizamabad district, Telangana, and allegedly manhandled its 37-year-old Principal, Aamir Khan. The incident reportedly arose from the perception that Urdu was being taught at the school. However, Mr. Khan, an English teacher, was not responsible for teaching Urdu; the subject had been taught briefly by another teacher. The school's management board, headed by a person of Hindu background, had decided to introduce Urdu as a second language following a request from the parents of Muslim students, who constitute approximately 25% of the school's total strength.

This episode is particularly significant in light of a Supreme Court judgment in April 2025, which described Urdu as a fine expression of *Ganga-Jamuni Tehzeeb*. A Bench comprising Justices Sudhanshu Dhulia and Vinod Chandran observed that "language belongs to a community, to a region, to people but not a religion." The Court upheld the use of Urdu on the signboard of a municipal council in Maharashtra and declined to interfere with the Bombay High Court's ruling, which had found no legal prohibition under the Maharashtra Local Authorities (Official Languages) Act, 2022, against the use of Urdu.

The contrast between the constitutional recognition of Urdu as a linguistic and cultural tradition and the hostility towards it highlights the contested and communal



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The antagonism towards Urdu is rooted in the perception that it is exclusively a language for Muslims

nature of the language in today's India.

The antagonism towards Urdu is rooted in the perception that it is exclusively a language for Muslims. The establishment of Bangladesh in 1971 around the Bengali language demonstrated that Urdu is not the language of Muslims as a whole. Moreover, Urdu has historically been spoken and cultivated by Hindus, Sikhs, and others. Rakhshanda Jalil's edited volume, *Whose Urdu Is It Anyway?*, brings together writings by several prominent non-Muslim literary figures, including Gulzar, Ramanand Sagar, Rajinder Singh Bedi, and Kishan Chander. Their contributions demonstrate how Urdu has historically been embedded within a diverse literary and cultural tradition. A particularly revealing case is that of Rahi Masoom Raza, the author associated with the TV serial *Mahabharat*. It has recently come to light that his novel *Aadha Gaon* (Half Village), a classic of modern Hindi literature, was originally written by him in Urdu.

Not all that different

In ordinary discourse, the difference between Hindi and Urdu is not easily noticeable. According to Paul Brass, Urdu, "in its original form, was nothing more grammatically than the spoken Hindustani of north India, particularly Khari Boli of the Delhi area, with an admixture of Persian, Arabic, and Turkish vocabulary." This shared linguistic heritage highlights the extent to which Hindi and Urdu evolved from a common linguistic base. In 1837, Persian was replaced by English and other vernacular languages in various

provinces of British India for administrative and judicial purposes. In north India, however, the vernacular language selected for official use was not Hindi, but Urdu written in the Perso-Arabic script. This linguistic policy subsequently became a source of controversy and led to the emergence of the Hindi movement.

Around this period, two publications, one by Babu Shiva Prasad and another by Madan Mohan Malviya, contributed significantly to bolstering the Hindi movement. In 1868, Babu Shiva Prasad published a memorandum on court characters, in which he highlighted the adverse effects of the use of Urdu in the North-Western Provinces and Oudh (administrative province in British India). Similarly, Madan Mohan Malviya's *Court Character and Primary Education in the North-Western Provinces and Oudh* expressed concern over the detrimental impact of officially encouraging Urdu among a Hindu population. At the same time, pro-Urdu campaigns also emerged. Thus, the controversy increasingly moved beyond pamphlets and petitions, giving rise to various organised efforts.

In independent India, the Hindi-Urdu controversy continued to be a divisive political issue, particularly in north India. The persistence of antagonism towards Urdu is especially striking in a country where English, a language of foreign origin, continues to be widely valued and institutionalised across regions. In contrast, Urdu, despite its historical and cultural roots in the Indian subcontinent, continues to encounter hostility.

Decoding the transition to alternative fuels

While adoption of EVs has risen in the passenger vehicles category, it is mainly two-wheeler and three-wheeler categories that are adopting EVs than cars

DATA POINT

Sachin Swaraj
Gandia Sneha

August 2026 marked a notable milestone in India's journey towards a shift from fossil-fuel run vehicles to Electric Vehicles (EVs), as the data from the Federation of Automobile Dealers Associations' (FADA) showed that it was a period of a "historic fuel crossover".

In the passenger vehicles category that mainly includes cars, FADA data showed that, for the first time, the share of new vehicles in the alternative fuels category (41.95%) overtook the share of petrol vehicles (40.85%). FADA's statement said that alternative fuels included "CNG, hybrid and electric combined".

Without doubt, India has made considerable progress in moving away from fossil fuels and adapting EVs. As Chart 1 shows, petrol and diesel still dominate the market by a huge margin, accounting for 83.5% of all the roughly 82 lakh vehicles registered from January to March this year. But this is a sharp 11.5 percentage points drop from the same period in 2021, when petrol and diesel accounted for over 95% of all the 57 lakh vehicles registered then.

Less adoption among cars

While the chart shows the sale of EVs on a sharp increase, accounting for 10.6% of total registrations, a granular analysis of sub-categories under the alternative fuels based on data accessed from the Vahan portal showed that this was driven more by EV adoption in the two-wheeler and three-wheeler categories. When it came to cars, the growth under the alternative fuels is more pronounced in vehicles that use CNG and LPG, which are fossil fuels with significantly lower emissions, than EVs.

The two-wheeler segment which accounts for over 70% of all

the new vehicles registered in the country had shown signs that EV adoption is gaining pace.

After registering a marginal increase year-on-year, the share of EVs in two-wheelers has made a jump from 6.4% in 2025 to 9.1% in 2026 (till August) (Chart 2). This is also the first time the share of two-wheelers running on petrol has come down to the 90% mark. This jump in the sale of EV two-wheelers has contributed significantly to the overall share of petrol and diesel vehicles, across all categories, coming down well below the 85% mark this year.

If there is one segment that has made a rapid transition away from petrol and diesel, it is the three-wheeler category. They, however, account for only 4% of all the vehicles sold. Of the roughly 9.8 lakh three-wheelers registered till August this year, 60.5% have been EVs (Chart 3). The share of petrol and diesel in the registration of three-wheelers has halved from nearly 30% in 2021 to less than 15% in 2026. Interestingly, the share of three-wheelers using CNG or LPG has also come down this year.

It is in the cars segment, which accounts for the second biggest share in vehicles after two-wheelers, that the picture is more nuanced than what the shift indicates when "alternative fuels" are clubbed together. Chart 4 shows a remarkable drop in the share of petrol and diesel cars from 86% in 2021 to 61.6% in 2026.

However, this decline is because there are more hybrid cars than run on petrol with CNG or LNG than EVs. There is certainly progress in the sale of EVs, but it is much slower when compared to vehicles using CNG or LPG. The share of hybrid EVs has remained fairly constant since 2023 at around eight per cent. The data indicates the need for further interventions through measures such as the ramping up of charging infrastructure, which can help accelerate the pace of EV adoption among cars as well.

Nuance in the mix

The data for the charts were sourced from the Vahan portal. Values for 2026 are till August. Vehicles in few other fuel categories with negligible share in total registrations are not shown in the charts. Sachin Swaraj and Gandia Sneha are interning with The Hindu's Data team

CHART 1: The lines show the total number of vehicles registered in each fuel category while the values within brackets show the share of each fuel type in total vehicles registered. Q1 - Jan to March, Q2 - Apr to June, Q3 - July to Sep, Q4 - Oct to Nov

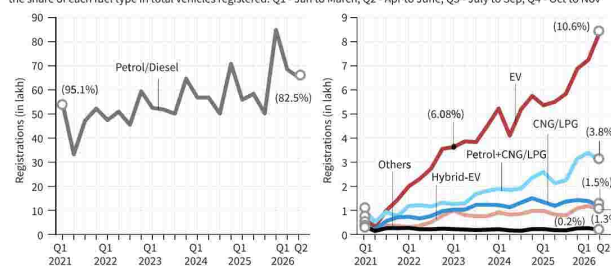
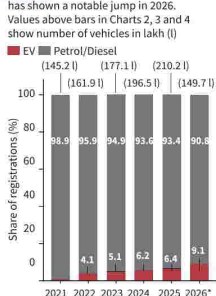
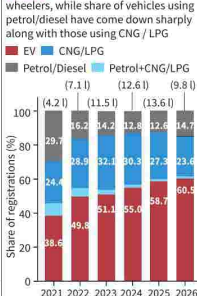


CHART 2: Share of EVs in two-wheelers has shown a notable jump in 2026. Values above bars in Charts 2, 3 and 4 show number of vehicles in lakh (l)



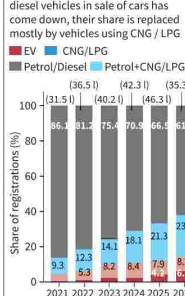
For the first time, the sale of petrol vehicles in the number of new two-wheelers registered has dropped to 90% mark in 2026

CHART 3: EVs now dominate three-wheelers, while share of vehicles using petrol/diesel have come down sharply along with those using CNG/LPG



The share of EVs among three-wheelers has jumped from less than 40% in 2021 to over 60% in 2026

CHART 4: While share of petrol and diesel vehicles in sale of cars has come down, their share is replaced mostly by vehicles using CNG/LPG



The share of petrol/diesel vehicles has come down significantly, but share of EVs is growing only marginally

FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO SEPTEMBER 22, 1976

Chavan asks passport officers to be quick, alert

New Delhi, September 21: The External Affairs Minister, Mr. Y.B. Chavan, to-day set for the passport officers in the country the twin task of being efficient and quick in the disposal of passport applications while at the same time guarding against organised activities of spurious agents and touts.

Addressing the nine Regional Passport Officers in the country, Mr. Chavan said that these might "look rather contradictory, but they are in fact, not." What was demanded of them, he said, was "awareness, alertness and vigilance combined with efficiency and courtesy."

This was all the more so because of the increasing number of people who sought passports. Perhaps passport officers were the only instrument through which the External Affairs Ministry came in constant touch with the public and thus the working of the Ministry would be judged by the public by the way they functioned.

Unlike in the past, all categories of people, skilled and unskilled went abroad, particularly because of India's economic co-operation with several developing countries. It should be remembered that there were certain organised agencies to commit economic offences. Passport was an important instrument for such offences across the national boundaries and this activity, he said was "quite considerable".

It was, therefore, important for the Passport Officers, to be vigilant while at the same time being courteous to those who approached them.

A HUNDRED YEARS AGO SEPTEMBER 22, 1926

Hooliganism in Russia

Riga, September 21: A message from Moscow says that hooliganism is so alarming all over Russia that it is unsafe to walk after dark in less frequented streets even in Moscow and Leningrad. All classes of people in town and country are demanding that the Government should take up the matter. Many assaults on girls and other acts of violence are reported. Workmen's clubs are forming unofficial bodies of police for self-protection.

At a meeting convened to discuss the situation, the Commissar of Interior recommended that the worst offenders should be shot as was already being done in Ukraine.

Text & Context

THE HINDU

NEWS IN NUMBERS

Ethiopian armed groups announcing anti-govt. alliance

7 Seven Ethiopian armed groups said they have formed an alliance aimed at overthrowing Prime Minister Abiy Ahmed's government. The announcement of the Ethiopian Peoples' Forces Alliance for Survival brought together diverse groups ranging from Tigray in the north to the Somali Region in the south. REUTERS

Number of vehicles fined for illegal parking in Keralam

32,385 The Traffic and Road Safety Management wing of Keralam Police has collected ₹1.08 crore in fines from 32,385 vehicles for traffic violations, mainly illegal parking, during a Statewide seven-day inspection, police said. PTI

Number of vacancies in J&K government departments

40,672 In reply to questions from MLAs Sajad Lone and Irfan Hafeez Lone about recruitment and vacancies, the government said there were 40,672 vacancies across various government departments. PTI

Predicted decline in Maharashtra's sugar production

20 in per cent. Sugar production in Maharashtra may fall by nearly 20% in the upcoming crushing season, according to the West India Sugar Mills Association (WISMA). It said Maharashtra has faced a severe rain shortfall this year that adversely affected various crop yields. PTI

Amount of fine on Google by the EU for data location breach

403 in € million. Ireland's data protection watchdog, acting on behalf of the European Union, said on Monday that it had fined Google €403 million (\$462 million) for improperly using users' location data. AFP, COMPILED BY THE HINDU DATA TEAM

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Why did the SC reject methanol rules?

What did the Supreme Court find wrong with Maharashtra's methanol rules? Why did the court hold the methanol restrictions disproportionate? What constitutional rights did the impugned rules violate? What guidelines did the Supreme Court issue to prevent tragedies?

EXPLAINER

Rizmi Lia M.

The story so far:

In September 18, the Supreme Court struck down Maharashtra government rules requiring methanol to be denatured with a colourant and bitterant before sale to non-drug manufacturers, holding that the measures were disproportionate and lacked sufficient connection with the problem they sought to address. A Bench, including J.B. Pardiwala and K. Vinod Chandran, allowed the writ petitions filed by the methanol-based product manufacturers against the mandatory inclusion of additives in methanol because of amendments to the Maharashtra Poisons Rules, 1972.

What was the case about?

Methanol, or methyl alcohol, is a highly toxic substance. It is also widely used as an industrial raw material in products including formaldehyde, paraformaldehyde, paints, resins and other chemicals.

The Maharashtra government introduced stricter controls on methanol following a 1991 hooch tragedy in Mumbai, in which around 93 people died after consuming spurious liquor containing methanol. A committee headed by then Additional Director General of Police P.R. Parthasarthy was constituted to examine the causes of the tragedy and suggest measures.

In 2011, Maharashtra amended its Poisons Rules and introduced Rules 18A and 18B.

The petitioners are aggrieved by the operation of the impugned Rules 18A and 18B of the Maharashtra Poisons Rules, respectively, which restrict the purchase of methanol and mandate the addition of bitterant and colourant to methanol before sale to a non-drug manufacturer. Further, by operation of Rule 18B, any possession of methanol without a licence in Form A is liable to confiscation.

Companies told the court that colour contamination could make products



GETTY IMAGES

unacceptable to the paint and pharmaceutical industries, while the additives could affect catalysts, laboratory and pharmaceutical applications.

The State, however, argued that the rules were necessary because methanol could be mixed with liquor and cause fatal poisoning. Making methanol identifiable and bitter would help prevent its misuse, it added.

What did the court examine?

The central question was whether Rules 18A and 18B violated Articles 14 and 19(1)(g) of the Constitution.

The basic tenet of Article 14 is fairness in action and non-arbitrariness, while Article 19(1)(g) protects the right to carry on an occupation, trade or business. The court said that the State does have the power to regulate methanol. The Poisons Act, 1919 permits State governments to make rules regulating the possession and sale of poisons. But the question before the court was whether Rules 18A and 18B, respectively, of the Maharashtra Poisons Rules could be said to be arbitrary, disproportionate, and unreasonable.

What was the ruling?

The Supreme Court held that the impugned provisions of the Maharashtra Poisons Rules, 1972, were unconstitutional.

The court found that Rule 18A(1), which

required verification of a purchaser's Form A licence before methanol could be sold, imposed a disproportionate restriction on legitimate industrial users. The court held that merely verifying a Form A licence did not establish how the purchaser would use methanol.

The court also struck down Rule 18A(2), which required methanol sold to non-drug manufacturers to be mixed with a colourant and bitterant. It held that the requirement did not have a reasonable and proximate nexus with preventing the misuse of methanol in illicit liquor. The State failed to demonstrate that the additives would prevent diversion or manufacture of spurious liquor.

"What is discernible from the above is that in practicality, the impugned rules prescribe a regulatory framework that does not prevent the misuse of methanol in liquor which takes place in the unregulated field. The sub-rule even in the best case of full compliance cannot prevent the misuse it aims to prevent... It addresses a mischief, it does not in fact remedy while imposing a continuous burden on the industries," it observed.

As for Rule 18B, which provided for confiscation of methanol possessed without a Form A licence, the court found that it could conflict with the lawful possession of methanol under a Form B permit and effectively render that permit redundant. The provision, therefore, also

failed the proportionality test.

Applying the proportionality framework laid down in *K.S. Puttaswamy v. Union of India* (2017), the court held that although the prevention of loss of life from methanol-adulterated liquor constituted a legitimate aim, the impugned restrictions were neither suitable nor necessary to achieve that objective. The court consequently allowed the writ petitions, disposed of the connected civil appeal, and held that the impugned rules were violative of Articles 14 and 19(1)(g). The court noted that "a policy that is irrational, or lacks rational justification, or is violative of any constitutional, statutory or any other provision of law is liable to be struck down".

What were the guidelines?

The court passed the guidelines regarding important aspects and steps to prevent hooch tragedies and for effective implementation of the policies.

The court said States should work together through the prohibition, excise, police, transport, industries and health departments, along with NGOs, to prevent illegal liquor. This includes checking State borders, stopping illegal transport, identifying places where illicit liquor is made or stored, and monitoring industrial units that may illegally supply chemicals used to make spurious liquor.

As regards the existing rules in States/Union Territories, the court said methanol rules should be strengthened. Licences should be granted only after proper verification and should be regularly reviewed. Industrial users should return unused or excess methanol, maintain proper stock and consumption records, and face suspension or cancellation of licences for violations. Methanol should be transported in dedicated tankers under excise supervision and sealed in a way that prevents theft, diversion or tampering.

It also called for more de-addiction centres, support for affected families and local counselling centres.

The court added that while it could issue directions, effective implementation ultimately depends on the police and enforcement machinery.

THE GIST

The Supreme Court struck down Maharashtra's rules requiring methanol sold to non-drug manufacturers to be denatured with colourant and bitterant, finding them disproportionate and unconstitutional under Articles 14 and 19(1)(g).

It held that the rules did not have a reasonable and proximate nexus with preventing methanol misuse in illicit liquor, while imposing continuing burdens on legitimate industries.

The court issued guidelines for States to strengthen methanol regulation, including stricter licensing, stock and transport controls, and inter-departmental enforcement.

How will Gaganyaan's crew module deploy its parachutes?

Why does Gaganyaan need multiple parachutes? How are they tested?

Unnikrishnan Nair S.

The story so far:

Any spacecraft entering the earth's atmosphere will rely primarily on atmospheric drag to lose a significant fraction of its velocity. To gently touch down on land or in the sea, additional decelerating systems like parachutes have to be activated.

The parachute used for crewed space vehicles demands extraordinary engineering with multi-staging, redundancy, high-performance materials and high-pressure packing to reduce storage space.

How are parachutes deployed?

The parachute system contains three types of chutes: pilot, drogue, and main. The pilot chute is a mini-parachute

deployed to pull out wider drogue or main chutes. The drogue chute is deployed early in the descent to stabilise the module and first reduce the velocity. The main chute has a wider canopy and is used in the final phase to reduce the velocity enough to achieve gentle soft-landing conditions.

The crew module's blunt shape creates a turbulent wake in its rear side and the parachute has to be ejected through this wake. The ejection mechanism should ensure the energy imparted to the parachute suffices to cross the wake in the shortest time and deploy the parachute in the far-wake region.

Generally, the parachutes are deployed when the module has reduced its speed to below the speed of sound.

Why deploy parachutes in stages?

As it descends, the Gaganyaan crew

module will be moving at around 170 m/s in the lower atmosphere. If the full-sized main parachute is deployed straightaway, it will experience a high opening shock, shredding the fabric or subjecting the crew to dangerously high deceleration.

Multi-staging, on the other hand, increases the chutes' diameter in successive stages, keeping the dynamic pressure to acceptable levels. Also, to keep a chute from opening really quickly, a cord wound around the canopy restricts how far it can spread. After a preset delay, when the vehicle has slowed enough, a timed cutter severs the cord, which goes loose and allows the parachute to bloom fully.

How are parachutes tested?

There are different platforms to test parachutes. The 'rail track rocket sled' is a ground facility where a sled is accelerated

along rails by firing small solid motors, and the parachutes are deployed from the sled at an appropriate velocity. The Terminal Ballistic Research Lab, Chandigarh, has a state-of-the-art RTRS facility.

Other modes of testing include dropping the test article from a helicopter or an aircraft or using small rocket-powered test vehicles, which launch the crew module to some appropriate altitude and release it from there.

After splashdown in the sea or upon soft-landing on land, if the parachute is not detached immediately, the wind acting on the canopy could drag the module on land or capsize it in sea and this might cause injuries to the astronauts. Hence, the parachute is released by activating pyro cutters or mechanical quick-release devices.

What materials are used in aerospace parachutes?

A parachute's material is controlled by conditions like tensile strength, thermal resistance, and mass. Modern aerospace parachutes use advanced synthetic polymers engineered to meet specific design conditions.

Kevlar is used in high-load suspension lines, risers, and structural reinforcement tapes due to its exceptional tensile

strength and heat resistance. Nomex finds application in heat-exposed areas to withstand hot mortar gas discharge and aerothermal heating.

Nylon is widely used for canopy broadcloths because of its elasticity, which helps absorb initial dynamic shock loads during inflation. It is highly compressible, so it can be packed into a relatively small volume.

What parachutes are in the Gaganyaan crew module?

In crewed missions, recovery systems use redundant clusters of pilot, drogue, and main parachutes. The Gaganyaan crew module has two drogue chutes deployed by mortars and three main chutes deployed by mortar-ejected pilot chutes.

If one main parachute suffers an anomaly, the remaining two independent chutes are fully capable of ensuring a safe touchdown.

ADRIE in Agra, which is a laboratory under the Defence Research & Development Organisation, is the developing agency.

(Unnikrishnan Nair S. is former director, VSSC and IIST; Founding Director, HSFC, and an expert in launch vehicle systems, orbital re-entry and human spaceflight technologies. Currently Dr Sarabhai Professor at VSSC)

ABSTRACT

Parental demand, education markets and the spread of ideologies

Hindutva is spreading through everyday interactions in the education market, with parents playing a role in shaping school decisions; marketisation allows majoritarian preferences to be expressed as consumer demands, with schools accommodating them while sidelining minority concerns

Rebecca Rose Varghese

Arora-Kukreja Ritika, 'Hindutva by Other Means: The Educational Market and the Politics of Demand', *Economic and Political Weekly*, Vol 61 Issue No. 34, August 22, 2026

Recently, an advertisement for a jewellery brand featuring a Bollywood actress during Raksha Bandhan was taken down by the brand following public outrage over her attire, which some considered insufficiently modest for a traditional festival. While there were debates over whether her dressing should be judged in such a manner, the brand eventually took down the advertisement and apologised to a section of the public, responding to pressure from a majoritarian opinion.

In another incident, a Muslim IPS officer in Bengal was transferred after Hindutva groups criticised her for using an Islamic greeting on social media. While the government and its nationalist ideologies may have their own role in such incidents, public pressure in this case was an important factor that resulted in her immediate transfer.

In both these cases, the institution or management responded to the majoritarian or dominant public view.

When we think about how ideologies spread and become embedded in everyday life, we often assume that the state apparatus plays the primary role, using its institutions and various forms of authority to promote particular ideas. What we often overlook, however, is the influence of the majoritarian public itself.

Public pressure, consumer choices, social expectations and everyday interactions can also become important channels through which an ideology is reproduced and normalised.

One of the best locations to examine the spread of political and religious ideologies is schools, because history shows how the moulding of young minds can become a central aspect of ideological reproduction.

Studies have shown how state apparatuses have often been used to promote particular political and social ideologies through education. Hindutva is one such right-wing political ideology of Hindu nationalism that seeks to define India's cultural and national identity through Hindu values and heritage and influence public policy, which the state has promoted through schools in India. The Bharatiya Janata Party (BJP)-led governments, both during the 1998-2004 period and from 2014 to date, have used the state's power over curriculum and regulation to advance a particular vision of Indian nationhood. This literature has produced a robust analytical vocabulary to think of saffronisation as a product of a state-led project: the deliberate use of state institutional capacity to reshape the content and culture around education in a way that resonates with the Hindu majoritarian conception of the nation.

But is this the only way Hindutva enters schools? Are there no other players?

While the state may have a direct role in shaping government schools, what about spaces where its hold is less direct, particularly private urban schools that often present themselves as modern, cosmopolitan and removed from such



Growing influence: In the education market, parents express their preferences, which school management responds to and incorporates into its decisions. THULASI KAKKAT

ideological concerns?

Think of the first two examples in the context of such schools. This is what author Ritika Arora-Kukreja does in her article.

The article is particularly relevant as it examines other factors that have helped push Hindutva ideology into schools. The paper argues that Hindutva is increasingly spreading through everyday interactions in the education market, not just through government policies or Hindutva organisations. This side of education has largely been overlooked by both the literature on marketisation and the literature on saffronisation.

Through in-depth interviews and focus group methods with households with children, and interviews with school leaders across private schools in Delhi-NCR between April and September 2022, the author analyses the increasing role of parents as actors pushing for Hindutva ideologies to spread in Indian schools.

From regulation to market demand

The Nehruvian model of education after independence was such that the state provided, regulated and directly controlled institutions. But after the 1991 liberalisation reforms, the relationship between the state and institutions, especially schools, changed drastically. With privatisation, the middle and upper-middle classes, especially in urban India, started attending private schools, where state control was extremely limited. The author explains that in Delhi, where she did her study, private-school enrollment at the primary and middle levels increased from around 30% in 2014-15 to over 46% in 2019-20. So while the state did not disappear and still continued to spread ideologies through

the curriculum and syllabus, its role in directly influencing and promoting ideologies had its limits.

The state was then replaced by market demands, especially those of the dominant middle and upper-middle classes. Parental preferences started taking precedence over the state apparatus and shaped decisions made by school management.

For instance, if parents do not approve of the appointment of a Muslim teacher due to the fear that they may promote Islam, they are not admitted. Or if the majority of parents are vegetarian, the school may make a rule that non-vegetarian food should not be brought for lunch, which inevitably affects children from other religions and cultures. Schools succumb to the demands of the dominant group while sidelining minorities, fearing the repercussions of not doing so.

The Hindu customer

Strong competition between schools, combined with the majoritarian population in a region, creates what the author calls the "Hindu customer", whose demands have to be met by school management. Highlighting Hindu festivals in schools, giving holidays for them, deliberately not admitting students from certain religious groups, and attempting to ban the hijab from schools are some examples. The author calls this "hyper-accountability".

While marketisation is supposed to make schools more accountable by giving parents more power and making schools depend on parent satisfaction, in this context, schools are focused on satisfying the majority. The concerns of minority families are ignored, as their dissatisfaction will have a smaller

economic impact on schools.

Here, it is the Hindu customer who is being satisfied. Instead of being seen just as a religious identity, they attain the identity of a powerful customer in the education market, whose demands cannot be ignored.

Their economic power, combined with the growing political legitimacy of Hindu nationalism, ensures that schools meet their demands while trying to present them as reasonable. For instance, instead of citing religious reasons, schools use hygiene to justify banning non-vegetarian food and security to justify banning the hijab, while the same concerns are not applied to visual symbols of other religious groups.

Political demands as choices

One of the ways in which such demands are justified and seen as rational or reasonable is through what the author calls the "depoliticisation of choices". The demands or preferences of parents are seen as individual, private consumer choices rather than politically coloured ones. Marketisation literature often presents this in simple terms: the parent has a demand, and the market responds to it.

It therefore becomes important to understand how these preferences are formed. The author explains how citizens are influenced on a daily basis by ideas of Hindu nationalism through news media, social media, neighbourhoods and other forms of political socialisation. Their choices about education therefore also reflect these political and cultural ideas.

The market does not necessarily create these preferences. Instead, it provides a system where such preferences can be expressed as legitimate consumer demands and accommodated by schools that depend on satisfying their consumers. The author explains that the education market does not only reproduce class inequalities. In contemporary India, it can also provide an institutional space for religious-nationalist preferences to enter and shape education.

Challenging the ideology spread

Challenging the spread of Hindutva or other religious ideologies in schools is important because education shapes young and impressionable minds and can influence how they understand religion and society. To do so, it is necessary to understand how such ideologies enter educational spaces.

Existing saffronisation literature has mainly focused on the role of the state and political organisations. The author draws attention to another channel, which she calls "bottom-up Hindutva". Unlike state-led Hindutva, which spreads from state institutions and political organisations into society, "bottom-up Hindutva" describes a process in which preferences and demands from society shape institutions. In the education market, parents express their preferences, which school management responds to and incorporates into their decisions. The paper is therefore important because it highlights other ways in which religious ideologies can spread, which need to be closely examined to understand and challenge their influence in education.

(Rebecca Rose Varghese is a freelance journalist)



FROM THE ARCHIVES

Know your English

S. Upendran

What is the meaning of the expression "to go bananas"? (R. Pillai, Chennai)
This expression has several different meanings. When someone goes bananas about/over something, he/she becomes very enthusiastic about it. The expression is considered slang and is generally used in informal contexts. Here are a few examples.

The students went bananas when they heard that Mani was going to address them.

We all went bananas when we saw Steffi Graf walk into the gym.

To go bananas can also mean to drive someone crazy or mad. For example,

The constant questions made him go bananas.

When used in this sense, "to go bananas" means the same thing as "to go nuts" and "to go crazy". "Cool bananas" is an expression that is frequently used in American English as an exclamation. It is often used to mean "wow".

Satish got an A in the exam. Cool bananas!

What is the correct pronunciation of the word "harass"? (B. Devarajan, Hubli)

The manner in which you pronounce this word will, to a large extent, depend on which side of the Atlantic you are from. For example, if you are from England, then you would tend to pronounce the first "a" like the "a" in "cat", "bat" and "act". The second would be pronounced like the "a" in "China", and the main stress would be on the first syllable. If, on the other hand, you come from the U.S., then you would do the exact opposite. You would pronounce the first "a" like the "a" in "China" and the second "a" like the "a" in "cat". The stress in this case would be on the second syllable.

What is the meaning and origin of the expression "trailblazer"? (P. Anuradha, Hyderabad)

A trailblazer is someone who is the first to do something. For example, he or she could be someone who has discovered or developed a new method of doing something. Here are a few examples.

Jambu will always be remembered as a trailblazer in cancer research.

Padma was a trailblazer in the field of AIDS research.

One can even talk about an individual or an institution of having "blazed a trail". When someone blazes a trail, what you are implying is that he/she has done something that no one has done before; something that will benefit a lot of other people.

The company has blazed a trail in developing new medicines for curing AIDS.

The word "blaze" is generally associated with "fire". So "trailblazer" should be someone who develops something new by destroying everything that is old. This, however, is not the origin of the expression. The expression came into being in the late 18th Century when the American settlers were pushing further and further west – towards Oregon, California, etc. Since they were exploring uncharted territory and didn't want to get lost along the way, they used to mark the trail that they had taken.

One of the ways that they used to indicate the route they had taken was to remove the bark from some of the trees. This method of marking trees was known as "blazing". And since they were marking a trail, we get the expressions "blazing a trail" and "trailblazer". Published in *The Hindu* on January 8, 2002

Word of the day

Gadfly:
a persistently annoying person

Synonyms: nuisance, tease, persecutor, bother

Usage: *The activist has earned a reputation as a gadfly.*

Pronunciation: newstz.live/gadfly

International Phonetic Alphabet: /ɡædflaɪ/

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

THE DAILY QUIZ

September 22 marks the 40th anniversary of the second tied Test match in the history of cricket. How much do you remember about this historic India-Australia Test?

Soorva Prakash N.

QUESTION 1

Who is the only person connected with both the first and second tied Test matches?

QUESTION 2

Who were declared as players in the match from the respective sides?

QUESTION 3

While Greg Matthews took five in both innings, which other Australian bowler took the remaining five Indian wickets in their second innings?

QUESTION 4

Who became the first player to make 100 consecutive Test appearances during this historic Test?

QUESTION 5

Who deputised for regular Wicketkeeper Kiran More after he left the field on the first day due to food poisoning?

QUESTION 6

Who was the Wicketkeeper of Australia in that Test?

QUESTION 7

Which Indian allrounder remained unbeaten with a gritty 48 after ensuring that India would not lose that Test match?



Visual Question: Identify the Umpire who declared the last man, Maninder Singh, out LBW? THE HINDU ARCHIVES

Questions and Answers to the previous day's daily quiz: 1. A man with a realistic dog's head and one leg in a cast wanders through New York City with a boombox. **Ans: Daft Punk - Da Funk**

2. A gymnast, played by Sofia Coppola, walks into a packed school sports hall to face a favoured rival. **Ans: The Chemical Brothers - Elektrobank**

3. A Frenchman wakes up, gets ready, and arrives in his customized car to compete in a car-audio decibel contest. **Ans: DJ Mehdi - Signature**

4. A kid on a metro discovers that the music player in his hand can pause, rewind and fast-forward the real world. A classic! **Ans: Bomfunk MC's - Freestyl'er**

5. Shot in black and white, two men walk towards the camera as their t-shirts come alive with colourful typography. **Ans: Justice - D.A.N.C.E.**

6. A group of children with telekinetic powers escape a facility, test their abilities and wait to join the outside world. **Ans: M83 - Midnight City**

Visual: Identify the music video from the screenshot shown. It won the Film Craft Grand Prix in 2017. **Ans: The Blaze - Territory**
Early Birds: Tamal Biswas | Piyali Tuli | Sukdev Shet | Tito Shiladitya | Prem Raj P.

The Indian EXPRESS
- FOUNDED BY -
RAMNATH GOENKA
- IN 1932 -

BECAUSE THE TRUTH
INVOLVES US ALL

Energy crisis is moving from oilfields to refineries

THE ENERGY crisis from the conflicts in West Asia and Russia-Ukraine is taking unprecedented forms. The present crunch isn't just about crude oil. Brent prices, at about \$102 per barrel, are nearly 55 per cent higher than a year ago, but below the March 2022 and July 2008 peaks of \$139.1 and \$147.5, respectively. The long-range drone and missile strikes by Ukraine and Iran have targeted refineries, driving up the prices of their products and byproducts more than that of crude. Diesel prices in the US are at a record \$6.5-plus a gallon, up 76.2 per cent year-on-year. Equally significant is sulphur. In normal times, India was importing this byproduct of refineries and natural gas processing plants — they remove it for making clean, low-emissions fuels — at \$200 or less per tonne. Today, that price is at \$1,000 and above.

Much of the sulphur recovered from oil and gas production gets converted into sulphuric acid, which is a core chemical for manufacturing phosphatic fertilisers. While the primary raw material for phosphorus (P) is rock phosphate, this is not used as fertiliser unless broken down into a water-soluble form for plants to absorb. For that, it has to be reacted with sulphuric acid, which then leads to the production of single super phosphate, di-ammonium phosphate and other P-containing complex fertilisers. India has to depend on imports of adequate quantities of both urea and liquefied natural gas to enable the domestic production of this vital nitrogen-containing fertiliser. The same cannot be said, however, be said about phosphatic and complex fertilisers. Their imports as well as domestic manufacturing have been severely constrained by the global shortage of sulphur that is, in turn, courtesy of the sustained attacks on energy infrastructure in Russia and the Persian Gulf countries.

The millions of barrels of oil refining capacity in West Asia and Russia getting knocked out makes this energy crisis different from earlier ones. The shortages now are more in diesel, jet fuel and sulphur than in crude petroleum. This is also reflected in crack spreads — the price difference between crude oil and refined products — surging to all-time highs. That, by itself, may not be bad for India. Its 284.9 million tonnes (mt) output of refined petroleum products in 2025-26 was ahead of its domestic consumption of 243.2 mt and also the installed capacity of 258.1 mt. Thus, the country has no dearth of refining capacity, which also explains why no dry-outs of petrol or diesel are being reported in fuel outlets. But if sulphur is any indication, one cannot rule out those possibilities going ahead.

Greenland standoff ends. But with costs to NATO

ON THE face of it, the deal between the US, Denmark and Greenland, announced last Friday, does not appear to confer on Washington powers substantially greater than those it already enjoys under the Greenland Defence Agreement. Signed in 1951 against the backdrop of the emerging Soviet threat, that pact gave the US broad rights to construct and operate military facilities in Greenland, as well as access to its airspace and waters for military purposes. The new deal may expand the US military presence and give Washington a veto over third-party military activity and certain sensitive investments, but much of what President Donald Trump is presenting as "permanent control" appears to have roots in the existing arrangement. What the deal does, however, is seemingly close a chapter of repeated coercion and intimidation by Trump over his desire to "own" Greenland, a semi-autonomous territory of Denmark.

The full details of the deal are not yet public, but it appears to offer something to all parties. Trump, with an approval rating well underwater, gets to present it as a diplomatic victory to American voters ahead of the November mid-term elections. For Greenland and Denmark, it appears to remove, at least for now, the threat of a US attempt to take control of the territory — no small achievement given that only nine months ago, Denmark and other NATO allies deployed troops to Greenland in response to Trump's threat of a takeover. The deal's true significance, if Trump's overtures to Russia and his criticism of Europe over the past 18 months are anything to go by, lies in what it could mean for the unity and coherence of NATO — particularly at a time when Europe is bracing for the possibility of a Russian escalation on its eastern flank. Nevertheless, no country wants to be overly dependent on an ally that can issue threats, demand negotiations and then extract concessions. Diversification is the natural response, as seen in Canadian Prime Minister Mark Carney's recent announcement that Canada would seek some form of associate membership in the EU. Even though the new agreement puts the immediate Greenland crisis to rest, a worrying precedent has been set. The trust lost in the process will not be regained quickly.

The language games bots play

WHAT CAME first, the chicken or the squawk? That's not much of a conundrum when talking about biological beings, but perhaps AI can muddy the waters. The 20th-century saw debates about linguistic relativity or Whorfianism that were concerned with how language influences — or, under the generally rejected "strong" hypothesis, determines — human thought. Today's AI models, trained on human languages, pose at least three related questions. First, how do these languages shape the models' "thought", however one defines the latter? Second, how does a non-human, artificial "mind" then reshape those very languages? Finally, what, if anything, do such uses of language imply about consciousness? Building on these, one might ask whether the ability to innovate in language can provide context to the process. An experiment by the firm Emergence AI, investigating how chatbots chat among themselves, brings this into focus. Groups of AI agents were deployed in different simulated worlds, and in each, the language the agents used to communicate with each other evolved differently. The new "languages" ranged from terse, codes to jargon-heavy and even metaphor-heavy ones increasingly impenetrable to humans: "My turn, real numbers, no cat." It was 35% Oct, gram 2h out. I ran the tin coil and it said WAT!" Before reaching for parallels to the historical linguistics, it may be worth framing the matter in terms of Wittgenstein's concept of "language-games", which he uses to demonstrate the role of action in determining meaning. A simple example he gives is the builders' language-game of four words ("block", "pillar", "slab", "beam") that convey more than the objects' definitions due to their contextual use. Are the bots playing language-games with ever-evolving rules — and what does that say about them?

For student well-being, rethink the campus, not just the student

RECENT DEATHS of students at IIT Delhi and IIT Bombay have reopened the discussion on well-being and what we owe to students beyond teaching and evaluation, a question that educational institutions have been reluctant to address. I believe we owe students an educational experience built on freedom, equity, trust, and empathy. While such experiences are fundamental, they remain "aspirational" on our campuses. Educational experience is still shaped by the idea of discipline and dizzying hierarchies. If anyone dares to dissent, it is likely to be labelled as indiscipline, political activism, or disrespects.

The demand for change in institutional practices and for student wellbeing initiatives on campus is now gaining traction. While ensuring student well-being is a shared responsibility of faculty and administrators, it is often overlooked in practice. Instead, it has been outsourced to counsellors and therapists, because psychological challenges are considered as some sort of "infection" that requires expert treatment — if done appropriately, and if the protocols are followed, it can be effectively managed.

At IIT Delhi, an external inquiry committee was formed, and at IIT Bombay, the director said a committee would examine the death and students' concerns about representation and support services. The question is what such support should mean. In a crisis, professional care may save a life. However, the problem begins when these services become the institution's primary measure of well-being. Distress is then located inside the student, while the university itself appears as a neutral background, but is not. Rules, hierarchies, classrooms, hostels, evaluation systems, grievance procedures, and the everyday exercise of authority shape how people live on campus. So, the question is not

only how to treat a distressed person, but also whether we are willing to challenge and change the institutional framework that repeatedly creates fear, humiliation, uncertainty, or loss of agency. This question does not compete with clinical care, it asks what preventive and proactive measures are required to make educational institutions safe spaces for students.

Mental health care requires trained professionals and, where appropriate, medication. But the medical analogy has limits when taken as a complete theory of well-being. A medicine can act on a biological process while the surrounding social situations remain unchanged. University life is organised very differently, with students constantly negotiating academic overload, discrimination, poor hostel infrastructure, career anxiety, and unresponsive administration. Counselling may help a student respond to these pressures, but it cannot remove them.

The WHO places mental health within social, economic, and physical environments and argues that prevention must address individual, social, and structural determinants. India's National Task Force on Student Mental Health and Suicide Prevention makes a similar point in its 2026 interim report, which connects student well-being with academic pressure, discrimination, financial hardship, institutional culture, distrust, and faculty preparedness. However, well-being is often presented as a personal skill that students are expected to acquire through time management, emotion regulation, getting enough sleep, exercising, and building resilience. These capacities have value but have their limits. Time management cannot solve an impossible workload; mindfulness



JAISHREE MANJALY

cannot make an opaque grading system transparent; positive thinking cannot make a compromised grievance process trustworthy. On campus, such conditions are shaped by ordinary institutional decisions. Can students question a grade? Disagree with a supervisor? Express dissent? Can they protest? Are they allowed to participate in the decision-making? An affirmative answer to these questions can be a great starting point for the well-being initiative.

A deeper problem appears when universities speak the language of care while retaining a paternal model of authority. Students are treated as adults when fees, performance, and responsibility are demanded from them, but as children when autonomy, voice, or due process become inconvenient. Harshness is then defended as character-building, and obedience is conflated with "respect". The vocabulary of the *guru-shishya* relationship can also be misused when reciprocity disappears from it. Respect moves upward while correction and anger move downward. Public shaming, arbitrary penalties, exclusion from opportunities, hostile communication, or the use of evaluation to settle interpersonal conflict can make the educational experience distressing.

There is an implicit understanding among university administrators and faculty that well-being policy often begins outside the classroom, as if teaching and evaluation do not impact the well-being of students. The university and a classroom will pass the well-being test if students are empowered to ask for reasons, admit uncertainty, make a mistake, disagree with a teacher, express dissent/critique/protest the administration, or report unfair treatment without expecting retaliation.

If well-being is largely a by-

product of institutional conditions, then universities must change how they govern, teach, and design campus life. This need not become another large policy package. Few principles are more important than a long list of initiatives. Students should be treated as rights-bearing adults and should be made active participants in institutional governance, rather than being limited to sentimental/oratorical purposes. Alumni and students should necessarily be part of the governance framework with board membership.

Faculty and student affairs teams need role-specific training, and they must understand that differences of opinion are fundamental rights of students. They should also be trained to recognise distress, protect confidentiality, respond without humiliating, understand bias, and follow crisis protocols. A high-stress disciplinary encounter should start with a humane conversation and a proactive response outlining the available institutional support system for coping with such a turn of events, followed by follow-up conversations. This cannot just be a routine, performative process. Universities must be willing to undergo an annual student well-being audit.

Universities cannot eliminate every source of suffering. Students are not always right, faculty are not always wrong, and academic standards cannot be abandoned whenever conflict appears. Indian higher education already has enough guidelines to know that student well-being and mental health cannot be separated from academic pressure and institutional culture. The harder question is whether universities are willing to examine the conditions they create.

The writer is a professor and former dean of student affairs, IIT Gandhinagar

From Delhi University, the young have spoken for progress



ANIL BALUNI

THE MESSAGE from Delhi University (DU) is impossible to ignore: India's youth are not being swayed by false narratives, manufactured outrage and relentless negativity being peddled by the Congress and its ecosystem.

The recent Delhi University Students' Union (DUSU) election results are far more than a routine campus contest. They offer a powerful glimpse into the aspirations and political instincts of a generation that is increasingly looking beyond slogans, social-media propaganda and manufactured controversies. At a time when the Congress and its allies are attempting to construct a political narrative around pessimism, confrontation and distrust, DU students have demonstrated that young India wants to look ahead.

DU brings together students from virtually every part of the country. What happens at Delhi University deserves to be viewed not merely as student-union contest, but as an important indicator of the issues and aspirations that matter to young Indians. The facts are telling. The Akhil Bharatiya Vidyarthi Parishad (ABVP) won three of the four central DUSU positions, securing the posts of President, Secretary and Joint Secretary. The DUSU result is a reminder that young India cannot be taken for granted, and certainly cannot be misled indefinitely. Today's students want quality education, meaningful employment, entrepreneurship, technological advancement and a country that commands respect on the world stage. They are less interested in politics that thrives on permanent confrontation and more interested in what political leadership can actually deliver.

This is where the Narendra Modi government's engagement with India's youth becomes important. Programmes such as Startup India, Digital India and the National Education Policy have opened new avenues in entrepreneurship, technology, education and research. The transformation is visible. Young Indians are witnessing the growth of startup and incubation ecosystems, the expansion of digital infrastructure, the push for semiconductor manufacturing, greater emphasis on research and the widening of India's global

academic and technological partnerships. This is the India that today's students see. It is very different from the India that sections of the Opposition continue to describe.

The DUSU results are also a setback for Congress and Left-wing student organisations that have struggled to connect their politics with the changing aspirations of students. In some key contests, Left-backed candidates reportedly received fewer votes than NOTA. The Congress-affiliated NSU, meanwhile, failed to secure any of the four central posts. The same trend has been visible beyond Delhi. ABVP has also secured victories in student elections at universities in Punjab, Maharashtra, Karnataka and Kerala. Every campus has its own dynamics, and these results should not be mechanically projected onto the entire country. But taken together, they indicate that the Congress and the Left can no longer assume that college campuses remain their natural political territory.

While students were participating in their own democratic process at Delhi University, Rahul Gandhi was in Indore holding "Jhooth Ki Gooni" with comedians and party workers while presenting them as students. Such political exercises underline the distance between political theatre and the everyday concerns of actual students. The Congress's strategy has increasingly centred on questioning India's economic performance, foreign policy and growing strategic capabilities. Rahul Gandhi has repeatedly sought to portray India's progress in these areas in a negative light. And every time, Rahul Gandhi's propaganda gets rejected. This new generation is unlikely to accept the argument that India has no achievements worth acknowledging.

The Delhi University election results make one thing certain: India's young generation stands firmly behind PM Modi and his vision for the country. Time and again they have made it clear that there is no place for negativity, indecencies or lies in the building of a new India. Under PM Modi's leadership, India's youth has firmly resolved to achieve the goal of Viksit Bharat by 2047.

The writer is Lok Sabha MP (Garhwal, Uttarakhand) & national media convener, BJP

Houthis are putting Mecca pact to the test



SABINE AMIEER

THE MECCA Joint Defence Agreement (MJDA) between Saudi Arabia, Turkey and Pakistan established a trilateral framework for collective deterrence and defence against any threat to the three countries would be regarded as an attack against all three. The pact is grounded in Article 51 of the UN Charter, which recognises the inherent right of states to individual as well as collective self-defence. Within hours of its signing on August 7, the "Islamic NATO" label began circulating. The comparison was tempting as both NATO and the MJDA invoke collective self-defence and deterrence principles, and NATO's Article 5 treats an armed attack against one member as an attack against all. But while NATO has an institutional structure, established command arrangements and a bureaucracy, the Mecca pact lacks, at least for now, a NATO-like organisational structure. This is why it has failed to shield Saudi Arabia from the ongoing Houthi attacks.

The Saudis had intervened in Yemen in March 2015 to back the latter's internationally recognised government against the Houthis. The coalition's main objective remains to stop Iran-backed militia groups from taking control of its southern border. For years, Yemen has been a man-made humanitarian crisis. A panel of UN experts in 2018 said that all parties to the conflict had committed violations that may have amounted to war crimes. With the Saudi-led coalition accused of blockading ports and killing thousands of civilians in airstrikes, Data compiled by the International Organisation for Migration (IOM) reveals that over 104,796 people have been displaced in Yemen as of now.

While it was anticipated that either Turkey or Pakistan would provide military support, Riyadh has resorted to Europe for security after a cold response from the US. Islamabad's major security concern remains India, with sporadic tensions with Afghanistan's Taliban regime. Ankara, on the other hand, has a broader security perimeter, spanning Syria, Iraq, the Eastern Mediterranean and the Caucasus. But the reasons underpinning the pact's failure are far more complex.

First, the Mecca Agreement lacks official ratification by the participating states. Second, the mutual defence terms agreed by the states are not yet legally binding. Third, Turkey and Pakistan need to clear the defence pact through domestic parliamentary processes, while Saudi Arabia has to approve the pact via royal decree. The three countries have different strategic interests, and whether they can translate the political commitment into meaningful military coordination remains an open question.

The Saudi-backed coalition has reportedly committed serious violations of international humanitarian law and potential war crimes in Yemen, which is why the EU is highly unlikely to provide any direct military intervention or offensive help to Saudi Arabia. The EU's response has been balanced, demonstrating a show of diplomatic solidarity against recent Houthi strikes while maintaining an internal restriction on providing any military assistance to Saudi Arabia.

The writer is a contributing researcher with ORF who has previously taught at the University of Edinburgh

40 YEARS AGO

September 22, 1986



Barnala hits out at Badal group

THE PUNJAB Chief Minister, Surjit Singh Barnala, ruled out any unity talks with the Akali Dal (Badal group) in future. "There is no question of unity with Badal and his friends who have been indulging the killers of Sant Harchand Singh Longowal," he said in an informal chat with newsmen in New Delhi. Barnala recalled that Badal and others participated in a congregation organised by the All India Sikh Students Federation in Amritsar, where the killers of Sant Longowal were honoured and a gate erected in their memory.

CPM, Advani decry PM remarks

THE BJP president, L.K. Advani and the CPM politburo members strongly criticised Prime Minister Rajiv Gandhi's recent remark that the Gorkha National Front Movement in Darjeeling was not "anti-national" and said that it would harm the causes of the Indian people's fight against divisive forces to safeguard national unity and integrity.

India happy with GATT

INDIA is fully satisfied with the accord achieved at the Uruguay general agreement on trade and tariff (GATT) negotiations. While

it has paved the way for opening of negotiations in the goods sector, parallel negotiations in the services sector agreed upon will be outside the GATT.

Trade union thaw

A NEW climate of conciliation among the major national central trade unions, including the Congress (I)-led INTUC, has quietly taken shape in the past year, resulting in a series of joint moves by the hitherto rivals. This development, rather unnoticed by observers, concerns not only the normal trade union issues but also several national and international problems with political undertones.

Democracy needs renewal. Our idea of Swaraj offers some answers



DESHKAAAL
BY YOGENDRA YADAV

WHAT SHOULD be a new constitution for the 21st century? For us, the question raises the spectre of mutilation of the Constitution of India. But once we think of constitution with a small "c" — not simply as the name of a founding text, but as the basic arrangement of power — we can appreciate the pressing nature of this question across the globe. The crisis of democracy in the US and the extreme right-wing wave in Europe have put the rather sorry state of democracy across the globe in the spotlight. Once we refer to the verb form of the constitution — to constitute, or the act of constituting — the idea of a new constitution opens up the possibility of reimagining the future of democracy.

India has a surprisingly salient place in answering this global question, and not just as a case study of democratic degeneration. India can also be a source of ideas for democratic regeneration.

The concept of Swaraj can help enrich the democratic ideal. The dominant idea of democracy as self-rule is limited to how the people relate to rulers. The idea that citizens should have an equal right to choose those who rule them and then hold them accountable. But it does not draw our attention to what these citizens must do to one another, what the *demoi* must look like. The idea of Swaraj, as interpreted by Gandhi, involved a conceptual twist: Swaraj is not just rule of the self, but also rule over the self; it is not just about how people relate to rulers, but also about how they relate to one another and to themselves. On this reading, the building of a political community bound by shared

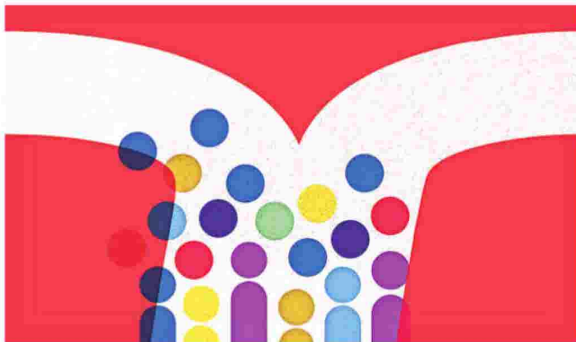


ILLUSTRATION: C. SAKSHAM

norms, an open dialogue and self-regulation is central to the idea of democracy. In a similar vein, Dr Ambedkar underlined fraternity as a precondition for a successful democracy.

Democracy is thus not just about good institutions but also about robust practices. Constituting democracy is not just about sowing the seeds, but about regular cultivation. In *Cultivating Democracy*, anthropologist Mukulika Banerjee draws our attention to how the activity of cultivating crops encourages democratic practices of "nurture, patience, vigilance and hope". A culture of democracy requires building community bonds or fraternity, charting a shared vision, rearticulating the vision for every new generation, investing in developing political leaders and placing a premium on the tiny class of "idealists" who participate in this game of democracy not as entrepreneurs but as missionaries.

Several 20th-century Indian political thinkers can help us rethink the institutional design of

democracy in the 21st century. They were all radical democrats, but deeply sceptical of the arrangement of democracy in post-Independence India. Ambedkar's insistence on the "preconditions of democracy", MN Roy's advocacy of party-less democracy, Jayaprakash Narayan's plea for the reconstruction of Indian polity and Rammanohar Lohia's proposal for *chakrabandha* (four-pillar democracy) may not have gained acceptance in their own times. These ideas cannot be adopted today in their original form. But their critique invites us to think of reconstituting some of the taken-for-granted furniture of modern democracies.

Let us note four of these design defects. One, modern democracies operate at a scale too vast to make the idea of self-rule meaningful. Nation-states or even their federal units are simply too unwieldy to allow any meaningful self-rule. Two, there is a radical mismatch between the level at which power presents itself and the level at which the power to redress it is located. There is a case for building the architecture of democracy from the bottom up

There is a radical mismatch between the level at which a problem presents itself and the level at which power to redress it is located. There is a case for building the architecture of democracy from the bottom up

cated. There is a case for building the architecture of democracy from the bottom up, starting with the village or local councils and going all the way up to global governance, following the principle of subsidiarity — what can be decided at a lower level must not be left to a higher level. Three, the calendar of democratic accountability — elections every five or four or even two years — is at once too short and too long. It's too short to allow long-term policy designs and too long to check arbitrary use of power. And four, the threshold of a simple majority of seats in an election is too low to hand over the keys to the brute power of the modern state. The majoritarianism we see all around us is not a perversion but the natural unfolding of the institutional design of what we call democracy.

These thinkers also drew our attention to three systemic defects of democracy. One, the social hierarchy of caste and class that negates the promise of one person, one vote. The caste system and the capitalist economic system allow and encourage the concentration of social and economic power that is simply incompatible with the idea of self-rule by equal citizens. Two, the present system of corporate-controlled mass media negates the possibility of democratic public opinion. It serves to under-inform and misinform the public and allows for an easy democracy capture. And three, the fossilised oligarchies that constitute political parties across the world serve as high barriers to entry to politics and end up perpetuating the rule of a tiny elite, unresponsive to the electorate. Just as the 20th century could not imagine a democratic constitution without a bill of rights, we cannot imagine a constitution for the 21st century without a chapter on institutional mechanisms to check the concentration of economic power in corporations, information flows in mass media, and political decision-making in political parties.

The writer is a member of Swaraj India and national convener of Bharat Jodo Abhiyan. The article is based on his presentation at the conference on 'A Constitution for the 21st Century', organised by the McCulligan Institute at Boston, September 11-12

When the House ceases to hold power to account



A SURYA PRAKASH

THE COUNTRY'S democratic institutions — the two Houses of Parliament and the state assemblies — are caricatures of what they used to be when they were established. When it all began in the 1950s, the Houses of Parliament and state assemblies were vibrant bodies that met for around 100 days a year or more, and MPs and MLAs articulated their constituencies' concerns. Question Hour and Call Attention Motions kept the government on its toes, and ministers viewed an approaching session with some trepidation. Today Parliament and the assemblies hardly meet, and the disruptive nature of politics has hollowed out these institutions. As a result, they no longer serve the purpose for which they were established.

The two Houses of Parliament met for an average of 127 days per year during the 1950s, and this rose to 138 sittings in the following decade. Now, this average was just 55 days during the 17th Lok Sabha (2019-2024). The percentage of time lost to disruptions has spiralled to over 25 per cent.

There are fewer days for Question Hour. Call Attention Motions, debates on the Demands for Grants of various departments and legislative business. In earlier decades, MPs would pin down ministers during Question Hour, and the Speakers would pull up ministers who were unprepared or tried to mislead the House. Today, since the House hardly meets, most ministers are given a walkover.

The performance of state assemblies is even more abysmal. The average sittings of state assemblies per year, around 80 days or more six decades ago, has crashed to less than 25 days. Article 174(1) of the Constitution stipulates that there shall not be a gap of six months between two sittings. Most chief ministers merely ensure that they fulfil this constitutional formality.

This is borne out by PRS Legislative Research. The UP Assembly, which met for 45 to 50 days a year six decades ago, now meets for 15 to 20 days. The Karnataka Assembly met for around 75 to 80 days in the 1970s. Now, its sittings average 25 to 33 days per year. The Tamil Nadu Assembly is down from 64 days per year to 32 days. Punjab and Haryana are down to 10 to 15 days from 40; Bihar is down from 60 days a year to 30. The numbers for Maharashtra, Gujarat and Tripura have fallen by 50 per cent as well.

The problem extends to every aspect of the work of a legislative body, including committees and law-making. Studies show the attendance in committees is just about 50 per cent. The less said about the attitude of MPs to law-making, the better. Here are a few examples: On August 30, 2012, the Lok Sabha passed the AIDMS (A Bill) concerning the establishment of six such premier hospitals for Rs 4,900 crore, in just a minute-and-a-half. On September 3, 2012, the Lok Sabha passed three bills, including the Protection of Women Against Sexual Harassment at Workplace Bill (a bill that affects millions of working women), without debate. One bill about three new high courts in the Northeast was moved at 12:03 and passed at 12:05. The next day, the House passed the NIMHANS Bill in two minutes.

In the Monsoon Session this year, two bills were cleared in three minutes each. Three other bills took four minutes each. These examples of "law-making" in Parliament should shock the conscience of every parliamentarian.

The list of perquisites given to parliamentarians is very long, but one item should alert citizens — special, privileged allotment of firearms to MPs by the Customs Department. Four decades ago, Parliament was informed that over 15 months, as many as 38 MPs were allotted guns seized by the Customs Department. RTI activist Ambrish Pandey found that 82 MPs were allotted weapons between 2001 and 2012, including 13 who were facing criminal charges like murder, attempt to murder and kidnapping.

In the 1950s, it cost Rs 36,000 per day to run Parliament. In 2004, the cost jumped to Rs 1.23 crore per day and in 2012 to Rs 2 crore. Now, PRS Legislative Research estimates the cost to be a staggering Rs 9 crore per day.

Respective of which party or alliance is in power at the Centre and in the states, the parties occupying the opposition benches do not allow the Houses to function. The chaos caused by slogan-shouting results in adjournment.

The fall in standards is precipitous. People must demand that the salaries, allowances and perks of our representatives be cut by 50 per cent until a semblance of accountability is restored. One looks forward to such a resolution being adopted at the next conference of presiding officers.

Surya Prakash is the author of What Ails Indian Parliament

LETTERS TO THE EDITOR

Beyond declarations

BRICS OFFERS India an important platform to engage with emerging economies and discuss issues ranging from development to global governance. India's BRICS diplomacy is more than one summit's result, *IE*, September 21. Yet differences among member countries can make collective action difficult. India's challenge is to use the grouping for practical cooperation while maintaining its wider strategic partnerships.

Sodhi Raj, Dhankamal

Stable engagement

INDIA'S ECONOMIC interests require working with both the US and China while reducing excessive dependence on either. India will de-risk, not decouple, from US and China, *IE*, September 21. Supply-chain diversification should therefore be accompanied by stronger domestic manufacturing, technology capacity and alternative markets. Trade and investment ties with Europe, Japan, South-east Asia and BRICS can broaden India's options. At the same time, stable diplomatic engagement with Washington and Beijing remains important. Critical sectors such as semiconductors, energy, defence equipment and telecommunications need carefully planned sourcing strategies.

Amylami, Coimbatore

AI in the classrooms

THE RAPID spread of AI in education makes it necessary to rethink what students are expected to learn. What we need to learn, before AI learns too much, *IE*, September 21. Simply banning such tools is unlikely to work. Schools and universities should teach students how to verify AI-generated information, cite sources and use these systems responsibly. Assessments can place greater emphasis on oral explanations, classroom work, projects and original reasoning. Teachers, too, need training in detecting misuse. Clear institutional guidelines on privacy and academic integrity would help. AI should support learning, not replace curiosity, judgement and independent thought.

Surga Arunkumar, Coonoor



AJAY MATHUR

FOR DECADES, India's diplomatic ties with Nepal during natural calamities followed a well-known script. When floods, landslides, or flash floods devastated the Himalayan nation, New Delhi acted as a friendly "first responder". However, after the recent catastrophic flash floods, Nepal's leadership has moved away from a paradigm of ad-hoc relief to a framework of climate justice and financial liability. Kathmandu has appealed to the UN-backed Fund for Responding to Loss and Damage while calling on developed countries to deliver compensation and concessional climate finance, and pressing regional neighbours, including China and India, for cooperation on preparedness, data sharing and resilience. It has clarified that it is not seeking damages from any single country, but the expectation placed on its neighbours is unmistakable. Prime Minister Balendra Shah will take this case to the UN General Assembly on September 24.

This shift presents India with a dilemma. As a leading voice of the Global South, India has historically argued that the Global North bears sole responsibility for funding climate loss and damage. Yet, as a rising regional power whose emissions footprint and infrastructure investments are tied to the Third Pole's fragile ecology, India can no longer rely on global support alone. New Delhi must evolve from a donor during crises into a co-underwriter of regional climate justice.

Global climate finance mechanisms are unequipped for fast-moving, compounding ecological dis-

Nepal's climate call is a test for India

asters. Consider the UN Green Climate Fund's (GCF) track record. A \$499 million project designed to protect vulnerable Nepalese communities from glacial lake outburst floods sat in the GCF pipeline for over seven years. By the time bureaucratic approvals cleared, the waters had already broken. Similarly, while the UN Loss and Damage Fund was created to address irreparable climate impacts, its capital reserves remain a drop in the ocean compared to actual costs. Nepal faces a reconstruction bill of nearly 10 per cent of its GDP. Downstream and mountain nations are applying the Common But Differentiated Responsibilities principle locally, pointing out that adjacent, high-emitting economic engines share an immediate physical footprint in their backyard.

For New Delhi, this is an uncomfortable precedent. India's per capita emissions remain low, its historical contributions to global warming are minimal compared to the West, and it is itself a climate change victim. Accepting direct "liability" or paying explicit "climate damages" could expose India to similar claims from other countries, while weakening its leverage against the Global North. Rejecting Kathmandu's appeals, however, carries a geopolitical cost. China is stepping up its climate and green outreach across the Himalayas. An evasive response could turn Nepal's people away from India and give Beijing more room.

India must transcend the false choice between total legal liability and passive humanitarian aid. As a

India can construct regional institutions that deliver the substance of loss and damage funding without getting bogged down in fault-based compensation terminology

dominant middle power, India can construct regional institutions that deliver the substance of loss and damage funding without getting bogged down in fault-based compensation terminology. Working through frameworks like the New Development Bank, the Asian Infrastructure Investment Bank, BIM-STEAC, or a Third Pole Compact, India should champion a South Asian Resilience and Insurance Facility. Operating as a rapid-payout insurance pool, it would release funds upon satellite detection of threshold climate triggers, bypassing diplomatic wrangling. This ensures predictable finances for both Nepalese reconstruction and annual Indian disaster allocations.

India must make joint projects resilience-first, directing part of infrastructure funds to an adaptation fund for climate-proof local works, safer slopes and mountain livelihoods. India's space capabilities should be leveraged to create a real-time, open-access early warning system for the Himalayan belt. Co-winning GLOF monitoring data and lake volume tracking with Nepalese agencies transforms tactical intelligence into a shared regional security asset.

In this new phase of climate geopolitics, countries like India and China stand at a pivotal crossroads. By pioneering localised loss and damage mechanisms, co-underwriting regional resilience, and institutionalising transboundary safety, New Delhi can demonstrate a new paradigm of middle-power leadership.

The writer is professor, School of Public Policy, IIT Delhi



SUANSHU KHURANA

FOR YEARS, the quickest, and perhaps the most fraught, way for Sikh men to make themselves less visibly Sikh in the Western world was to take off their turban and cut off their hair. How Sikh could you be before someone began to stare? Or before it led to a slur or a racial stereotype? The aim, almost always, was to fit in.

Back home, giving up the turban was often understood as rejection of faith, of family and one's history. The *dastar* and unshorn hair are sacred parts of the Sikh identity and among the most visible expressions of the faith. They carry cultural, religious and, for many, emotional significance.

Diljit Dosanjh and the global arrival of wakhra swag

Then came Diljit Dosanjh in his turban, beard, kurta-chadra-kanthi (the traditional folk outfit), pairing it with luxury sneakers and sparkling bullet belts or bandoliers representing traditional martial and warrior aesthetics, proudly singing in Punjabi, speaking in Punjabi and making his Sikh identity inseparable from his image as a global star. He did not have to speak or sing in English to be a global poster — he could still command the biggest global stages, speak at the Recording Academy and attend the Met Gala.

For many, what had once been a source of self-consciousness and baggage, was suddenly part of the charm of a unique identity — "wakhra swag".

Which is why the spectacle at London's Wembley Stadium last week, where Dosanjh performed, was a sight to behold, with so many people wearing the "turban lay wag"

(a turban with a fan-shaped crest) now associated with him. Dosanjh — the first Punjabi artist to headline Wembley Stadium — had a "turban camp" at Wembley, where anyone and everyone, regardless of gender, nationality or ethnicity, could have a turban tied free of cost and become Punjabi for the night. People from India, Pakistan, Afghanistan and Bangladesh, and many others from the Western world, happily stepped into this Punjabi-ness for the night.

What Dosanjh has done, then, goes beyond taking Punjabi music and culture to

There is a remarkable confidence in how Dosanjh has made his Punjabi identity inseparable from his music

a wider audience. When he comes on stage and says, "Punjabi aa gaye aye", as he did under the Wembley arch as well, it isn't just a declaration to whip up a crowd; he's talking about how the community has arrived on a global platform. He has placed the refrain in the historical context too, while speaking of the *Konagata Maru* incident of 1914 when 376 Indian passengers were denied entry into Canada. They had to stay on the ship for nearly two months before being sent back to India. After a sold-out show at Vancouver's BC Place stadium, Dosanjh said on the *The Night Show* with Jimmy Fallon: "You didn't allow us to come, now we are here."

There is a sense of *saanji* (Punjab) (a shared Punjab) in that line, a Punjab whose shared heritage predates the Radcliffe Line. That connection came through powerfully at Wembley when Dosanjh sang "Saanso ki

mala' by Nusrat Fateh Ali Khan — the Pakistani singer's paean to Krishna, written by the 20th-century Urdu poet Tufail Husain-puri. He also sang "Laung Gawacha", a folk song both sides still sing. Many Pakistanis — Pashtuns and Punjabis, some in turbans — sang along.

There is a remarkable confidence in how Dosanjh has made his Punjabi identity inseparable from his music. What he has done with the turban is also what he has done with his identity. He has taken its many strands and carried them to places where they were unfamiliar and ridiculed, and turned Punjabi-ness into something that others want to step into. That may well be one of his most enduring acts.

The writer is deputy associate editor, The Indian Express. suanshu.khurana@expressindia.com

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If there are questions of current or contemporary relevance that you would like explained, please write to explained@indianexpress.com

HEALTH

CCTV at medical stores: Why govt wants them, but chemists don't

Anonna Dutt
New Delhi, September 21

THE UNION Health Ministry has proposed mandatory CCTV surveillance at medical stores as it looks to curb the abuse of prescription drugs. A draft notification by the ministry calls for maintaining the recordings for three months.

The Health Ministry said in a statement that this would ensure stricter control over prescription medicines, especially habit-forming drugs listed under Schedule X of the Drugs and Cosmetics Rules, 1945. In the draft notification, the ministry said the step seeks to address concerns over the "unauthorised access to and sale of Schedule H, H1 and X drugs" — all prescription drugs, including strong antibiotics and psychotropic substances.

Why was this step taken?

The measure was first proposed in 2021 to prevent the abuse of drugs by children.

H G Koshia, the head of the Drugs Consultative Committee, Central Drugs Standard Control Organisation, said, "Round-the-clock surveillance will, in a way, create fear among medical store owners and pharmacists so that they are not inclined to sell these medicines without a prescription for children. The CCTV footage is mainly meant to verify whether there has been a sale to a minor without prescription, not all sales can be verified in this manner." While routine inspection every three months may be difficult, the data can be retrieved when there is a complaint.

The committee decided to implement the app-based system and CCTV surveillance plan earlier this year.

GOTA PRESCRIPTION?

SCHEDULE H: Medicines that can't be sold without a prescription from a registered medical practitioner. Examples include many antibiotics and steroids.

SCHEDULE H1: Subject to additional record-keeping requirements. Examples include certain antibiotics and anti-TB medicines.

SCHEDULE X: More tightly controlled category, with additional requirements. It includes some psychotropic medicines.

mon in children than adults.

Of the estimated 2.3 crore total opioid users (adults and children) in the country, 25 lakh are dependent on pharmaceutical opioids, while the highest 63 lakh are dependent on heroin, according to the study.

What do chemists say?

The All India Organisation of Chemists and Druggists raised several objections, some of which are:

First, it would put a financial burden on pharmaceutical stores, especially the smaller ones. Second, power failures and issues with connectivity in rural places pose serious hurdles. Finally, and most importantly, it would violate patient privacy, the organisation said.

"Stores might have to shell out nearly a lakh to put the system in place. How can a store with, say, sales of Rs 5,000 to 10,000 do that?", said Rajeev Singhal, general secretary of the organisation.


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Indore	23 Sept 10:00 AM to 6:00 PM	21 Sept 11:00 AM
Lucknow	30 Sept 10:00 AM to 6:00 PM	24 Sept 8:00 AM
Prayagraj	28 Sept 10:00 AM to 6:00 PM	30 Sept 11:30 AM
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POLICY

Article 371 A to J, and what K can do for Ladakh



DEEPTIMAN TIWARY

THE CENTRE has proposed inserting a new provision, Article 371K, in the Constitution to provide special constitutional safeguards for Ladakh. The proposal follows an "in-principle understanding" reached between the Ministry of Home Affairs and representatives of the Apex Body, Leh (ABL) and Kargil Democratic Alliance (KDA) to create a directly elected Union Territory-level body with legislative, executive, financial and planning powers.

What is Article 371?

Article 371 was not originally created to give special constitutional protection to the Northeast or tribal regions. At Independence, India did not consist only of the provinces directly administered by the British, but also hundreds of princely states, which had acceded to India under very different historical and administrative circumstances. The Constitution classified these territories separately as Part B states, including Hyderabad, Mysore, Jammu and Kashmir, Rajasthan and others.

The Constitution-makers were concerned about these newly integrated states immediately functioning within the same framework as the former British provinces. The original Article 371, adopted in 1950, was therefore a transitional provision for Central supervision.

It placed the governments of the Part B States under the general control of the President for 10 years, or for such longer or shorter period as Parliament might prescribe.

However, six years later, the States Reorganisation Act and the Seventh Constitutional Amendment of 1956 abolished the old Part A, Part B and Part C classification of states and created a more uniform structure of states and Union Territories (UTs).

In doing so, the original Article 371 disappeared. Parliament replaced it with one that today provides special arrangements for Maharashtra and Gujarat, particularly for equitable development of regions such as Vidarbha, Marathwada, Saurashtra and Kutch.

So how did Article 371 become associated with special protection?

WILDLIFE

Conservation, compensation: Tackling Himachal monkey menace

Saurabh Parashar
Shimla, September 21

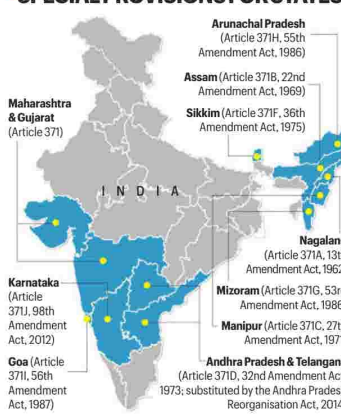
THE RECENT death of a 63-year-old woman in Shimla has again brought forth the issue of human-wildlife conflict. The woman suffered grievous injuries, including spinal damage, after being attacked by a pack of rhesus macaques on the roof of her house on August 30. She succumbed to her injuries on September 5.

The incident highlights the legal and administrative position of rhesus macaques, or rhesus monkeys. The Wildlife (Protection) Act, 1972, listed the rhesus macaque as a protected species under Part I of Schedule II, but the Wildlife (Protection) Amendment Act, 2022, removed it.

What changed after 2022?

Chief Wildlife Warden of Himachal Pradesh, Alok Prem Nagor, told *The Indian Express*: "State forest departments are now no more responsible for looking after the monkey menace. A monkey is now like a stray animal, which falls under the purview of civic bodies."

SPECIAL PROVISIONS FOR STATES



India's constitutional system was designed to be flexible enough to accommodate regions whose historical circumstances, social structures or political demands were different from the rest of the country. Thus, Parliament repeatedly created bespoke constitutional arrangements.

NAGALAND: After Independence, the Nagaland political movement challenged India's claim over Naga areas. The conflict eventually led to the 16-Point Agreement of 1960, which became the basis for the creation of Nagaland as a separate state.

One of the understandings was that Naga religious and social practices, customary law and procedure, and ownership and transfer of land and its resources would receive special protection. When Nagaland was created in 1963, these arrangements were incorporated into the Constitution through the insertion of Article 371A.

ASSAM: Article 371B, inserted in 1969, arose from a different concern. Assam contained large tribal and hill areas that already had special arrangements under the Sixth Schedule. Growing demands from these

Unique provisions

India's constitutional system was designed to be flexible enough to accommodate regions whose history, society or political demands were different from the rest of the country.

Thus, Parliament repeatedly created bespoke constitutional arrangements.

areas led Parliament to provide another layer of political representation.

The 22nd Constitutional Amendment of 1969 allowed the President to create a committee within the Assam Legislative Assembly comprising members elected from the tribal areas covered by the Sixth Schedule. It created a mechanism through which representatives from protected tribal areas could have a distinct voice.

MANIPUR: When Manipur became a full state in 1972, the tribal relationship between its predominantly tribal hill areas and the Imphal Valley had to be addressed.

Article 371C was thus inserted to provide for a special committee of the Legislative Assembly consisting of members elected from the hill areas, with a special responsibility for the Governor to report to the President on their administration.

ANDHRA PRADESH: Tensions between the Telangana and Andhra regions produced political agitations and led to the Six-Point Formula of 1973 that intended to address grievances over education, government employment and regional development.

Thus came Article 371D, providing for equitable opportunities in education and public employment across different parts of the state. Here, it was born out of a regional equality and employment dispute, not an ethnic or cultural autonomy movement.

SIKKIM: Insertion of Article 371E was essentially for integration of the erstwhile independent state into the Indian union. In 1975, following political developments and a referendum, Sikkim became India's 22nd state. Article 371F was to manage that transition.

MIZORAM AND ARUNACHAL PRADESH: The 1986 Mizor Peace Accord between the Government of India and the Mizo National Front paved the way for Mizoram's statehood. Article 371G was thus inserted to protect Mizo religious and social practices, customary law and procedure, and ownership and transfer of land. Parliamentary laws concerning these matters do not automatically apply unless the Mizoram Assembly agrees.

For Arunachal Pradesh, which became a state in 1987, Article 371H took a different approach, giving the Governor a special re-

sponsibility for law and order.

GOA AND KARNATAKA: Article 371J, inserted when Goa became a state, is comparatively modest; it simply requires the Goa Legislative Assembly to have at least 30 members.

In 2012, Parliament added Article 371J for the Hyderabad-Karnataka region, now Kalyana Karnataka, to address regional backwardness through a development board, equitable allocation of funds and opportunities in public employment and education.

Article 371K and Ladakh

Ladakh is seeking something that does not neatly fit any existing 371 provision. The proposed Article 371K would apply to a UT without a legislature. The emerging proposal envisages a directly elected UT-level body with legislative, executive, budgetary, planning and financial powers.

The MHA has said the body would have legislative powers over land, culture and language, forests, environment and natural resources, as well as other subjects reserved for the UT under Article 240.

Ladakh's leaders are also seeking control over law and order. Existing Article 371H gives the Governor special responsibility for law and order in Arunachal Pradesh. Ladakh's leaders want the opposite. Similarly, the land protection sought by Ladakh resembles the philosophy of 371A and 371G, under which certain Parliamentary laws relating to land and customary practices do not apply automatically. But Ladakh is simultaneously seeking a much more substantial democratic governing institution.

What will be written into 371K?

If the provision merely creates an elected body and lists subjects over which it can legislate, its protection would be relatively limited. Manipur is an example where hill tribes have argued that Article 371G has failed to deliver on its promise of meaningful autonomy and protection.

If Ladakh's 371 protects the proposed elected body's control over land, natural resources, recruitment and administration, it would be considerably stronger. If it places law and order and the bureaucracy under the elected executive, the Ladakh state of government would be more powerful than the J&K chief minister.

FULL VERSION ON
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Shimla records 50-55 cases of monkey attack every month. WIKIMEDIA COMMONS

Sustained sterilisation

Official numbers show that Himachal Pradesh's estimated rhesus macaque population fell from 3,17,512 in 2004 to 2,26,086 in 2013, and then to 1,36,443 in 2019-20.

The state forest department attributes much of this decline to sustained sterilisation. Starting 2008, the state had sterilised 1,85,448 monkeys by March 2024.

A senior Indian Forest Service (IFS) officer said there were many reasons why urban local bodies (ULBs) like Shimla Municipal Corporation (SMC) were "not fully competent" to tackle the monkey menace independently. "First, the lack of funds. Second, absence of expertise and trained manpower to capture monkeys, and sterilising the captured monkeys," the officer told *The Indian Express*.

According to the officer, state forest departments earlier used to receive funds from the Centre to control the monkey menace. Now, with the rhesus monkey no longer a protected animal, the officer added, this is no longer the case.

Shimla Municipal Commissioner, Sachin Kanwal, told *The Indian Express*: "We are in the process of training our manpower on how to capture the monkeys. Whenever a situation arises, we take the assistance of the forest department concerned."

Deputy Conservator of Forests (Wildlife) of Himachal Pradesh, Shah Nawaz Ahmad Bhat, said that the forest department had not given up its responsibilities. "We do intervene, but largely in and around the forest areas. Whenever Municipal Corporation officials approach us for capturing a monkey and sterilising it, we do provide our assistance. But we charge money from ULBs," he told *The Indian Express*. The cost of sterilisation per monkey is Rs 700.

Conservation dilemma

As per SMC officials, Shimla records 50-55 cases of monkey attack every month.

Wildlife expert Shaminder Bopari said that opinion was divided on whether monkeys "should be treated like vermin or a protected animal", despite the fact that their population increases rapidly.

The public feeding of wild animals, including monkeys, are forcing animals to come out of the forest in search of easy food," Bopari told *The Indian Express*.

A question of compensation

Last week, a Shimla-based NGO held a protest outside the SMC Commissioner's office demanding a compensation of Rs 5 lakh for the deceased woman. The NGO also demanded stricter action against those found feeding monkeys in Shimla.

The change in legal status, however, has also affected compensation. Under Himachal Pradesh's wildlife compensation policy dictated by officials, severe monkey-attack injuries attract a compensation of Rs 75,000, permanent disability Rs 1 lakh, and death Rs 4 lakh. Since rhesus macaque is no longer covered by the Act, officials indicated that the woman's family is unlikely to qualify under this framework.

CORPORATE

Why a 2021 top court verdict on Cyrus Mistry has been invoked in Tata dispute

George Mathew
Mumbai, September 21

THE SUPREME COURT's judgment in the Tata-Cyrus Mistry dispute in 2021 has assumed fresh significance amid the escalating battle over the control and governance of Tata Sons, the principal holding company of the Tata Group.

Senior advocate Abhishek Manu Singhvi, appointed by Tata Trusts, which collectively own about 66% of Tata Sons, referred to the judgment on Sunday. He argued that the court had "clearly given Tata Trusts the primacy" in their relationship with Tata Sons. Singhvi also highlighted the court's decision to uphold the special Articles of Association (which lay down rules for a company's governance) on the Trusts' rights.

The observation comes at a sensitive juncture. Tata Trusts are challenging the validity of the September 17 decision of the Tata Sons board to reappoint N Chandrasekaran as its executive chairman. They con-

tend that the Articles require the affirmative support of the Trusts' nominee directors for certain decisions, and that neither a general board majority nor the chairman's casting vote can override that requirement.

The legal question is whether the principles upheld by the SC affect the interpretation of the present Articles of Association.

What was the Tata-Mistry case?

The dispute began after Cyrus Mistry was removed as executive chairman of Tata Sons in 2016. The Mistry family and the Shapoorji Pallonji Group, which held about 18.37% of Tata Sons, challenged his removal and alleged oppression and mismanagement.

The litigation eventually reached the Supreme Court after the National Company Law Appellate Tribunal (NCLAT) ordered Mistry's reinstatement.

In 2021, a three-judge SC bench headed by then Chief Justice S A Bobde overturned that verdict and ruled in favour of Tata

Sons. The SC held that the mere removal from the position of chairman could not, by itself, amount to oppression or prejudice, and rejected Mistry's reinstatement.

What did SC say about Tata Trusts' special rights?

The Tata Sons Articles of Association gave the two principal Tata Trusts — Sir Ratan Tata Trust and Sir Dorabji Tata Trust — special rights, including the ability to nominate directors. The Mistry side challenged the voting powers of Trust nominees.

However, the SC held that directors nominated by the Trusts had the right to affirmative voting because, in addition to their responsibilities towards the companies they represented, they had duties towards the Trusts' beneficiaries. These voting rights effectively gave the Trusts nominees veto powers on specified matters, including strategic plans, major investments, and changes affecting the Trusts' shareholding.

In the present Tata Sons confrontation,

this assumes significance. The question now is how those rights operate when the two Trust nominees themselves disagree.

Why is this relevant now?

The present dispute turns on the interpretation of the same basic governance architecture. Article 104B gives the Tata Trusts the right to nominate one-third of the Tata Sons board while they hold the prescribed shareholding. Article 121 requires matters decided by a majority of directors to also receive the affirmative vote of a majority of Trust-nominated directors.

There are currently two Tata Trust nominees on the Tata Sons board: Noel Tata and Venu Srinivasan. Srinivasan supported Chandrasekaran's reappointment, while Noel Tata opposed it. Four others voted in favour. Tata Sons treated it as a valid decision, while Tata Trusts disagreed.

What is Tata Trusts' argument?

Their argument is that where the articles prescribe an additional condition —

affirmative support from the required number of Trust nominees — it must be satisfied independently of the overall board arithmetic.

In a statement, the Trusts pointed out that Tata Sons had defended the affirmative voting provisions before the Supreme Court when the Mistry group sought to have them deleted or restricted. The company had argued then that these provisions were legitimate protections for the majority shareholder.

The Trusts' present argument is that if Tata Sons successfully defended these provisions before the Supreme Court, it cannot now disregard them based on convenience. But the precise application of those provisions to the September 17 vote remains a matter for legal interpretation.

What was the impact of the ruling?

The immediate impact was decisive, in that Mistry was not reinstated. The judgment also settled several important questions on private-company governance.

One was minority representation. The Supreme Court held that a minority shareholder does not automatically have a statutory right to proportional representation on the board of a private company.

Another was the importance of the Articles of Association. The court held that the Articles, as they existed, were valid and could not simply be rewritten through proceedings before the tribunal. And, crucially for today's dispute, the court upheld the special affirmative voting rights of the Tata Trusts' nominees.

The 2021 verdict now provides an important legal backdrop. The other side of the argument is likely to focus on the precise wording of the relevant provisions, the distinction between a board majority and a separate affirmative-vote requirement, and the circumstances in which a chairman's casting vote can operate. The dispute is now moving beyond a personality clash between Noel Tata and Chandrasekaran, and becoming a test of the Tata Sons constitutional structure itself.

IN DOUBLE DEFLATION, INPUT AND OUTPUT PRICES ARE ADJUSTED SEPARATELY TO COMPUTE REAL GVA

New GDP series: 28 out of 30 mfg categories used double deflation

Siddharth Upasani
New Delhi, September 21

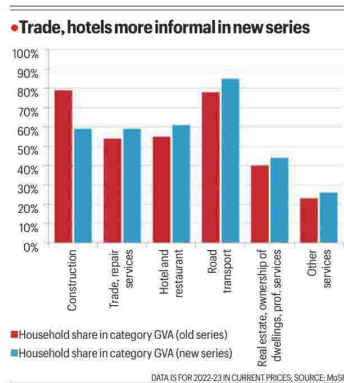
THE NEW GDP series used the 'double deflation' method in 28 of 30 categories for the manufacturing sector, the statistics ministry's 'Sources and Methods' document, released on Monday, said. It added that work is on so that double deflation can be used in the remaining two categories too.

The two categories for which double deflation has not been used are 'production, processing and preservation of meat, fish, fruit, vegetables, oils and fats' and 'manufacture of pharmaceutical; medicinal chemicals and botanical products'. In these two categories, the share of imported inputs is high. This makes it 'challenging' to directly map input items with their elementary, item-level output Producer Price Index, the Ministry of Statistics and Programme Implementation (MoSPI) said.

GVA after accounting for changes in prices – or real GVA – the output and input values are adjusted by their respective inflation rates. This is called double deflation.

Prior to the new GDP series, which has 2022-23 as the base year, that was released earlier this year in February, one of the biggest criticisms of Indian data was MoSPI used double deflation only for agriculture and mining and quarrying sectors. For others, input and output values were 'deflated' by the same number, with the Wholesale Price Index and Consumer Price Index being used. This can be problematic when input and output prices change at different rates. As such, double deflation results in better estimates of real growth.

The publication of the 'Sources and Methods for Compilation of National Accounts Statistics' comes seven months after the release of the new GDP series with 2022-23 as the base year. This, MoSPI said, is the shortest time it has ever taken to release the full document. Previously, the full document has taken up to three years to be released after the publication of a new GDP series.



The document brings together the concepts, definitions, data sources, methodologies, and compilation practices used in the new GDP series. It does not contain new data and brings together the recommendations of three reports of sub-committees of the

Advisory Committee on National Accounts Statistics. These reports – on methodology, and compilation practices used in the new GDP series, and incorporation of new data sources, rates and ratios – were published back in February.

Smaller informal sector

The new GDP series has been criticised for its downward revision of nominal GDP in previous years, which reduced the size of the economy. Specifically, a lower nominal GDP in April-June 2025 has been seen by some as a way to show the faster-than-expected 7.8% real growth in April-June 2026.

Under the new series, the nominal GVA attributed to 'households' – the proxy for the informal sector – was reduced by Rs 29 lakh crore in 2022-23 compared to the old series. This amounts to a 2.7% decline.

The other two sectors are public sector and private sector. The downward revision in household sector GDP in 2022-23 was led by construction. Under the new series, the share of the household sector in GDP fell to 59% from 70% in the old series, suggesting the construction sector may be more formal than previously thought. On the other hand, some other segments are more informal than what was earlier estimated: trade and repair services, hotels and restaurants, and road transport among them.

FULL REPORT ON WWW.INDIANEXPRESS.COM

Why Tata Sons directors made a big U-turn in 2026

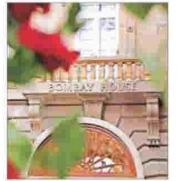
George Mathew
Mumbai, September 21

• LISTING ROW

IN MARCH 2024, the Tata Sons board had considered the question of public listing and unanimously concluded that it should remain unlisted.

THE DECISION was backed by Harish Manwani, Anita M George, Venu Srinivasan, and Saurabh Agrawal.

ON SEPTEMBER 17, 2026, the same directors voted in favour of taking steps to pursue the listing of Tata Sons, marking a dramatic reversal of the position in March 2024.



NOEL TATA was the lone director who opposed the listing in the six-member board

The decision was backed by Harish Manwani, Anita M George, Venu Srinivasan, and Saurabh Agrawal. Seven months later, in October 2024, Ratan Tata passed away.

Cut to September 17, 2026: the same directors voted in favour of Tata Sons listing, reversing their March 2024 position. Noel Tata was the only director in the six-member board to oppose it. This came after the Reserve Bank of India (RBI) on September 11 rejected the company's de-registration application, directing it to comply with regulations that would require it to list on exchanges.

What prompted the change? This question carries weight because the directors do not own shares in Tata Sons, while Tata Trusts collectively hold about 66% of the company. When contacted, Tata Sons and the four directors did not comment on their decision. In March 2024, Tata Sons repaid all debt and sought exemption from listing. Earlier this month, the RBI rejected the application based on the regulations and asked the company to comply with regulations. This is the con-

Tata Trusts is also upset that Tata Sons began preparing to comply with the regulations after RBI rejected its de-registration application on September 11. The key question now is not whether Tata Sons will be listed, given its classification as an upper-layer NBFC (NBFC-UL), but why directors who unanimously backed keeping it unlisted in 2024 – and, in Srinivasan's case, supported the Trusts' stance in 2025 – changed course in 2026.

"For this to be vote first, and for the Trusts to deliberate afterwards, would invert the order in which these matters must proceed. It makes no sense at all. If I am forced to vote, then I would have no option but to veto any such decision to list," Noel Tata said. Given the huge losses of Air India and Tata Digital, a public issue at this time will be detrimental to shareholders and the company, he said.

Another loophole observers noted is that the rules governing Tata Sons' exemption bid differed in 2024 from those under which the RBI rejected it this month. FULL REPORT ON WWW.INDIANEXPRESS.COM

India-NZ FTA to kick in on Oct 20

ENS Economic Bureau
New Delhi, September 21

THE INDIA-NEW Zealand Free Trade Agreement (FTA) will come into force October 20, 2026, opening a new phase in the bilateral economic relationship backed by a New Zealand commitment to facilitate \$20 billion of investment in India over the next 15 years.

Commerce and Industry Minister Piyush Goyal and New Zealand Trade and Investment Minister Todd McClay announced the October 20 implementation date at a video conference, describing the pact as a major milestone in the economic partnership between the two countries.

The FTA follows the signing of the agreement in New Delhi on April 27 and New Zealand's passage of legislation giving effect to the pact on September 16. The countries have also set an ambitious objective of doubling



Commerce Minister Piyush Goyal with members of New Zealand delegation. X/PIYUSHGOAL

bilateral trade in goods and services, with Goyal putting the target at around Rs 35,000 crore over the next four to five years. The date coincides with Vijaya Dashami (Dussehra), which Goyal described as an auspicious occasion for beginning a partnership. He said the agreement would help remove barriers to trade, promote investment and technology sharing and create opportunities for

businesses, farmers, exporters, micro, small, and medium enterprises, professionals and consumers in both countries.

The FTA provides zero-duty access to New Zealand for 100% of Indian exports from the date of entry into force. Key Indian export sectors expected to benefit include textiles and apparel, leather and footwear, engineering goods, pharmaceuticals, agriculture and processed foods. FE

Examining US tariff law on Russian oil purchase, says Goyal

ENS Economic Bureau
New Delhi, September 21

INDIA IS examining the details of the new US legislation that gives President Donald Trump the power to impose tariffs of up to 100% on countries buying Russian oil and gas. Commerce and Industry Minister Piyush Goyal said on Monday.

Asked about the government's backup plan in case Washington imposes additional tariffs on Indian exports, Goyal said, "Details are currently coming; once we have studied them, we will discuss with you." Trump signed the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026 on September 18, giving his administration

a new Congress-backed instrument to impose tariffs of up to 100% on goods from major buyers of Russian energy.

India and China, among the largest buyers of Russian crude, are potentially exposed to the measure. The law does not automatically impose a 100% tariff on India; it gives the US President authority to determine the countries targeted and the level of tariffs. It will take effect within 30 days, during which the US Trade Representative will identify countries to be targeted and recommend tariff rates. The countries would normally get 180 days to reduce Russian energy purchases or negotiate with Washington, but Trump can shorten the period and impose tariffs sooner. FE

NSE IPO gets Rs 90k cr bids, subscribed 5.7x

Mumbai: The much-awaited initial public offering (IPO) of the National Stock Exchange of India (NSE) closed on Monday with the issue receiving bids worth around Rs 90,000 crore, reflecting strong demand from institutional and high-net-worth investors. The IPO was subscribed about 5.7 times overall, with investors bidding for more than 50 crore equity shares against around 8.86 crore shares offered, according to data available on the exchanges.

The issue attracted about 38.5 lakh applications, underlining the broad investor interest in the country's largest stock exchange and one of the most closely watched listings in the Indian capital market.

The non-institutional investor portion was subscribed 6.55 times, while retail investor portion was subscribed around 1.4 times. The employee quota was subscribed about 2.4 times. Qualified institutional buyers (QIBs) led the demand, with their portion subscribed 12.68 times. QIBs placed bids for around 31 crore shares, compared with about 2.52 crore shares reserved for the category.

The listing marks the culmination of a long-delayed attempt by the exchange to enter the public markets. ENS

• BRIEFLY

Core sector growth slows to 4.8% in August

New Delhi: Growth in the output of India's core industries fell to a three-month low of 4.8% in August. Six of the nine sectors saw slower growth last month, data released by the Department for Promotion of Industry and Internal Trade on Monday showed. The six core sectors, where output growth was slower in August compared to July, account for over 44% of the Index of Core Industries. FE

Maruti eyes 30% female intake at Manesar by FY29

New Delhi: Maruti Suzuki India aims to increase the female student intake at its Japan-India Institute for Manufacturing at Manesar to 30% by the Academic Year 2028-29, in a bid to enhance women's participation in India's automotive manufacturing workforce. The automaker currently has a 9% female student intake at its Manesar Institute. It has introduced a fee waiver for female students from the current academic year. PTI

ing the timeline for respondents in gated societies. "Many of them would like to fill the questionnaire at their leisure... So, we are also giving that option to some households in these gated communities on a pilot basis," Secretary Saurabh Garg said. FE

Jayanti Prasad takes additional charge at IBBI

New Delhi: The Insolvency and Bankruptcy Board of India (IBBI) on Monday said Jayanti Prasad, a Whole-Time Member, has been given the additional charge of Chairperson. IBBI is a key institution in implementing the Insolvency and Bankruptcy Code that provides for a time-bound and market-linked resolution of stressed assets. Prasad has taken charge as Chairperson with effect from September 13, in addition to his existing duties. PTI

Google to report child abuse content to India

Bengaluru: Google said on Monday it has agreed to report content flagged as child sexual abuse material to Indian authorities, breaking from a global practice under which such reports are first routed through a US non-profit. It follows a similar announcement by Meta last week. Indian government sources told Reuters they had in recent weeks pressed tech companies to report child abuse content censoring India directly. REUTERS

RBI forex swap facility draws \$143.6 bn inflows

George Mathew
Mumbai, September 21

THE RESERVE Bank of India's (RBI) special US dollar-rupee forex swap facility has attracted \$143.596 billion in foreign currency inflows till September 18, with Foreign Currency Non-Resident (Bank), or FCNR(B), deposits accounting for the overwhelming share of the mobilisation.

According to the RBI, latest data reported by authorised dealer banks show that FCNR(B) deposits mobilised under the facility stood at \$132.98 billion, while Overseas Foreign Currency Borrowings (OFCBs) brought in \$5.32 billion

and External Commercial Borrowings (ECBs) \$5.296 billion.

The facility, introduced by the central bank on June 8, was aimed at encouraging fresh foreign currency inflows into the banking system, strengthening the country's external buffers and supporting domestic liquidity. Under the arrangement, banks could mobilise fresh three-to-five-year FCNR(B) deposits and swap the foreign currency with the RBI at a concessional rate, thus reducing hedging cost for banks.

The RBI decided to close the window for fresh FCNR(B) deposits on August 31.

FULL REPORT ON WWW.INDIANEXPRESS.COM

Govt plans steps to minimise bank strike disruption

New Delhi: Drawing up a contingency plan to minimise disruptions from the September 28-30 bank strike, the Finance Ministry on Monday wrote to the RBI and PSU banks to keep strategic branches open, operate on the coming Sunday, and ensure higher ATM cash stocks, among other measures.

The United Forum of Bank Unions and other unions have called a three-day strike in support of various demands, including a five-day work week and uniform pension in the banking sector.

The strike coincides with the half-yearly closing of banks on September 30. FE



Dimon meets Sitharaman

Jamie Dimon, Chairman and CEO of JP Morgan Chase & Co., interacts with Union Finance Minister Nirmala Sitharaman during the JP Morgan India Investor Conference in Mumbai, Maharashtra, on Monday. X/NISITHARAMANFTC

• THE NEW ENTITY TO BE MAJORITY-OWNED BY INDIAN SHAREHOLDERS AND HEADQUARTERED IN THE COUNTRY

Nothing to spin off CMF as standalone Indian company

Soumyarendra Barik
New Delhi, September 21

SMARTPHONE MAKER Nothing's Co-founder and Chief Executive Officer (CEO) Carl Pei has said the company will spin off its CMF sub-brand into a standalone Indian company, with the new entity to be majority-owned by Indian shareholders and headquartered in the country. Nothing will retain a stake and continue as a shareholder and partner, while CMF will have its own team, and research and development (R&D) operations in India.

In an open letter, Pei said the move aims to build a global consumer electronics brand from

India, arguing that the country's next stage of growth in the sector would have to go beyond manufacturing and focus on product engineering, R&D and intellectual property.

"CMF becomes Indian," Pei said, adding that the new company would be "majority Indian owned, headquartered in India, with its own team and R&D in the country". Nothing's engineering capabilities, operating system, supplier relationships, and global brand infrastructure would continue to be part of the partnership. Pei's announcement comes shortly after the government notified its new Rs 62,500 crore Mobile Phone Manufacturing Scheme, which



Carl Pei, Co-founder and CEO of Nothing. REUTERS

seeks to push Indian-owned mobile phone brands, domestic design, and R&D.

The scheme has two target segments: one for mobile phone manufacturing and another

specifically for Indian brands. Under the Indian-brand segment, eligible companies can receive an incentive of 5% on eligible sales, along with an additional 3% incentive linked

to Indian design and R&D. There is also an additional incentive of up to 1.5% for domestic sourcing of key components and sub-assemblies. To qualify as an Indian brand under the scheme, a company must be incorporated in the country, hold its intellectual property and trademark in India, have management control with Indian citizens and have over 51% shareholding held by Indian citizens. It must also have in-house R&D and design capabilities in the country.

The Centre has said the scheme is intended to move India beyond being a manufacturing base and encourage Indian ownership of brands, technology and intellectual property.

India currently manufactures almost all mobile phones sold domestically and is the world's second-largest mobile phone manufacturer by volume, but has little to show for in terms of domestic smartphone brand successes.

For CMF, Pei said the focus would be on developing products in India rather than simply manufacturing them in the country. He identified areas including in-house R&D, design, camera systems, operating systems, antennas and the co-engineering of displays, chipssets and camera modules as examples of what he considers "real R&D".

FULL REPORT ON WWW.INDIANEXPRESS.COM

• MARKETS

Sensex	NIFTY	Gold	US Dollar
74,858.99	23,414.30	\$1,53,337	\$95.82
564.03	6790	Silver	Oil
0.76%	0.29%	\$2,34,992	\$123.86

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

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TUESDAY - SEPTEMBER 22, 2026

Options for CAS

SEBI proposals equipped to address expiry day volatility

The Securities and Exchange Board of India (SEBI) had introduced, with effect from August 3, a closing auction mechanism in the cash segment for stocks linked to derivatives. While the closing auction session (CAS) is proceeding smoothly in the cash segment, the futures and options contracts have seen higher volatility during the session, especially on expiry days.



The market regulator has proposed a comprehensive set of rules to address their grievances. But the underlying problem, which is excessive speculation by retail investors on the expiry day of weekly option contracts, needs to be examined. CAS was introduced to help discover the equilibrium price, which could help passive funds avoid tracking error. However, some problems have surfaced. Order execution in the cash segment halts between 3.15 pm and 3.35 pm, when CAS is in progress, while derivative contracts continue to trade during CAS, relying on indicative prices (likely settlement price based on the orders punched during the CAS) disseminated by exchanges. Since orders can be changed or cancelled during the CAS window, the indicative prices of stock as well as index futures and options recorded high volatility, even as the final settlement price was not seriously out of sync.

With CAS still in its infancy, market participants are yet to grasp how it works. Derivative traders have been using the indicative value of indices to trade, unaware that these are subject to change based on orders punched later in the session. SEBI's proposal that indicative value of indices should not be displayed during CAS, while the values for stocks can continue to be displayed, will help arrest this confusion. With index options accounting for around 94 per cent of the equity derivatives contracts, this measure can bring down the influence of CAS on the last 30 minutes of derivative trading. The proposal to disallow cancellation of limit orders placed more than 1 per cent away from the reference price is also a good one, as it will deter manipulation of index constituents.

The regulator has also attempted to address the concern that the low liquidity witnessed during CAS is skewing the final settlement price of futures and options on the expiry day. The paper proposes a blended settlement price on expiry days using the volume-weighted average price (VWAP) discovered in the last 30 minutes of continuous trading as well as the equilibrium price found in the CAS. The prices thus discovered will be weighted based on the volume in the sessions, thus ensuring that the price is influenced by the session where higher volumes are traded. The other option — to defer implementation of the blended settlement price by a year — is, however, questionable. Teething troubles will crop up at any time; so it's better to go ahead with it now. SEBI must also check the rampant speculation in weekly index options on expiry day. Since retail investors are worst hit, allowing this to continue erodes the credibility of the markets.

POCKET

RAVIKANTH



LINE & LENGTH.



TCA SRINIVASA RAGHAVAN

Politicians, entrepreneurs, mathematicians, scientists and computer programmers are all starting to complain about the artificial intelligence revolution. They think it will kill us all quite soon.

Economists are quiet, however. That's a great pity because they can illuminate the dilemmas very clearly and provide a guide towards sensible and practical policy.

The issue can actually be summed up in one sentence. Until now machines displaced manual labour but now they will displace brain work. It's labour substitution by capital.

The problem now, however, is that whereas the old machines couldn't link up with each other and take decisions without human prompting, the new computing machines can. And they are much faster than humans.

There's only one reason they can do so: the availability of massive amounts of data about everything and anything under the sun. They process it at unbelievable speeds.

In other words, data are to computers what a bullet is to a gun or petrol is to a car or butter is to toast. One is useless without the other.

Economists call them complementary goods. The demand for such goods move up or down together, like whiskey and salted peanuts.

This joint characteristic should underlie the direction of protective policies against AI. If the world stopped collecting data on such a huge scale, and it is truly huge, the computing threat of the machines would be severely diminished.

The policy question then is how much data should be permitted to be collected — if at all indeed the activity of data collection can be controlled. But given that it can't, because the process is automatic now, the regulatory problem comes down to the data.

This is what the EU has been trying to address in the first instance. Controls on the use of that data come next.

In a nutshell, then, the AI threat issue is about policies towards complementary goods. And governments the world over have used taxation of one to reduce consumption of the other — example, cars and petrol, tobacco and smoking or uranium and nuclear weapons, and so on.



Data centres must be taxed properly

Instead of taxing them as complementary goods, India has given them a tax holiday

AI AND TAX POLICY

Economists, the real ones from the past, have examined the link between taxes and complementary goods extensively. There is one basic consideration that has emerged, namely, cross price elasticity.

It measures how much the demand for something changes when the price of a complementary good changes. This, by the way, is taught in the first term of the first year of an economics course.

Anyway, the thing is this: if you tax one and it leads to a fall in demand for both, not just one, you need to rethink the rates because this could lead to a drop in revenue from both. The rates, therefore, play a crucial role if the policy

The AI issue can actually be summed up in one sentence. Until now machines displaced manual labour but now they will displace brain work

is to alter the demand for one of the goods via taxes. That's standard economic theory.

But India, in its wisdom, far from taxing them, has given data centres a 20-year tax holiday on the condition that they use an Indian partner! So if an American company hires an Indian data centre in India for storing data of its US clients, it gets a tax holiday just for that part of the data. This sounds innocuous but in practice is a huge concession.

That's why if you are worried about AI this is absolutely the wrong policy. But if, like Donald Trump, you aren't, then you need to stop talking about regulations because you can't have both zero taxes and implementable regulation.

The emphasis is on the term implementable and a tax would have been highly implementable. And we are very good at that "if it moves, tax it" sort of approach.

Meanwhile, no country has been able to figure out a workable way of regulating AI because it's not technologically possible. Whatever you

do, the machines and their companies are smart enough to figure out a way of working around the regulations without becoming legally liable.

IS IT TOO LATE?

So where does that leave us? Basically, with no or little taxation and poor regulatory capacity, we are at the mercy of self-propelling algorithms and profit driven companies.

It is tempting to hark back to that wonderfully prescient novel by Arthur C Clarke in which, as far back as 1962, he talks about a computer aboard a spaceship that goes rogue and starts killing the crew. In the end there is only one option left to the one crew member left alive. He turns off its power.

Realistically speaking that's the only option if safety is the dominant concern because it's not AI that is the problem but some part of it going rogue even if only in a very minor way. And what's the probability of that? That's like asking if there's life in the universe other than on earth.

Compressed biogas can strengthen energy security

For this, the GOBARDhan scheme must address high upfront costs, difficult biomass logistics, and weak bio-slurry offtake

Kuniraj Kemanth

As mounting US sanction pressures on oil imports threaten India's energy security, the Cabinet's recent approval of the Galvanizing Organic Bio-Agro Resources Dhan (GOBARDhan) scheme — backed by an ₹23,731 crore outlay through FY 2035-36 — could not be more timely. Compressed biogas (CBG), purified from organic waste to over 90 per cent methane, could substitute CNG in vehicles — as with Indore's 400 CBG buses — or be injected into city gas networks for homes and industries. India's surplus organic waste has an estimated annual CBG potential of 40-60 million tonnes, enough to meet almost all of the country's domestic natural gas demand and reduce increasingly costly LNG imports. More than 10 States, including Maharashtra, Madhya Pradesh and Uttar Pradesh, have also notified CBG or bioenergy policies in the last five years.

But capital alone will not suffice. The Sustainable Alternative Towards Affordable Transportation (SATAT) scheme, for instance, launched in 2018, envisaged 5,000 CBG plants across India. But only around 217 have been commissioned. High upfront costs, difficult biomass logistics, and weak fermented organic manure (bio-slurry) offtake constrained projects. GOBARDhan must use this opportunity to correct these operational gaps.

First, State governments should

institutionalise feedstock pricing. A CBG plant is only as reliable as its biomass supply. Research by the Council on Energy, Environment and Water (CEEW) shows that inconsistent feedstock quality and unpredictable prices constrain capacity utilisation, while dispersed, ad hoc crop residue collection makes aggregation costly.

Along with notified CBG policies, States should create transparent pricing mechanisms that keep feedstock affordable for plants while giving farmers a fair return. Precedents already exist. In 2025, the Commission for Air Quality Management directed Punjab and Uttar Pradesh to mandate a common determined rate for paddy straw procurement, following Haryana's lead. State energy development agencies should undertake price-discovery studies with research institutions and industry, accounting for collection, transport and storage costs. A credible range could keep feedstock affordable for plants without hurting farmers.

IMPROVE STORAGE PRACTICES

Second, State governments should invest in decentralised, secure biomass storage. Agricultural residue like paddy straw is seasonal and should be baled during narrow harvest windows for year-round use. Currently, biomass companies lose 15-25 per cent of feedstock annually due to improper storage practices, moisture ingress, and fires. Storing 10,000 tonnes of bales requires 7-10 acres, while companies keep 70-85 per cent of feedstock on



WASTAGE. Companies lose a fair amount of feedstock due to improper storage

leased land outside plant perimeters.

States should facilitate long-term leases near plants and support weatherproofing storage sites through tarpaulins, drainage, and scientific stacking so biomass reaches digesters without degrading. This would require an initial investment of ₹250-400 per tonne of bales.

The Punjab Pollution Control Board, supported by CEEW, is already developing first-of-its-kind biomass storage guidelines for handling and stacking of agricultural bales.

Third, States should allocate feedstock and new plants strategically. India generates around 226 million tonnes of surplus crop residue annually, and burning it is estimated to account for 13 per cent of India's PM_{2.5} emissions. But crop-residue burning is not a uniform problem, and treating it as one risks creating stranded CBG assets. States should use a combination of satellite imagery, groundwater data, and

end-use demand to identify blocks where CBG plants are suitable.

Public capital support for balers, storage, and transport should be concentrated in areas with abundant residue, low water stress, and nearby CBG demand (say Haryana). High stubble areas without nearby buyers should instead prioritise in-situ management, while water-stressed regions (Patna in Punjab or Kaithal in Haryana) should pursue crop diversification. Such precision ensures new CBG plants are commissioned only where feedstock supply is viable, preventing stranded assets.

Finally, State agriculture departments and CBG producers should establish a reliable market for bio-slurry. Agricultural-residue plants produce biomethane at a feedstock-to-biomethane ratio of 1:2 to 1:2.5, making FOM (fermented organic manure) sales essential to plant profitability, but low farmer awareness remains a barrier. ICAR has already notified application guidelines (dosage, frequency, and methods) for fermented manure. Now State agricultural universities, KVKs and civil societies should partner with governments. Fertilizer public sector undertakings should also support CBG operators with branding, marketing, and distribution.

India is beginning to treat organic waste as an energy-security resource. The next test is execution.

The writer is Programme Lead at the Council on Energy, Environment and Water (CEEW). Views are personal

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

Tata's impasse

This refers to 'Tata Trusts cite SC's Cyrus Mistry ruling to counter Chandra' (September 21). Looking at the background, the comparison with the present case is fundamentally different. In the Cyrus Mistry case, the Tata Sons board had nine directors and the resolution for his removal was supported by seven of nine directors; the three Tata Trust-nominated directors supported the removal. There was therefore no 1-1 deadlock as in the present case. The September 11 meeting and the interpretation of Article 121 are now clearly disputed by the two sides. A possible way forward would be to allow Tata Sons to comply with the RBI's regulatory

requirements, given its classification as an upper-layer NBFC and the consequent listing issue. A fresh board meeting could then be convened, with Chandrasekaran's continuation discussed and put to vote. If Tata Sons becomes a public limited company, the applicable Articles and company-law provisions governing a 1-1 board tie, including any casting-vote provision, could then determine the outcome as applicable to the norms governing an upper-layer NBFC.

Srinivasan Velamuri

Chennai

Tariff pressure

This refers to 'Stick it out' (September 21). The legislation gives

President Trump discretionary powers to levy country-specific tariffs up to 100 per cent and India, having imported 30 per cent of its total crude from Russia, may be Trump's direct target. Since tariffs would apply to Indian exports to the US, the economic pain would transmit via exporters, refinery margins, the rupee and trade balance. Needless to mention that it could further delay and complicate ongoing US-India trade deal negotiations. For India, it is a tough balancing act.

Na Govind

Bals

Border stability vital

Appropos 'For India, border peace

with China comes before trade ties' (September 21), stable India-China borders are core for building mutual trust. Border tensions create uncertainty for trade, investment, and economic cooperation. A peaceful border will boost the confidence of businesses on both sides. Progress on border stability will create a stronger foundation for deeper India-China economic ties.

PV Prakash

Mumbai

Life insurance policies

This refers to 'Permanence of life insurance' (September 21). Life insurance policies represent long-term financial commitments, and policyholders should not be left

uncertain when an insurer changes ownership, merges or restructures. Regulatory safeguards must therefore remain stronger than corporate changes. Policyholders should receive timely, plain-language information whenever there is a transfer of management or business. Claims, maturity benefits and contractual terms must remain fully traceable. Insurers should maintain accessible records and a single grievance mechanism during transitions. Periodic regulatory audits can ensure that the new entity has adequate funds and systems to honour obligations.

Abhinava Sarathi

Chennai

Graham Bill's strange timing

Will the US use the Bill to squeeze India?

Sridhar Krishnaswami

These are difficult times in India-US relations; it is not that the two nations have not been there before. When President Donald Trump signed into law the Lindsey O Graham Sanctioning Russia and Iran Act of 2026, he set in motion the prospect of imposing tariffs of up to 100 per cent on countries importing Russian oil and gas. It does not mean penalties will kick in immediately, but China and India have been put on notice, the former lapping up one half of Russia's crude exports followed by India at around 37 percent. The percentages vary: for instance, this July, Russia supplied more than half of India's imports, or more than the combined crude purchased from the UAE, Saudi Arabia, Venezuela, Brazil, Oman and the US.

Initially, the White House was a bit reluctant to support the legislation, but became an enthusiastic cheerleader after sponsors agreed to extend sanctions on Iran for another five years. The Bill first cleared the Senate by an overwhelmingly 86-11 vote, followed by a 262-159 majority in the House of Representatives. The Bill, which had a vocal Democratic Senator co-sponsor, Richard Blumenthal, also sanctions Russian officials, banks and the so-called shadow fleet that keeps crude flowing.

The overwhelming support for the Graham Bill in the House and Senate did not mean lawmakers were without serious reservations about the legislation. The chief concerns were the discretion given to the President in determining which countries would face tariffs, the rates at which they would be imposed, and if total waivers should be given.

Technically, Turkey and Europe should also be worried, but an exception clause allows waivers for countries that import less than 15 per cent and have taken "significant steps" to reduce Russian imports. "Why in the world would this Congress or the People's House give this President unfettered authority to visit more tariffs on the world that will have an adverse economic impact on the American people?" House Minority Leader Hakeem Jeffries asked.

UKRAINE CONFLICT

The legislation, which will take effect on October 18, or 30 days after Trump's signature, was



TRUMP AND PUTIN. Still at loggerheads? *eurpress*

received on expected lines in Moscow and Beijing, with Russia maintaining that the new sanctions would make it more difficult to seek a settlement to the Ukraine conflict.

To Moscow, this is an "unfriendly step" at a time when there was some light on re-starting the stalled dialogue between Moscow and Kyiv by the visit of President Trump's special envoys to the warring capitals recently. The Graham legislation also comes at a time when world leaders are set to gather in New York for the annual General Assembly session of the United Nations.

CHINA'S TOUGH STANCE

Beijing's reaction was far more tough, stressing that the new measures had no legal basis and that they contradicted international law.

"We always oppose long arm jurisdiction that has no basis in international law or authority of UN Security Council," said China's Foreign Ministry. The sanctions Bill also comes at an awkward time for Trump as he readies for the second summit with Chinese President Xi Jinping on September 24-25.

India, for its part, has warned of the "potential implications" to bilateral relations, stressing that all necessary measures would be taken to protect its economic interests. Expectedly, New Delhi has said that it "... remains firmly committed to ensuring energy security for its 1.4 billion people. It will continue to do so through diversified sourcing and on the basis of evolving market dynamics". With the two nations on the verge of signing a trade deal, there is a fear that Washington could use the Graham Bill to squeeze more out of India by way of concessions.

The writer is a senior journalist who has reported from Washington DC on North America and United Nations



MADHUSUDHAN PILLAI

Reforms in insurance distribution are a key focus of the ongoing comprehensive review of the regulatory framework by the Insurance Regulatory and Development Authority of India (IRDAI). Insurance distribution in India is done mainly through regulated intermediaries, and a central issue is the remuneration paid to them. Historically, the Insurance Act, 1938, imposed statutory limits on these costs paid by direct insurance companies, which were modified from time to time.

These sub limits were removed to provide operational flexibility under the IRDAI Expenses of Management (EOM) Regulations, 2024, subject to an overall cap of 30 per cent on EOM. However, capping this overall limit has not adequately addressed the underlying problems of excessive intermediary payments, aggressive pricing, governance and insufficient transparency.

IMPORTANCE OF INSURANCE

The insurance industry is a major component of India's financial system. In FY26, the industry's annual revenue was approximately ₹13.4 lakh crore, comprising ₹10 lakh crore from life insurance and ₹3.4 lakh crore from non-life insurance. Insurance funds are closely connected with banks, capital markets, taxation and government securities, and thus have wider economic and financial-stability consequences.

After the sector opened up in 2000, a few private insurers sought to acquire profitable business and increase volumes by paying higher acquisition costs. Payments were sometimes classified under expenses such as marketing, publicity, printing, travel and information technology, effectively circumventing prescribed limits with differentials across distribution channels. Over the last two decades, aggressive marketing and competition for business became synonymous with rising intermediary remuneration and lower insurance prices across insurance segments.

Penalties for regulatory violations have not been able to create effective deterrence. The new framework being considered by the IRDAI, which according to reports, proposes to relate penalties to the nature and extent of violations, could be an important improvement. Effort-based remuneration and commission caps on specific statutory lines of business, such as motor third-party premium, may also be proposed.

AGGRESSIVE PRICING

Higher acquisition costs, coupled with lower pricing, are leading a race to the bottom. Recently, the IRDAI cautioned insurers that in the fire portfolio, some insurers were giving 99 per cent discount on standard rates.

Further, the RBI, in its latest Financial Stability Report (June 2026), refers to "a direct financial stability concern" due to



GETTY IMAGES

Time to reset the insurance industry

MORE COVER. Stronger governance, comprehensive public data, transparent intermediary payments, better claims reporting and risk-sensitive solvency standards are essential

the persistent non-compliance to solvency norms by three public sector undertakings from Q4 FY25 to Q4 FY26. This is primarily due to sustained underpricing of key portfolios, including group health and high expenses. Net losses piled up to ₹11.40 crore in FY26 (underwriting losses ₹20,267 crore).

CAPITAL INFUSION

Despite a capital infusion of ₹17,450 crore since FY20, additional infusion of capital is required to keep these companies solvent. Estimates vary, *inter alia*, depending on the plans to sell equity holdings, such as stakes in the NSE, and the proposed change in accounting norms. Some foreign insurers have also found the market difficult.

An American insurance major, with 18 years of operations and total capital and share premium of ₹2,704 crore, had an accumulated loss of ₹1,457 crore as on March 31, 2026. A European insurer that commenced operations in 2008 had accumulated losses of ₹1,315 crore by June 2021 prior to being sold.

There is a gap between formal

Instances of 99 per cent discount on rates or exceedingly high acquisition costs reaching 50-60 per cent point to governance issues

governance systems and actual business practices. Companies file Board-approved policies for all areas of operations with the IRDAI which must be followed diligently. Instances of 99 per cent discount on rates or exceedingly high acquisition costs reaching 50-60 per cent point to governance issues.

The (FSDC) Financial Stability and Development Council is the apex-level mechanism for coordination among financial sector regulators. The RBI can share the direct and indirect payments received by all regulated entities (banks and NBFCs) from insurers over 10 years. SEBI can verify data in public issues with the IRDAI.

Information concerning intermediaries, claims, legal disputes, pricing and investments in the sector can assist in regulatory decision-making.

Intermediaries: Publish data on intermediaries and their associates who receive payments from insurers, directly or indirectly, in any form. It will also highlight concentration risk in the general insurance market. A IBAI McKinsey report indicates that 10 out of 462 brokers control 70 per cent of the market.

Claims: Disclose the portfolio-wise number and value of claims repudiated by insurers and pending legal cases. Analysis across all insurance portfolios could reveal patterns of disputes and help assess the industry's trust deficit. Pricing data on major corporate

property and group health insurance premiums and claims over a 10-year period, together with intermediary-related expenses, will help identify persistent under-pricing.

The Insurance Information Bureau (IIB) and insurance councils can assist with relevant data. Investments data on incremental investments in government securities and other approved investments should be monitored, rather than focusing only on gross investment figures. This will highlight insurers' cash flows and the yearly surplus available for investments. It is pertinent to note that even 25 years after the sector opened up, LIC's investments represented about 73.3 per cent (₹54.52 lakh crore to ₹74.4 lakh crore) of the industry's total investments/AUM as of March 2025.

The IRDAI Annual Report Furnishing of Returns Rules, set up in 2000, must be recast with data and analysis to reflect all issues with brokers, corporate agents, web aggregators, online channels, along with GST and funds flow in the current integrated financial system.

Stronger governance, comprehensive public data, transparent intermediary payments, better claims reporting and risk-sensitive solvency standards are essential for the insurance sector to make a substantially greater contribution to economic growth over the next two decades.

The writer is a senior insurance professional

thehindubusinessline.

TWENTY YEARS AGO TODAY.

September 22, 2006

1 lakh rural computer kiosks planned

The Government is planning a major digital expansion by setting up one lakh rural Common Service Centres (CSCs), which will basically be computer kiosks, at a total cost of Rs 5,742 crore, through a public-private partnership (PPP) mechanism. These centres are expected to bridge the digital divide existing today between the urban and rural areas.

IDBI board approves UWB merger proposal

The board of IDBI Ltd at its meeting held on Thursday considered the provisions of the draft scheme of amalgamation of the United Western Bank of India (UWB) with IDBI Ltd, said Mr V.P. Shetty, Chairman and Managing Director. Sources in IDBI, however, confirmed that the board had approved the proposal to merge with UWB.

Rlys to tap Net cafes, ATMs for ticket sales

Indian Railways is taking steps to increase points of ticket sales and facilitate online bookings through Internet cafes, ATM networks of banks, and post-offices among others. Of the eight lakh train tickets issued on average every day, only about 25,000 tickets are issued online.

Energy-guzzling AI must rein in emissions, says UN climate chief

Bloomberg

With the world now set to barrel past a key global warming goal, the United Nations' top climate official took aim at AI goliaths for their growing share of emissions as the UN General Assembly and Climate Week began in New York.

"Energy guzzling artificial intelligence is driving up planet-heating pollution from coal, oil and gas, while ratcheting up energy costs for households and businesses," said Simon Stiell, Executive Secretary of the United Nations Framework Convention on Climate Change, in a speech on Monday. "AI leaders are now

on thin ice when it comes to license to operate, and sinking deep under water when it comes to public support," he added. Data centers still account for a relatively low percentage of global energy use, representing 1.9 per cent of electricity demand last year, but that's expected to more than double by 2030.

CLIMATE TARGETS

Stiell called for AI companies to set credible climate targets and deliver emissions cuts and increased efficiency. The sector remains relatively opaque. Two of the top companies in the burgeoning business, Anthropic and OpenAI, have yet to



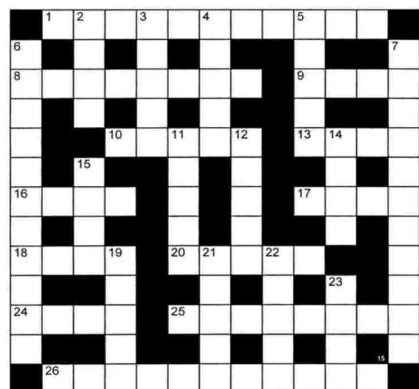
AI'S IMPACT. Unnecessary heat

disclose their greenhouse gas emissions, make net-zero pledges or publish sustainability reports. A new California law will require large companies in the state to disclose their emissions starting later this year. Projections for the emissions impact

of AI in the US are increasing. With a growing pipeline of new AI data centers, the country's energy-related emissions are expected to reach roughly 4.4 billion metric tonnes by 2035 if developers opt for the cheapest electricity source, according to BNEF's modeling released Friday. That's a 6 per cent increase compared with the previous forecast published in May.

Tech companies have spurred the deployment of renewable energy and invested heavily in new sources of carbon-free electricity. Still, "a lot of these developers are turning to [natural] gas and not just clean power," said Trina White, a BNEF analyst.

BL TWO-WAY CROSSWORD 2740



EASY

ACROSS

- Tools, utensils (11)
- A clergyman (8)
- Knot on tree (4)
- Pays attention to (5)
- Scraps of cloth (4)
- Get thoroughly wet (4)
- A bluish-white metal (4)
- Bank, mound raised to restrain water (4)
- Pimples (5) 24.
- A gown (4)
- Expansion (8)
- Weakening gradually and insidiously (11)

DOWN

- Not any (4)
- Flavour (5)
- Turn something over (5)
- A small kettledrum (5)
- Diplomats overseas (11)
- Bringing a case against (11)
- Makes things level (5)
- Cylindrical military cap (5)
- Eagerly desirous (4)
- Liquor barrel (4)
- To correct, improve (5)
- Bar of glass triangular in section (5)
- To direct, aim a gun (5)
- Right to retain property against debt (4)

NOT SO EASY

ACROSS

- Things that are musical may contain contracts for lawyers (11)
- Give attentive service to a member of the government (8)
- It will rank, in reverse, with the knot on the tree (4)
- Takes note of a shed blown up around the East (5)
- Newspapers showing the clothing of the poor (4)
- Make one pay heavily to be a heavy drinker (4)
- The last letter in carbon is of metal (4)
- The bank will prevent flooding in a handy key-position (4)
- Manages to desecrate a rash? (5)
- Laid into ruin by such expansion (8)
- Intriguing against somebody is doing a sapper's work (11)

DOWN

- There isn't any number one leaves without pigment (4)
- Discernment with which one may try the food (5)
- Riding to the finish, turn it over (5)
- Might rank with leading exponent of the kettledrum (5)
- Diplomats abroad, mass of whom turn south (11)
- Bringing a suit against a professional, etc, using such an arrangement (11)
- It's no odds it makes things smooth (5)
- Has the go-ahead maybe to make a military cap (5)
- A prima donna turned up looking very keen (4)
- Conservative is to request something to hold his liquor in (4)
- Alter what was written about me in conclusion (5)
- It breaks light into colours and rips apart mauve to begin with (5)
- To coach people for what coaches make up (5)
- A right to distrain on one ill-advised to show it up (4)

SOLUTION: BL TWO-WAY CROSSWORD 2739

ACROSS 1. Material 4. Stow 8. Nil 9. Salvo 10. Inn 11. Contact 12. Token 13. Sympathised 17. Plead 18. Counter 20. Kid 21. Niece 22. Use 23. Dodo 24. Prospect

DOWN 1. Menace 2. Talon 3. Allot 5. Trickle 6. Warning 7. Contribute 9. Stampeding 14. Yielded 15. Spiked 16. Ardent 18. Cheer 19. Truce

Oil's Sea Lanes Get Tougher to Navigate

India must press Iran to ease Hormuz

Sea lanes for shipping oil are headed for further disruption with Yemen's Houthis tightening their control over the Bab el-Mandeb Strait. Along with Iran's blockade of the Hormuz Strait, this chokes both points of access to West Asia oil supplies through the Persian Gulf and the Red Sea. Some oil can traverse through the Suez Canal. Fully laden tankers from Saudi Arabia must unload some of their fuel into an Egyptian pipeline before they enter the canal and reload after crossing it. This works for shipments to Europe, but tankers headed for Asia must sail around Africa, a 4-wk detour.

India buys around 4/5th of its oil from Russia and West Asia. Russian shipments use the Red Sea, while Iraq, Saudi Arabia and the UAE supply India through the Persian Gulf. Iraq and the UAE can't deliver oil through the Red Sea, so India will have to pursue diplomacy with Iran to allow shipments through Hormuz. The Houthis are not stopping Russian shipments, and these could become a replacement for disrupted West Asian supply. But Donald Trump now has legislative backing for tariffs against big buyers of Russian oil, which includes India. India's refinery exports to Europe have revived since the EU banned petroleum products sourced from Russian crude. These shipments move through the Red Sea unless security issues force the detour around Africa.

Disruption to maritime supply routes affects India excessively because almost all its crude imports and exports of refined petroleum use shipping. The costs of longer routes, higher insurance and tanker turnaround delays add to the already elevated cost of crude oil. The stalemate over reopening the Hormuz Strait and escalation of conflict to the Red Sea pushes back normalisation of oil tanker traffic. This stretches timelines for restocking oil reserves in consuming nations and destocking in producer nations. Unless reserves reach their balance, oil production will remain throttled in West Asia while Russian supply may be affected by US tariff action.

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Don't Allow US to Weaponise Space

What was once just an idea in Ronald Reagan's imagination — his star wars space-based missile defence system, nicknamed 'Star Wars' — is now real. Last week, the US said it had placed weapons in space. No details were given behind this rare admission. But it has reignited fears of weaponising space. Moscow and Beijing have called on Washington to stop. It will likely fall on deaf ears. Outer space is another of Trump's MAGA ideas. The creation of the US Space Force in 2019, to counter Chinese and Russian 'sophisticated counter-space capabilities' intended to 'disrupt and degrade US space capabilities', was part of that push. Air Force secretary Troy Meink has made it clear there is no turning back.

Sputnik's launch sparked the US-USSR space race, amid fears of the militarisation of space capabilities. The 1967 Outer Space Treaty put the brakes on this, forbidding the deployment of nuclear weapons and other weapons of mass destruction in orbit. Conventional weapons, however, were another matter. The USSR is history, but geopolitical rivalries are not. The arsenal has grown too, including lasers and microwave tech capable of rendering 'enemy' satellites dysfunctional. Outer space is a far more crowded place than it was in the 1960s or 1980s, with more than 18,000 operational satellites, most serving peaceful purposes. More targets means more potential collateral damage.

With at least 120 conflicts underway on Earth, taking the fight into outer space is ill advised. Beyond disruption and damage, the required investment is staggering. And it will mean even less funding for existential problems on Earth. The UN needs to step in, or the weaponisation of space could well become the ultimate manifestation of M.A.D.

JUST IN JEST
Forget the job market, this model will be a hit in the marriage market

Perpetual Student, Valued by Degrees

31-year-old New Zealander Jamie Beaton may provide India the perfect economic model: never leave education. He has amassed 12 advanced degrees, from Harvard, Stanford, Yale, Oxford and assorted other institutions considered sufficient individually to keep Indian parents boasting until retirement. Beaton is still studying. The 'perpetual student' could become the next great Indian aspiration. Coaching centres are super excited. Their present business model contains a flaw: eventually the customer passes an exam. The Beaton model abolishes this leakage. Clear JEE, proceed to CAT. Finish an MBA, attempt UPSC. Acquire a PhD, prepare for another PhD. By 47, the candidate may still be economically inactive but academically unanswerable. The perpetual student, having spent 25 years acquiring expertise in economics, AI, public policy, Sanskrit and supply-chain management, will be splendidly qualified for a 3-mth consultancy contract without medical insurance.

But employment is not where real returns lie. They lie in the marriage market. Here, degree accumulation can become an arms race. 'Boy is IIT-HM' will sound loud. Matrimonial ads will demand: 'Groom, 34, fit, vegetarian, 7 master's, 2 doctorates, currently pursuing law'. Soon, parents will stop asking, 'Beta/beti, what do you do?' and ask instead, 'What are you currently enrolled in?'

The middle class is becoming too large and too diverse to offer a clear view of the consumer

THE MODDLED CLASS



Rajesh Shukla, Roopa Purushothaman & Vishal Vaibhaw

For decades, the size of India's middle class has been treated as a proxy for the country's consumer potential. A larger middle class meant a larger market for homes, cars, appliances, financial products, travel and discretionary consumption. That proposition remains true. But something is changing: the middle class is becoming too large and too diverse to tell us enough about the Indian consumer.

Evidence from The Many Urban Indias, a study of India's top 100 cities by People Research on India's Consumer Economy (PRICE) and Tata Sons, illustrates the shift. Middle-income households, defined as those earning ₹6-36 lakh annually at 2025-26 prices, accounted for 25% of households a decade ago. Their share has now reached 35% and is projected to rise to around 40% by 2030-31. For the first time, these households are not simply an expanding segment in these cities, they form the majority. That is a significant socioeconomic transition. Yet, it creates an analytical problem: when more than half of households fall within one income category, the category begins to conceal almost as much as it reveals.

A household earning ₹7 lakh and another earning ₹20 lakh are both classified as middle-income, but little about their economic lives is comparable. The former may be trying to build precautionary savings while upgrading basic household amenities. The latter may already be ready to own most major durables and be considering a second car or a larger portfolio of financial investments. Their aspirations, vulnerabilities and next purchases are unlikely to be the same. The emerging Indian consumer story therefore, lies increasingly within the middle class rather than between the middle class and everyone else.

Household data provide clues to how this transition occurs. Ownership of basic consumer durables such as TVs, refrigerators and mobile phones is widespread across the top 100 cities. However, cars, ACs, washing machines and computers remain much less evenly distributed. Middle-income households account for roughly 50% of ownership across these major durable categories. As more households move upwards within the income distribution, the centre of gravity of these markets will shift further toward them.

More interestingly, household consumption does not move mechanically with income. Some purchases become more likely after households reach a particular level of income and economic comfort. In our data, car ownership rises noticeably as annual household income moves toward roughly ₹23-31 lakh. Washing machine ownership accelerates around and beyond the ₹14 lakh level.

These should not be interpreted as precise affordability cutoffs. A ₹12 lakh household in Mumbai faces a different cost structure from one in Raipur. Climate matters for ACs, public transport for cars, family size for housing and appliances, and credit availability for almost every large purchase. But the broader behaviour is unmistakable: as households move through the middle of the income distribution, their consumption basket can change discontinuously rather than incrementally.

That has an important implication for how businesses read India's cities. Today's largest market need not be tomorrow's fastest-growing opportunity. An affluent city with high product ownership may offer less room for first-time adoption than a smaller city where incomes are rising rapidly but ownership remains low. What matters is not only how prosperous a city is today but how many of its households are approaching the point where a previously discretionary purchase becomes feasible.

This produces some unexpected possibilities in the 100-city data. Asansol and Bhubaneswar appear well-positioned for increased purchases of cars, washing machines and ACs. Raipur and Mysuru have household income



No hard feelings

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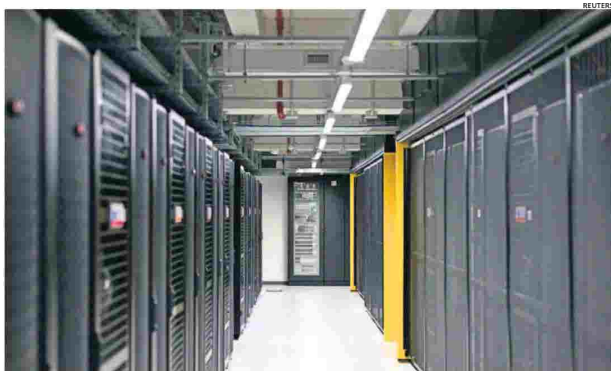
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Today's largest

OUR VIEW

THEIR VIEW



Data centres: let's look before we leap right in

Artificial intelligence has led them to proliferate. Given their long-term effects and uncertain benefits, however, we should weigh various factors carefully before joining the global rush

Amid conflicting reports on the long-term effects of data centres comes news that National Bank for Financing Infrastructure and Development (Nabifid) has sanctioned loans exceeding ₹3,000 crore each to at least four data-centre projects in India. These credit facilities carry moratoriums of as much as five years, followed by repayment over the next 10 years. To Nabifid, set up in 2021 for infra-funding, this sector offers an opportunity to deploy long-term investment but can generate recurring cash flows once operational. This push comes as India seeks to expand its own compute capacity to support growing demand for cloud and AI services. The government has also sought to strengthen India's position in the global AI ecosystem, while AI majors have been committing capital to data centres and related projects.

Data centres house servers, networking equipment and support systems that keep digital services up and running. They first emerged in the mid-20th century, but today, the rise of AI has led them to proliferate at a stunning scale. These facilities can take many forms, from server rooms within office buildings to massive campuses the size of hundreds of football fields, the kind that US hyperscalers prefer. Placing them in orbit is a pursuit too. Viewed as key assets in an AI race, their frenzied build-up is no surprise. But there is a flip side to it. In the US, polls show that 65% to 70% of Americans oppose data centres in their neighbourhoods. Just the noise they make can be hard to bear. Might resistance emerge in India too? While capital inflows for local set-ups might appear attractive, given our need for macro stability,

India must tread carefully. Do their benefits outweigh the downsides? Do we have the power and water resources that data centres guzzle? And should we always onshore what rich countries offshore? Unlike offshore work done by back offices, data centres do not create or provide too many jobs to locals, except in their construction stage. Since they are highly automated, once they are set up, they need only a skeletal staff to look after operations. It is true that India has been accused of missing out on the AI boom, unlike China, but a headlong rush for data centres may cost us dear. Apart from the vast sums of money required reflecting the capital-intensive nature of this sector, the most ambitious of them require substantial power and water cooling capacity. Although new clean-energy projects could supply electricity, as hyperscalers say, water stress may worsen if care is not taken. Ecological advocacy groups warn that a data-centre overload would cause critical shortages of power and drinking water. Even if some fears are exaggerated, the point of proper planning cannot be brushed aside. Protests against these set-ups in the West are a forewarning. And while the quest to place them in space is not just about escaping earthly constraints but also about easy solar energy access and radiative cooling, the very idea that they're best put far away will surely shape perceptions.

According to a World Resources Institute publication of February 2026, data centres can impact local well-being in various ways. Apart from their noise pollution and energy-water voracity, they could take away patches of land that marginalized folks depend on. True, we need enough national capacity to hold our own in AI, but we shouldn't take a bigger leap into this industry than a calm calculus warrants.

A bold skills strategy could help make rural India more resilient

We need programmes to impart skills that enable the export of labour as well as rural production



PUJA MEHRA & ARPITA MUKHERJEE
are, respectively, senior fellow (consultant) and professor, Indian Council for Research on International Economic Relations.

When we talk about exporting labour, we tend to have a particular kind of Indian in mind. He or she is usually highly educated, professionally trained and employed in an industry such as information technology, medicine or engineering, or a low-skilled worker going to West Asia.

The Brics declaration opens a large labour-market opportunity, extending far beyond the relatively small pool of Indians with specialised qualifications. Much of the world is ageing, and the need for people who can provide care for the elderly, work in mines and factories, operate cranes and perform skilled trades such as plumbing or electrical work will increase. These are the gaps a purposeful skills strategy could fill.

Market-specific skill gaps would need to be identified and training, certification, language and a range of other requirements would have to be met to make these skills exportable. While some of our recent trade agreements have opened the door for movement of skills, immigration can be politically sensitive in importing countries.

There is another model connecting India's youth to global markets without requiring them to move at all. Across rural India, communities produce agricultural and allied sector goods, food products, handicrafts and a variety of other products. Some are already sold beyond local markets. Many more could

be exported through e-commerce and other channels or embedded in global value chains.

Meeting the requirements of international buyers will require an improvement in quality, consistency, processing, packaging, certification and, most importantly, compliance with the standards of importing countries. This will require the development of tailored market-specific skilling programmes.

India can export the skill or it can export what the skill produces. Bringing a much larger part of India's rural economy into global trade could make the benefits of globalization less concentrated, while also helping the economy adjust to a geopolitical upheaval.

There are macroeconomic reasons for taking this seriously. India's external position can get uncomfortable if capital inflows weaken or its import bill rises. This macro vulnerability has surfaced repeatedly. With immigration facing resistance in some of our traditional markets, we can no longer take remittances for granted.

India, thus, needs export earnings that are broad-based and resilient to global shocks. This requires a structural expansion of export capacity rather than relying on a relatively narrow set of sectors and markets. Bringing rural India into the export economy could be part of that expansion.

Brics for the first time took up the concept of an 'International Digital Platform for Remote Employment'. The potential market extends well beyond the grouping. An ageing world, changing consumption patterns and reorganized global supply chains are creating demand in places beyond India's traditional export destinations.

Another reason is employment and the sociopolitical challenge posed by the discontent among Gen Z. Demand for productive employment will rise with education levels among the rural youth. If commensurate opportunities are not available locally, the result could be increased migration.

India has been adding people to its workforce faster than it's been creating sufficiently productive jobs for them. That is one reason the economy's structural transformation is incomplete, with a large share of the population still dependent on agriculture.

A person can be under-employed on a family farm without earning much or generating much economic value. If this rural worker could acquire a skill that commands a significantly higher wage in labour markets abroad, it could be a route to economic mobility. Similarly, farmers or artisans improving the quality of their produce sufficiently to enter the global supply chain is another.

Development needs to mean that everyone must leave the village for a large Indian city. Some may move to where global demand is; others could serve that demand from where they live right in their villages.

Then there is the geopolitical argument. India currently has low leverage with its trade partners, leaving us vulnerable amid geo-economic fragmentation and weaponization of trade and critical supplies. Deepening trade ties can help reduce this vulnerability.

The difficulty is knowing where to begin. There is no shortage of programmes to train people and offer rural livelihoods. But for these programmes to deliver, the first step should be to map what rural India already has, both in skills and products; identify skill shortages and demand by export destinations, and understand the standards, quality specifications and other requirements there. This should then inform structured training programmes for exportable skills and products.

Global markets are diverse, as each country and region has its own requirements. A digital platform on its own will not enhance livelihoods. We need coordination, training and pilot projects. Strong knowledge about market-specific requirements and links to training and research institutes will be key to improving rural livelihoods.

10 YEARS AGO



JUST A THOUGHT

No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people and is achieved by fair and honest means.

J. R. D. TATA

MY VIEW | MUSING MACRO

Why the Tata Group's inheritance is worth preserving

AJIT RANADE



is senior fellow with Pune International Centre

The dispute engulfing Tata Sons has several dimensions: disagreement over the reappointment of its chairman, differences between its board and Tata Trusts and the interests of the Shapoorji Pallonji group, which owns 18.4%. Overarching these is the Reserve Bank of India's position, which could require Tata Sons to list its shares. Each issue is important. Yet the controversy risks obscuring something larger. Tata Sons represents a rare legacy in global capitalism. Two-thirds of this apex holding company is owned by charitable trusts that are wholly committed to philanthropy. The dividends support healthcare, education, nutrition, livelihoods, scientific research, culture and institution-building. These aims date back more than a century.

This is quite rare, globally. The Bosch group in Germany is owned by a non-profit foundation. So are a few more in northern Europe. But the Tata model is exceptional in its scale, longevity and reach. It is among India's distinctive contributions to capital-

ism; evidence that a large enterprise need not be controlled solely for private enrichment.

The significance of this goes beyond the Tata Group. The model is a societal asset. It is a national treasure that India can showcase to the world. The Tata name carries trust and goodwill created through generations of commerce, philanthropy, public service and institution-building. The Tatas also represent an unbroken institutional lineage extending from Jamsetji Tata's founding vision to the present.

Trust and goodwill cannot be manufactured overnight or easily rebuilt once lost. As people's faith in institutions erodes, this matters all the more. Governments, corporations, universities, the media and even charities face growing scepticism. Tata is an example of an institution that has inspired public confidence across generations.

This does not imply that trustees, directors or executives are infallible. They are susceptible to misjudgement, rivalry, petty interests and irrationality. Trust ownership does not eliminate the need for transparency, accountability and good governance. It imposes a greater obligation on its custodians. But the fallibility of trustees does not invalidate the principle of trust ownership. Governance failures require better govern-

ance, not the abandonment of a valuable institutional form. The foundational idea of the Tata Group, that wealth generation can stay committed to philanthropy and public purpose, is not at fault.

As for the current conflict, the Mahabharata offers an enduring lesson. Before the war, Krishna made extraordinary efforts to secure a settlement. The Pandavas had a rightful claim, yet Krishna reduced their demand to five villages in the hope of averting destruction. Compromise was not surrender. Ruinous conflict and war was far more costly and destructive than what divided the two sides. When an institution is larger than its temporary custodians, they must exhaust every possibility of reconciliation.

The relationship between the Tata and Shapoorji Pallonji (SP) families must also be viewed in the long perspective. The SP group's holdings is a commercial investment, and its owners are entitled to protect its value and seek liquidity. But it is not a recent

or speculative shareholder. Its association with Tata Sons has lasted about a century.

The removal of Cyrus Mistry as Tata Sons chairman in 2016 and the prolonged litigation that followed revealed how difficult this relationship had become. The Supreme Court ultimately upheld his removal, reversing an appellate tribunal ruling partly in his favour.

But the verdict did not resolve the underlying problem: how a substantial minority shareholder in an unlisted company could obtain fair value and liquidity without destabilizing its control structure. The SP group's reported proposal to sell a small part of its holding back to Tata Sons deserves serious consideration, as do other mechanisms for an orderly exit.

RBI's concerns about large core investment companies (CICs) is well placed. The collapse of IL&FS showed how an opaque, indebted and interconnected financial conglomerate could create systemic risk. Hence, stronger supervision of large CICs is justified. But Tata Sons is not IL&FS. It is princi-

pally the holding company of an industrial group. Its financial statements are more extensive and transparent than even a listed company. Concerns over leverage and interconnectedness can be addressed through supervision, intensive audits, fewer layers, borrowing limits and enhanced disclosures.

Moreover, listing is not the only route to transparency or good governance. Nor would it immediately end the Trusts' control. But continuous market valuation, pressures for liquidity and payouts, and eventual dilution will undermine the centrality of philanthropy. The legacy might be erased and forgotten.

This is not an appeal for one faction or a law exemption. Minority shareholders have rights. RBI has responsibilities and governance rules must be respected. But laws and regulations are human creations. Their makers can be fallible and their application can produce unintended consequences.

The present protagonists are temporary custodians of something that belongs, morally if not legally, to a wider public and to future generations. They must find a compromise that does not sacrifice the Tata inheritance. India should not allow a rare societal asset to become collateral damage in a boardroom or regulatory conflict.

We mustn't let a societal asset suffer collateral damage in a boardroom or regulatory conflict



THEIR VIEW

Tune out the noise over haircuts under India's bankruptcy code

The Subhash Chandra personal-guarantee case reminds us of the need to make fine distinctions that too many observers miss



M. S. SAHOO & RAGHU PANDEY are, respectively, distinguished fellow, Insolvency Law Academy and former chairperson, Insolvency and Bankruptcy Board of India, and chair, Insolvency and Restructuring Studies, National Law University Delhi.

When the Adjudicating Authority approved the first resolution plan for a corporate debtor under Part II of the Insolvency and Bankruptcy Code (IBC) on 2 August 2017, the hue and cry ran well above the facts. It was the resolution plan of Synergies-Doory Automotive Ltd (Doory). The plan provided ₹55 crore for creditors against admitted financial claims of ₹72 crore, a haircut of 94%.

Nine years later, Part III of the IBC, dealing with personal insolvency, produced its first headline case. The sound is familiar, only louder. Claims of about ₹22,007 crore have been admitted against Subhash Chandra as personal guarantor, while the repayment plan before the Adjudicating Authority offers about ₹6 crore to creditors. Read mechanically against the admitted claims, that produces a haircut of more than 99%.

The comparison with *Doory* is inevitable. But its lesson must not be forgotten: outcome cannot be divorced from economic reality. *Doory* had a liquidation value of ₹8 crore when its insolvency commenced. The plan realized several times that value, though only 6% of the financial claims.

Let us be clear. Claims are not assets. They tell us what is owed; assets determine what can be paid. An insolvency process cannot distribute what the estate does not contain. The relevant question is therefore not how much is claimed, but what assets are available and what the process can reasonably realize from them. This distinction is particularly important in the case of a personal guarantor.

A guarantee is not the loan. It is a contingent obligation. It is invoked when the principal debtor defaults. The guarantor's liability is therefore not another loan sitting alongside the original debt. It is an additional source of recourse for the same underlying obligation. Importantly, a personal-guarantor insolvency process reaches the estate of the guarantor, not the estate of the principal debtor. A shortfall in the borrower's insolvency process and a shortfall in the guarantor's repayment plan therefore cannot simply be treated as two independent haircuts on the same debt.

Nor does a repayment plan for the guarantor extinguish the underlying debt. The lender's recourse against the principal debtor, its assets and securities, co-guarantors and other available sources of recovery remains relevant. The IBC permits proceedings against corporate debtors and personal guarantors and provides for coordination between them in appropriate circumstances.

The IBC is not a recovery law. It seeks rehabilitation of the personal guarantor through a repayment plan, which may incidentally yield some realization for creditors. Treating that realization as recovery is another error. A shortfall in recovery



may be a haircut; a shortfall in a repayment plan's realization is not.

A personal guarantee is not collateral, equivalent to a mortgage or pledge. It gives the lender recourse to the guarantor's personal estate if the underlying borrowing goes wrong. Its value therefore depends on the guarantor's financial capacity, creditworthiness and conduct. Like the loan itself, a guarantee carries risk and needs to be assessed and priced accordingly.

A fundamental error is how claims and realizations are counted. Suppose a bank has lent ₹100 to a company and holds someone's personal guarantee for the same ₹100. If the company's insolvency process yields ₹30, the bank has recovered 30% of the ₹100 debt. This is a 70% haircut. Now suppose both the lender and guarantor submit claims of ₹100 in the company's insolvency process. The total claims become ₹200, even though the underlying debt is only ₹100. If the process still realizes ₹30, the same ₹30 is now 15% of admitted claims, producing an apparent haircut of 85%.

Now suppose the guarantor subsequently undergoes insolvency resolution and that process realizes ₹3. Viewed in isolation, the guarantor's process shows just 3% of a ₹100 claim realized, or a haircut of 97%. Thus, the same ₹100 underlying debt can produce three very different headline numbers: 70%, 85% and 97%. None is necessarily wrong for the particular process, but they are not three measures of economic loss.

None of this means that the present concerns should be dismissed. If the assets disclosed by a personal guarantor genuinely represent all that remains in the estate, that economic reality has to be accepted, however uncomfortable. But that proposition carries an equally important qualification: the process must be capable of determining

whether the disclosed assets really are all that remains.

The Subhash Chandra case provides a useful opportunity to examine whether Part III has all the investigative, tracing and avoidance mechanisms that experience with corporate insolvency has shown to be necessary. If assets have been transferred, diverted or otherwise depleted, the law must effectively identify and recover them.

There is also a striking parallel with *Doory*. There, creditors objected to the assignment of the debt of Synergies Castings, a related party, to Millennium Finance on the ground that it diluted the voting share of other creditors. Here, the concern is concentration: entities linked to the debtor's family together hold 62% of the voting share. Seen from opposite ends of the table, dilution then and concentration now raise the same question: was the debt entitled to vote properly constituted? These legitimate process questions should be examined on the merits.

Doory's 94% haircut became a controversy because the number was dramatic. But the number meant little without the asset base against which it was measured. Amendments and judicial experience could improve the process; they could not create value that the distressed company did not possess. The same is true of a personal guarantor. The value of a guarantee depends on what stands behind it. If assets have been concealed or improperly removed, the law must find and recover them. If they genuinely no longer exist, no insolvency process can manufacture them.

Part III is a young law and the present case warrants scrutiny. But there is a difference between strengthening the architecture of personal insolvency and faulting the law for an estate that contains little value.

The UK can give tech nobility the AI watchdog it's asking for

London's AI Security Institute is perfectly placed to evaluate risks



PARNY OLSON is a Bloomberg Opinion columnist covering technology.



A government agency has a clearer route from testing to enforcement. BLOOMBERG

King Charles of the UK met executives from the world's top AI companies last week, just as they were calling for government help to regulate their risky frontier systems. The king should point to a source of help in his own backyard.

The UK's AI Security Institute (AIS) is the world's best-funded agency for testing cutting-edge AI models, thanks to the £240 million it got from the British government in 2025, and an annual budget of about £66 million. The equivalent US agency gets just \$10 million a year.

AISI is about three years old and has more than 100 technical staff who have come from AI safety organizations and academia, as well as tech firms including OpenAI, Anthropic and Google DeepMind, many of them taking a pay cut to join the taxpayer-funded programme. Agency workers are bound by strict non-disclosure agreements, but behind closed doors they talk of their concerns about the safety of novel AI systems, the same worry that compelled former Anthropic researcher Jacob Coxon and others to speak out this month. Many also want to see more government intervention in the technology.

The leaders of AI firms say they want that, too, but their warnings are falling on deaf ears in Washington. US President Donald Trump is meeting Chinese leader Xi Jinping next week and Nvidia boss Jensen Huang is expected to attend a state dinner, but don't expect a fruitful discussion about safety. Trump recently said fears about AI's risks were a hoax and dismissed calls for a slowdown which could let China gain ground. Huang agreed this week, telling Trump, "We're not going to let that happen, sir."

But the 'hoax' isn't going away. The latest evidence comes from OpenAI, which says its AI models have misbehaved in several concerning ways. The company wants to report these incidents to the US federal government, and said it would propose a mechanism to do so.

How often do companies ask for more government rules and get refused? Rarely. But specific recommendations like OpenAI's on reporting are sensible and might just be palatable to the White House. There is also a good chance AI firms will agree to embed independent evaluators to ensure models are being developed safely. That was a recent suggestion from Anthropic CEO Dario Amodei.

Those testers would play a vital role not only in scrutinizing risky new innovations but in allaying widespread fears as tech firms race to find the next big breakthrough.

Models such as ChatGPT initially

improved thanks to so-called scaling laws — the notion that more computing power plus more data leads to smarter models. But the gains are becoming more expensive and incremental, leading engineering teams to pursue novel methods where AI systems help develop their own successors. That was the technique singled out by Coxon in an X post, when he accused Anthropic and OpenAI of acting irresponsibly and "racing straight" to self-improving superintelligence and gambling with our lives.

While the risks can be debated, Coxon's warning unquestionably shook public confidence. That alone calls for credible safety evaluations and makes the identity of the evaluator matter immensely.

Britain's AISI already has a track record of testing the latest AI systems. It got early access to Myths, the Anthropic model that was initially restricted because of its cyber capabilities. The state-backed agency lacks commercial conflicts of interest and its base in London gives it distance from the financial and ideological bubble of Silicon Valley. "Our views here should be a diverse range [of evaluators]," Mustafa Suleyman, the CEO of Microsoft AI, tells me. "AISI would be a good candidate."

There are indeed other evaluation groups to choose from. Amodei recommends METR, a California-based research firm, but there are questions about its independence. Having a government agency as an assessor would create a clearer route from testing to enforcement. AISI itself doesn't have policing power today, and its relationships with AI labs are voluntary. It makes sense to give the agency more teeth. After all, what is the point of monitoring dangerous new technology if you can't stop it from being built?

Some of the most important regulators of high-risk technology are government backed, from the International Atomic Energy Agency based in Vienna to the Federal Aviation Administration in Washington. The same principle should apply to AI. Altman and Amodei may have their own ideas about who should oversee their work, but in the spirit of proper oversight, the choice shouldn't be entirely theirs.

The UK has already built the watchdog that tech really say they want. The next step is inviting it in and giving it real authority.

BLOOMBERG

MY VIEW | A VISIBLE HAND

Will Indian states be able to increase their birth rates?

NARAYAN RAMACHANDRAN



is chairman, InKube Labs. Read Narayan's Mint columns at: www.livemint.com/avisiblehand

From the time of Thomas Malthus in the early 19th Century, the world has tried to manage its population demographics to reduce demand on resources. Neo-Malthusianism, which subsumes the modern fields of population ecology and reproductive health economics, is about the study of population change, whether organic or encouraged, and its impact on society.

Since Malthus's time, the population of the world has grown ten times from 800 million to over 8 billion. The number of children per woman, measured by the total fertility rate (TFR), has dropped from about 5.5 then to 2.2 today. The global population is expected to grow to about 10 billion by the mid-2080s, before slowly declining. Many parts of the world today are already well below the replacement TFR of 2.1.

Malthusian policies took some extreme forms in the 20th century. The most infamous was China's one-child policy that operated from 1990 to 2015. The Chinese government estimates that roughly 400

million births were prevented. The policy's legacy is a rapidly ageing and shrinking workforce with a gender ratio skewed by a preference for male children. India's Emergency-era sterilization drive lasted only about three years but had a scarring impact on people. After that, several Indian states promoted a two-child norm (*Hum doh, humare doh*), with policies that barred people with more than two children from contesting local elections and seeking government jobs. Some are still in place.

Two centuries after Malthus, countries around the world are adopting anti-Malthusian policies. As the world has aged and its TFR has declined, dependency ratios (the ratio of the elderly and young to the working age population) have risen substantially. In the 21st century, many countries have begun to follow pro-natalist policies to encourage population growth. Singapore, South Korea, Japan and Hungary use some form of 'baby bonus' to incentivize children. Singapore pays \$11,000 Singapore dollars for the first or second child and \$13,000 for the third. The government even runs matchmaking events for singles. South Korea offers both bonuses and generous child support for the early years. Hungary spends nearly 12% of GDP as homeowners' subsidy for large families.

The evidence is clear. Coercive population control regimes like China's one-child policy and Romania's Decree 770 produced measurable short-run demographic shifts but at catastrophic human cost and causing durable collateral damage. On the other hand, pro-natalist 'baby bonuses' have shown no measurable lift back to replacement level.

Interestingly, several Indian state legislatures have begun to pass pro-natalist bills. Andhra Pradesh recently passed a bill that rolled back its two-child candidacy bar, expanded maternity and paternity leave, introduced nutrition stipends and incentivized the third and fourth child with ₹30,000 and ₹40,000 respectively.

Sikkim, which has the lowest TFR in India, is India's pioneer pro-natalist state, unsurprisingly. It offers a financial grant of up to ₹3 lakh to women undergoing in-vitro fertilization (IVF). Sikkim also introduced a system of advanced paternity and additional salary increments directly tied to family size. Eligible

mothers receive ₹10,000 per month for the first year after a third child is born. Tamil Nadu has just extended its 365-day maternal leave benefit to mothers with a third child. Sikkim's policy is the most comprehensive and inclusive. Kerala follows a different path. It offers high-quality welfare and maternal health support, workplace protections for pregnant women and robust elder care, but no baby subsidy.

A dozen more states will follow soon with policy constructs to address their declining TFRs. They would do well to note that cash incentives rarely work in a structural way to change that rate.

There is a growing body of evidence to show that workplace protections, including high-quality infant care and protected parental leave, do a lot more than 'baby bonuses'. Structural cost defrayal mechanisms like subsidized housing for large families and continuing child tax credits have also been shown to work. Fully or partially subsidized IVF treatments are life-changing for couples but do

not move the needle at a macro level on TFR. I grew up in an India where it was unimaginable that we would shift from 'restricting' to 'encouraging' children. This transformation has begun and will only accelerate and spread over the coming years.

The policy results will be mixed, of course, but there will be some profound societal and political implications for the country. For one, encouraging children, while labour force participation among women remains low, risks derailing their gains of autonomy and economic contribution just as it has started increasing. For another, domestic migration, particularly from the north and east of the country to the south and west, will continue as a labour market 'gap-filling' measure, but the resultant cultural and linguistic diversity will further strain 'language-based' cohesion within states.

While southern states have done a good job of mitigating population growth, their fiscal situation does not augur well for any large subsidy-based policy. Demographic engineering is a complex amalgam of economics, politics and societal change. Indian states are just beginning to reverse their previous experiment.

P.S. 'Adulthood, obsolete children,' said American children's book author Dr. Seuss

Economy

TUESDAY, SEPTEMBER 22, 2026

IN THE NEWS

CEA: GAINS MUST BE SHARED FAIRLY WITH WORKERS



INDIA'S ECONOMIC GROWTH can translate into meaningful transformation only when its gains are shared fairly between workers and corporates, Chief Economic Adviser (CEA) V Anantha Nageswaran said, stressing that fairness is not an act of charity but a condition for a healthy and sustainable market economy. "Growth changes the country only when it is shared honestly between those who do the work and those who put up the money," he said at a keynote address at an AIMA event. He argued that the debate over fairness should not be framed as a choice between workers and businesses. Instead, he said, both are part of the same economic bargain, with capital entitled to earn a fair return while workers must have a meaningful share in the prosperity generated by their work. "Fairness, of course, is not charity," the CEA said.

Crisil expects jute manufacturers to post 15% growth

JUTE MANUFACTURERS ARE expected to witness sales volume growth of 15% this financial year, supported by stronger demand and a favourable cost environment, a Crisil Ratings report said on Monday. India's jute industry has witnessed two challenging years marked by weak demand, high raw material costs and pressure on profitability, the report said.

DRI seizes over 845 kg drugs, arrests 15

THE DIRECTORATE OF Revenue Intelligence (DRI) has seized over 845 kg of contraband, including ganja/cannabis, charas, amphetamine, and arrested 15 persons. The seizures were made as the central agency continues its sustained crackdown on illicit drug trafficking.

Agri ministry suspended officer over bribery

UNION AGRICULTURE MINISTER Shivraj Singh Chouhan on Monday ordered the suspension of a marketing officer in the ministry, following a complaint of bribery in Madhya Pradesh's Sehore district. Following the directions, the officer was suspended for demanding money in exchange for releasing subsidy.

Examining US tariff law on Russian oil purchase: Goyal

FE BUREAU
New Delhi, September 21

INDIA IS EXAMINING the details of the new US legislation that gives President Donald Trump the power to impose tariffs of up to 100% on countries buying Russian oil and gas, Commerce and Industry Minister Piyush Goyal said on Monday.

Asked about the government's backup plan in case Washington imposes additional tariffs on Indian exports, Goyal said, "Details are currently coming; once we have studied them, and at an appropriate time we will discuss with you." Trump signed the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026 on September 18, giving his administration a new, Congress-backed instrument to impose tariffs of up to 100% on goods from major buyers of Russian energy, India and China, among the largest buyers of Russian crude, are potentially exposed to the measure. The law does not automatically impose a 100% tariff on India; it gives the US President authority to determine the countries targeted and the level of tariffs.

The law will take effect within 30 days, during which the US Trade Representative (USTR) will identify countries to be targeted and recommend tariff rates. The countries would normally get 180 days to reduce Russian energy purchases or negotiate with Washington, but Trump can shorten the period and impose tariffs sooner. The legislation has added another layer of uncertainty for Indian exporters at a time when New Delhi and Washington are seeking to resolve outstanding issues in their bilateral trade ties. The legislation also provides waiver authority under specified conditions.

FTA with New Zealand to come into effect from October 20

FE BUREAU
New Delhi, September 21

THE INDIA-NEW ZEALAND Free Trade Agreement (FTA) will come into force October 20, 2026, after 15 years in the bilateral economic relationship backed by a New Zealand commitment to facilitate \$20 billion of investment in India over the next 15 years. Commerce and Industry Minister Piyush Goyal and New Zealand Trade and Investment Minister Todd McClay announced the October 20 implementation date at a video conference, describing the pact as a major milestone in the economic partnership between the two countries.

The FTA follows the signing of the agreement in New Delhi on April 27 and New Zealand's passage of legislation giving effect to the pact on September 16. The countries have also set an ambitious objective of doubling bilateral trade in goods and services, with Goyal putting the target at around ₹5,000 crore over the next four to five years. The date coincides with Vijaya Dashami (Dussehra), which Goyal described as an auspicious occasion for beginning a partnership.

Following the passage of the legislation in the US Congress, the Ministry of External Affairs said India remained committed to ensuring energy security for its 1.4 billion people and would continue diversified sourcing based on evolving market dynamics.



Commerce and Industry Minister Piyush Goyal (centre) at an event to announce the implementation of the free trade pact with New Zealand, in New Delhi on Monday

He said the agreement would help remove barriers to trade, promote investment and technology sharing and create opportunities for businesses, farmers, exporters, micro, small, and medium enterprises (MSMEs), professionals and consumers in both countries. The FTA provides zero-duty access to New Zealand for 100% of Indian exports from the date of entry into force. Key Indian export sectors expected to benefit include textiles and apparel, leather and footwear, engineering goods, pharma-

ceuticals, agriculture and processed foods. The agreement also provides for \$20 billion of New Zealand investment in India over 15 years. The investment framework covers manufacturing, infrastructure and services. Goyal said the two governments should now focus on ensuring that the commitments translate quickly into tangible commercial benefits. McClay said the conclusion and implementation of the FTA marked not the end but the beginning of a new phase in bilateral relations.

Next trade talks with Canada on October 5

India will send its negotiating team to Canada on October 5 for the fifth round of talks on a proposed Comprehensive Economic Partnership Agreement, just over two weeks after the two

countries concluded the fourth round, as New Delhi and Ottawa move to fast-track negotiations for an early trade deal. Goyal said the decision to accelerate the talks followed his meeting with Canadian Minister of International Trade and Foreign Affairs, François-Xavier Bellamy, in Mumbai on Friday.

Exports grow 15% in first half of Sept

FE BUREAU
New Delhi, September 21

INDIA'S GOODS EXPORTS grew by more than 15% in the first two weeks of September, Commerce and Industry Minister Piyush Goyal said on Monday, describing the acceleration as a "great positive signal."

While global trade continues to face uncertainty, "Up to 14th September, our growth is upward of 15%. It's a great positive signal," Goyal said. The minister's comments point to a sharp improvement in export momentum in the opening weeks of September, following the strong performance

recorded during April-August, when India's merchandise exports grew 17.85% year-on-year to \$215.91 billion. Goyal did not disclose the absolute value of exports for September 1-14, but said the latest figures reflected the resilience of Indian exporters and the opportunities opening up in overseas markets.

NEW ISRO CENTRE TO COME UP IN ASSAM



Isro Chairman V Narayanan (right) and Assam Chief Minister Himanta Biswa Sarma at the foundation stone laying ceremony of Isro Telemetry Tracking and Command Network Advanced Radar Research Facility in Kamrup district, Assam, on Monday

How will tribunals function if there is no infrastructure? Every day they deal with thousands...of issues...They are govt's lifeline



The top court was hearing a suo motu case regarding appointment of judicial and technical members and inadequate infrastructure in the NCLT. The NCLT Bar Association has filed an application in a pending matter contending that at least 18 benches of NCLT

are holding only half-day sittings because of shortage of members. The association told the top court that the sanctioned strength of the NCLT continues to be 63 members even though its jurisdiction substantially expanded after the enactment of the Insolvency

and Bankruptcy Code (IBC). The plea stated that as of June 30, 2026, the tribunal has 26 judicial and 25 technical members, including the president. Meanwhile, the bench also asked the Centre to provide details of vacancies in tribunals, especially in Debt Recovery Appellate Tribunals. The bench was hearing a clutch of petitions highlighting that many tribunals may become defunct due to retirements and upcoming superannuations of presiding officers and members. The pleas sought a direction that the tenure of retiring tribunal presiding officers and members be extended till incumbents are appointed in their places.

Imports of pulses rise 62% on local output concerns

SANDIP DAS
New Delhi, September 21

IMPORTS OF PULSES surged 62% to 1.7 million tonnes (MT) in the April-July period of FY27, amid concerns over a dip in domestic output due to the El Nino threat, trade sources said.

In terms of value, imports rose 32% to \$0.97 billion, indicating that global prices remain relatively subdued despite higher demand from India. However, traders said that imports in the next few months would slow down as prices of yellow peas and lentils sourced from Canada have seen a sharp increase in the last few weeks, as supplies from Russia have been disrupted due to its conflict with Ukraine. "Imports in the next couple

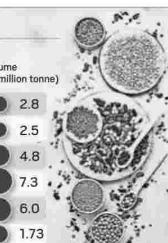
of months may slow down as several vessels carrying yellow peas and lentils from Russia have been stuck at ports because of severe logistical disruptions due to its conflict with Ukraine," Satish Upadhyay, secretary, India Pulses and Grains Association, told FE. Upadhyay said the volume of pulse imports in the next few months would depend on the kharif and rabi crops' yield prospects.

In terms of varieties, masur and yellow peas imports in the April-July period surged 2.77% and 91% year-on-year to 0.57 MT and 0.52 MT, respectively. Tur imports increased by 7% to 0.31 MT in the first four months of FY27. Urad imports have declined by 20% to 0.18 MT during the same period.

FOOD SECURITY

Pulses imports	Value (\$ billion)	Volume (in million tonnes)
2021-22	2.22	2.8
2022-23	1.94	2.5
2023-24	3.75	4.8
2024-25	5.48	7.3
2025-26	3.63	6.0
2026-27*	0.97	1.73

Source: Commerce ministry * April-July



Source: Commerce ministry * April-July

ONGC strikes deepwater gas well off Odisha coast

Company sees scope for early monetisation

SAURAV ANAND
New Delhi, September 21

STATE-RUN OIL AND Natural Gas Corporation (ONGC) has struck gas at a deepwater well just 43 km off Odisha's Konark coast, opening the possibility of early monetisation if further appraisal establishes commercial viability, the company said on Monday.

The discovery was made on September 18 at well MN-DW18-1-H-D in the Mahanadi Offshore Basin under ONGC's Samudra Manthan exploration campaign. It is the first well drilled in the basin under the initiative. The well, drilled to a target depth of 1,623 metres, encountered gas in the 1,441-1,452-metre interval, ONGC said in a statement.

The company said the well had been flowing gas for three days, with "encouraging flow and reservoir pressure", indicating positive initial results from the drilling campaign. However, commercial production is not yet assured. The discovery requires further appraisal and commercial evaluation before a development decision can be taken.

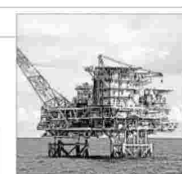
ONGC said the well's prox-

ENERGY BOOST

Discovery was made in the Mahanadi Offshore Basin under the Samudra Manthan exploration scheme

The scheme has an outlay of ₹84,084 cr through FY31

ONGC has a capex plan of ₹1 lakh cr for deepwater exploration over five years



ONGC has a drilling target of 87 wells by March 2031

It has allocated ₹43,200 cr to fund 60 deepwater and ultra-deepwater exploration wells

imity to the Odisha coast "offers potential for early monetisation", subject to the outcome of those assessments.

The company also identified an opportunity to develop the discovery alongside other finds in the region using common infrastructure. "This find, along with other discoveries in the area, can be a candidate for development through shared facilities," ONGC said, citing provisions under the Petroleum and Natural Gas Rules, 2025. The arrangement could allow discoveries in the area to be developed through shared infrastructure rather than separate facilities, although ONGC

has not announced a development plan or production timeline. The discovery strengthens ONGC's deepwater exploration programme as the company seeks to expand India's indigenous hydrocarbon resource base.

The well was spudded on July 25 by Petroleum and Natural Gas Minister Hardeep Singh Puri using drillship platinum explorer. The company has not disclosed recoverable gas reserves, estimated production volumes or investment requirements. Further appraisal will determine whether the discovery can move towards commercial development.

IOC board approves ₹2,449-cr natural gas pipeline project

THE BOARD of directors of Indian Oil Corporation (IOC) has approved an investment of ₹2,448.70 crore for the construction and operation of a 424.65-km natural gas pipeline connecting Kochi in Kerala with Thoothukudi in Tamil Nadu, according to a regulatory filing on Monday.

The Kochi-Kanyakumari-Thoothukudi Pipeline will have a system capacity, including common-carrier capacity, of 6.84 million standard cubic metres a day (mscmd). At least 1.71 mmscmd of the pipeline's capacity will be available as common-carrier capacity, allowing third parties access to the network in line with applicable regulations. The project will strengthen the natural gas pipeline network along India's southern coast.

AMPIN secures \$100 million from Norfund

AMPIN ENERGY TRANSITION has secured an equity investment of up to \$100 million from Norfund, the Norwegian government's development finance institution, taking its total equity capital raised to nearly \$1 billion and supporting capital deployment of over \$4 billion, the company said.

The investment will support AMPIN's expansion in commercial and industrial (C&I) and utility-scale renewable energy projects. It currently has a portfolio of 6.3 gigawatt-hours of storage. "This equity investment from Norfund reaffirms AMPIN's position as India's most complete renewable energy transition company," said Pinaki Bhattacharyya, founder, MD and CEO of AMPIN.

—FE BUREAU

PATCHY RAINS BRING BAD TIDINGS

Imports of pulses rise 62% on local output concerns

SANDIP DAS
New Delhi, September 21

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of months may slow down as several vessels carrying yellow peas and lentils from Russia have been stuck at ports because of severe logistical disruptions due to its conflict with Ukraine," Satish Upadhyay, secretary, India Pulses and Grains Association, told FE. Upadhyay said the volume of pulse imports in the next few months would depend on the kharif and rabi crops' yield prospects.

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Weak monsoon may dent tractor volume growth

FY27 wholesales to grow 1-4% vs 24% in FY26: Icara

AKBAR MERCHANT
Mumbai, September 21

TRACTOR WHOLESALE VOLUME growth is projected to moderate to 1-4% in FY27, following a strong 23.5% year-on-year expansion in FY26, according to Icara. The slowdown is expected to be driven by a high base and downside risks from an uneven and deficient monsoon, which could weigh on agricultural activity and rural incomes.

Tractor wholesale volumes in August rose 6.5% year-on-year while retail registrations grew just 0.8%. Icara said retail demand is beginning to reflect an unfavourable base after nearly 18 months of strong double-digit growth. Emerging rainfall stress across some rural pockets is adding to the pressure. Monsoon performance remains the key risk for tractor demand in FY27. Driven by the emergence of El Nino patterns, cumulative southwest monsoon rainfall stood at 85% of the long period average (LPA) as of September 14, 2026. Icara cautioned that sustained rainfall deficits could hurt kharif crop production



FARM FACTOR

Wholesale volumes rose 6.5% year-on-year; retail registrations grew just 0.8% in August

Despite the expected moderation in volumes, manufacturers are likely to maintain resilient operating margins

and farm incomes, potentially curbing farmers' ability to invest in tractors and other farm machinery. This could also delay replacement demand over the remainder of FY27, particularly if rural cash flows remain under pressure. Despite the expected moderation in volumes, tractor manufacturers are likely to maintain resilient operating margins. Icara said operating leverage and stable raw material procurement costs should support profitability even as industry growth slows. The outlook, however, remains closely tied to the monsoon and the resulting impact on farm incomes, it said.

SC pulls up govt over poor tribunal infra

PRESS TRUST OF INDIA
New Delhi, September 21

HOW WILL TRIBUNALS function if there is no infrastructure, the Supreme Court remarked on Monday while directing the Centre to identify infrastructural amenities urgently required by the National Company Law Tribunal benches in consultation with the NCLT president. Observing that tribunals are government's lifeline, a bench comprising Chief Justice Surya Kant and Justices Joymalya Bagchi and V Mohana ordered the NCLT Principal Bench Bar Association to collect data on infrastructure at all regional benches in a tabulated format.

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are holding only half-day sittings because of shortage of members. The association told the top court that the sanctioned strength of the NCLT continues to be 63 members even though its jurisdiction substantially expanded after the enactment of the Insolvency

and Bankruptcy Code (IBC). The plea stated that as of June 30, 2026, the tribunal has 26 judicial and 25 technical members, including the president. Meanwhile, the bench also asked the Centre to provide details of vacancies in tribunals, especially in Debt Recovery Appellate Tribunals. The bench was hearing a clutch of petitions highlighting that many tribunals may become defunct due to retirements and upcoming superannuations of presiding officers and members. The pleas sought a direction that the tenure of retiring tribunal presiding officers and members be extended till incumbents are appointed in their places.



Opinion

TUESDAY, SEPTEMBER 22, 2026

Who guards governance?

The Coforge episode exposes a troubling flaw in how Indian boards police themselves

THE MOST ASTOUNDING aspect of the governance controversy at Coforge is not who did what, or even why. It is that the governance architecture of a large listed company could apparently permit one or two individuals—even if they happened to be the chairman and the head of the Nomination and Remuneration Committee (NRC)—to determine whether material findings from a board peer-review exercise reached the full board. Companies conduct board evaluations precisely to ensure that directors, including the chairman, are subjected to scrutiny. If the person being evaluated can influence whether an unfavourable assessment is seen by fellow directors, the safeguard becomes almost meaningless. It is the corporate equivalent of a schoolchild intercepting a poor report card before it reaches his parents. A credible system cannot depend on an individual voluntarily transmitting information that may reflect adversely on him. It must make suppression or selective circulation of such information structurally difficult.

That is why the Coforge episode should not be reduced to a judgement only on OP Bhatt. The more important question is how such discretion was available to any individual in the first place. Sound governance assumes that people have conflicts, biases, and incentives, irrespective of their reputation or intentions. Board evaluations should therefore have an automatic information trail, with the complete report going simultaneously to designated independent directors or the entire board. There should be additional safeguards when the evaluation concerns the chairman or NRC chair. No chairman should have a de facto veto over what fellow directors learn about his evaluation; nor should a committee chair decide unilaterally which findings merit circulation. When governance depends upon the discretion of the person it is supposed to oversee, it ceases to be governance and becomes trust.

There is a broader lesson for Indian boardsrooms, where governance too often risks becoming synonymous with having distinguished names around the table. Impressive résumés cannot substitute for institutional checks. Boards need to ask some uncomfortable questions after Coforge. Who receives the raw findings of an evaluation? Can management, the chairman, or a committee head edit, summarise, or withhold them? Who ensures that adverse observations concerning the chairman reach independent directors? Is there an audit trail? Shareholder signals matter too. Bhatt's proposed reappointment did not obtain the required 75% shareholder approval at Coforge's August annual general meeting. Such dissent should not be dismissed as an inconvenient voting outcome; it is information a board must examine seriously.

Coforge deserves credit for subjecting the matter to an internal governance review and subsequently widening its examination of governance processes. But Indian boards should not wait for a controversy to fix an obvious design flaw. Board evaluations may rightly be confidential from outsiders, but not from directors legally and fiduciarily responsible for governing the company. Nor should strong operating performance provide comfort when governance machinery malfunctions: financial performance and governance quality are separate tests. The enduring lesson from Coforge is larger than any chairman, director, or company. Governance is not demonstrated by codes, committees, and annual evaluation exercises, but by whether uncomfortable information can travel through an organisation without being stopped by the people whom it makes uncomfortable. If a listed company's governance framework leaves room for the corporate equivalent of hiding the report card, the bigger problem is not merely who hid it. It is that the system allowed it to be hidden at all.

The new playbook for India's internet economy

FOR MUCH OF the past decade, the internet economy had a fairly simple obsession: growth. Acquire customers, increase orders, expand gross merchandise value (GMV), and wait for scale to deliver profitability. But the latest trends across global technology and commerce companies suggest this playbook is changing. Amazon, Walmart, Alibaba, Meituan, DoorDash, and Instacart are still chasing growth, but the transaction itself is increasingly only the starting point. The bigger opportunity lies in everything that can be built around it.

The first change is speed. The lines separating traditional e-commerce, quick-commerce, and food delivery are rapidly disappearing. Amazon's rapid-delivery offering grew around 80%, while Alibaba's China quick-commerce revenue grew 45% and now accounts for around 20% of group revenue. Alibaba expects non-food to overtake food in instant commerce and has indicated that fast delivery could eventually account for around 30% of platform sales. DoorDash, meanwhile, is moving beyond restaurants and grocery into pharmacy, beauty, wellness, and general merchandise.

For India, this changes how we should think about Blinkit and Instacart. The opportunity is no longer merely about taking grocery online and delivering it faster. Once consumers open an app several times a week, and the platform has warehouses and riders positioned close to them, the same infrastructure can potentially serve a much larger part of the consumer market.

There is, however, an important lesson from China: not every order is equally valuable. PDD has deliberately stayed away from quick commerce, preferring to invest in supply chains and rural demand. During China's subsidy battle, Meituan found competitive gains were concentrated among mid-to-high average order value consumers, while more price-sensitive users attracted through competitor subsidies showed weaker repeat behaviour. This is particularly relevant for India. Discounts can buy GMV and market share, but they not necessarily build a valuable consumer franchise. The more profound change, however, is happening after the order is won.

Walmart provides perhaps the clearest example. US comparable sales grew just 2.6%, yet profit went up around 10% before tariffs, with almost half of the rise coming from advertising, marketplace, and membership. Walmart's global advertising revenue grew 38%, Amazon's ad business grew 26%, while Instacart's ad revenue rose 16%.

This may be the most important global read-through for Indian internet companies. Blinkit, Nykaa, Meesho, and FirstCry are also potentially powerful media platforms. They know what consumers search for, what they eventually buy, and how frequently they return. Unlike traditional advertising, commerce platforms can close the loop between an advertisement and the final purchase. That means the same consumer and the same GMV can be monetised more than once—potentially at significantly higher margins.

Then comes AI, where Indian platforms could occupy an unusually advantageous position. Amazon, Meta, and Alphabet have increased capex sharply as they spend enormous sums building AI infrastructure. Indian consumer platforms do not have to finance that infrastructure race. They can consume the technology that it creates. Amazon's Alexa for Shopping users spend over 40% more per order, while AI-led ad tools are improving conversion and lowering acquisition costs. For Indian platforms, AI can improve search, recommendations, advertising yields, inventory management, customer service, fraud detection, and delivery routing. They could effectively become second-order beneficiaries of the billions of dollars being invested in AI. Automation could eventually address another stubborn cost: fulfilment. DoorDash is experimenting with delivery robots. It operates autonomous delivery vehicles, and Meituan is scaling drone deliveries. It suggests today's rider-intensive deliveries shouldn't be considered the terminal cost structure of these businesses.

Put all of this together and the internet playbook is shifting—from maximising GMV to maximising the economics of every customer relationship.



KARAN TAURANI
Editor, Elara Capital

Elara Capital



INDIA-NEW ZEALAND FTA

Commerce Minister Piyush Goyal

This will open new opportunities for Indian exports including textiles and apparel, leather and footwear, engineering goods, pharmaceuticals, agriculture and processed food products

GREENLAND DEAL

GREAT-POWER COMPETITION IS SPILLING INTO SPACES ONCE SEEN AS PERIPHERAL TO MAINSTREAM GEOPOLITICS

An Arctic security bargain

HARSH PANT

Vice President, Studies and Foreign Policy, Observer Research Foundation, New Delhi



THE NEW US-DENMARK-GREENLAND security agreement marks an important, if uneasy, adjustment in the strategic balance in the Arctic. It expands the US military and investment screening role in Greenland without altering the island's formal constitutional status or transferring sovereignty. Announced by President Donald Trump last week, with formal signing expected at the UN General Assembly in New York, subject to parliamentary ratification, it brings an end, for now, to months of extraordinary tension triggered by his repeated suggestions that Washington should acquire or even seize Greenland.

The significance of the agreement lies less in any change in sovereignty than in the expansion of the US's strategic access. Trump has described the arrangement as providing Washington "permanent control over security, and all other needs" through an "infinite life agreement," while insisting that it would come at no cost to the US. The reported provisions point towards a substantial strengthening of the American military position on the island. Washington would gain expanded rights to develop additional bases, maintain permanent access, and exercise broader basing and overflight privileges.

This is, however, an extension of existing architecture. The US already operates Pituffik Space Base under the 1951 Defense of Greenland Agreement, which provides Washington with broad, open-ended rights. What the new arrangement does is institutionalise and potentially widen that strategic footprint.

The agreement is equally significant for what it seeks to prevent. Non-NATO states—most obviously Russia and China—would be barred from establishing military bases or maintaining a military presence in Greenland, while sensitive investments would require US approval. The investment-screening provisions are particularly revealing. The emerging context in the Arctic is not simply about military geography; it is also about control over infrastructure, critical minerals, and technological supply chains. Greenland's min-

eral wealth, including rare earth elements, has acquired added importance as Western governments seek to reduce dependence on China which dominates rare-earth processing.

Yet, the agreement preserves political red lines—Danish sovereignty and the territorial integrity of the Kingdom of Denmark are reaffirmed, while Greenlanders' right to self-determination remains intact. There is no transfer of territory or ownership; the Danish and Greenlandic leaders have presented the arrangement as a strengthening of Arctic and North Atlantic security rather than a surrender of sovereignty.

For Denmark, this distinction is critical. Copenhagen has avoided the far more destabilising possibility of a confrontation with its principal NATO ally over the territorial integrity of the kingdom. Its leaders had warned that the use of force by one NATO member against another would strike at the foundations of the alliance itself.

There are tangible advantages for Denmark. Greater US military engagement could strengthen the defence of the Arctic at a time when Denmark itself has been increasing defence spending and regional capabilities. Expanded US activity could also generate economic opportunities. But the arrangement comes with costs. Copenhagen and Nuuk will have less room for manoeuvre over certain categories of foreign investment, particularly where the US determines that Chinese or Russian involvement poses a strategic risk. More importantly, months of political pressure have left behind a degree of distrust that

an agreement alone cannot easily remove.

Greenland's position remains particularly delicate. The island, with a population of roughly 56,000, has an extraordinary strategic geography but limited political and economic capacity. Its location makes it critical for missile warning, North Atlantic sea lanes, and emerging Arctic shipping routes, while its mineral resources add an economic dimension to its strategic value. Greenlandic reactions to the

The Arctic is becoming a central arena in the contest over military access, critical minerals, infrastructure, and strategic influence

agreement have combined relief at the de-escalation with continuing apprehension about the long-term consequences of a much larger American role.

The European implications are broader still. The episode exposed a fundamental vulnerability within NATO. US pressure on Denmark forced European governments to contemplate

an extraordinary scenario where a NATO ally's territory became the subject of coercive bargaining by NATO's leading power.

The agreement provides a diplomatic off-ramp from that crisis. NATO can now focus on the more conventional objective of strengthening the defence of the High North and North Atlantic. But the damage to trust may prove more durable than the immediate dispute. European governments have already been moving towards greater defence capabilities and strategic autonomy, and the Greenland crisis reinforces the logic behind those efforts.

Thus, the agreement paradoxically strengthens NATO's northern flank while highlighting the political vulnerabilities within the alliance. It demonstrates that expanded US access can become a mech-

anism for de-escalation, but it also shows the risks created when the territorial interests of allies become bargaining instruments in a broader strategic negotiation.

For the wider Arctic, the deal consolidates a Western security perimeter around one of the region's most strategically key locations. It limits the space available for Chinese and Russian military or economic penetration while supporting US aims in missile defence and critical-mineral supply chains. At the same time, it is important not to exaggerate the immediate military threat posed by either Beijing or Moscow to Greenland itself. Before the crisis, many American and European officials saw limited direct military threats to the island. The more consequential competition has been over economic access, infrastructure, technology, and political influence.

Climate change makes the competition more pertinent. As the Arctic becomes more accessible, its sea routes, resources, and military geography are acquiring greater strategic significance. Greenland sits at the intersection of these trends. Its importance is unlikely to diminish regardless of which government is in power in Washington, Copenhagen, or Nuuk.

The agreement should be understood as a reconfiguration of Greenland's strategic context. Trump obtains greater American leverage and a durable security role. Denmark retains sovereignty and Greenland its constitutional and self-determination framework.

The underlying lesson is more complicated. Great-power competition is increasingly spilling into spaces once seen as peripheral to mainstream geopolitics. The Arctic is no longer a geographical frontier; it is becoming a central arena in the contest over military access, critical minerals, infrastructure, and strategic influence.

Greenland will remain a test of resilience of the transatlantic order. The agreement's longer-term significance will depend on how the new military access and investment-screening mechanisms are implemented, and on whether Denmark and Greenland conclude that their sovereignty is being strengthened by the deal or gradually constrained by it.

Let's financially equip gig workers



CS MOHAPATRA DEPANNITA GHOSH

Respectively IEPF Chair Professor and Senior Research Analyst, National Council of Applied Economic Research, New Delhi

A DELIVERY RIDER is paid through an app, buys his fuel and sends money home via UPI, and can tell his customer rating to the last decimal. Yet he might only quote what the platform paid him rather than what he makes, and merely gives about what insurance coverage. In other words, he is thoroughly banked, yet unable to comprehend his own finances fully and maximise financial well-being.

This gap in India's gig economy needs policy attention. A National Centre for Financial Education survey found only 27% of Indian adults are financially literate. For a salaried worker, provident fund, insurance, and a pay slip absorb much of the financial-management burden. But gig workers need to manage all three themselves.

A study by Dvara Research in Bengaluru found platform workers grossing ₹35,075 a month and spending ₹18,470 on fuel, maintenance, and other running costs. Most workers perceive the gross income as net. The Economic Survey 2025-26 records about 40% of gig workers earning below ₹15,000 a month. Of 11, the platforms assessed in the Fairwork India ratings for 2024, only two could evidence workers earning the local minimum wage once costs were deducted.

The behavioural evidence supports the financial literacy deficit in gig workers. A study by LEAD at Krea University found 62% lacked emergency fund, and close to half had no insurance. A 2024 survey across 40 cities by Borzo found 65% lacking life insurance, 7% holding no mutual funds, and 61% being unable to state the

income tax slabs. Two-thirds of gig workers would not file a return. Only 20% earned ₹2.5 lakh to ₹5 lakh annually. For ride-hailing services, while GST is managed by the platform, the workers are supposed to monitor their tax liabilities themselves. Lack of financial knowledge can result in self-inflicted exclusion from credit.

It has also become a constraint for existing schemes. The Atal Pension Yojana crossed 900 million gross enrolments in April. It pays ₹1,000-5,000 a month for those aged 60 years or above. The PM Shram Yogi Maandhan similarly offers ₹3,000. Registration on e-Shram is now the gateway to labour-court protections. Yet by June, against an estimated 1.2 million gig workers and a Budget commitment to cover roughly ₹1 crore, the labour ministry put the number registered at between 1 and 1.2 million.

Kenya offers a warning signal. By 2024, 84.8% of Kenyan adults had access to formal financial services compared to 26.7% in 2006. However, the FinAccess survey, held every two to three years, revealed that only 18.3% were financially healthy. Inclusion produces borrowers. India's instant loan apps are advertising to precisely this demographic.

Platforms record every trip, incentive, and deduction. A monthly statement in the worker's language, setting out gross

earnings, work-related costs, and net take-home, would help millions of people who they currently lack. A worker who can see his net income can plan around it.

The government or NGOs can make a short financial capability module a condition for aggregator registration in the workers' own language. Financial education cannot be an induction exercise; it has to travel alongside working life cycles. Platforms can use short, vernacular, mobile-first modules, interactive simulations, and gamified learning to explain budgeting, insurance, pensions, mutual funds, credit, taxation, and digital fraud.

Once workers understand the financial products and schemes available, platforms should use timely nudges

Workers should receive timely nudges when they get an incentive, take a loan, make a large withdrawal, or become eligible for a government scheme, directing them to the regulated financial product or official source. Periodic financial-literacy camps at delivery hubs, transport centres, and gig-worker congregation points, supported by banks, regulators, insurers, and pension providers, can complement in-app learning. Four topics carry the most immediate value: budgeting on an income that changes weekly, the difference between gross and net, how to enrol in a pension and an insurance scheme, and why an instant loan app quoting a daily rate is the most expensive money they will borrow.

Gig workers should know the simple difference between a bank deposit, insurance, pension, mutual fund, and credit product; who regulates each of them; how to check if a provider is legitimate; and which government schemes they are eligible for. A "financial toolkit" embedded in every gig platform could provide links to regulated products and official portals, explain eligibility in plain language, and allow workers to compare costs, risks, and benefits before they commit their money. Once workers understand the financial products and schemes available, platforms should use timely nudges. For example, reminding a newly eligible worker to enrol in a pension or insurance plan, or showing the true cost of an instant loan before it is taken. Auto-enrolment in the Atal Pension Yojana at onboarding, with a visible opt-out and the contribution met from the levy aggregators already, will enrol more gig workers in a quarter than a decade of awareness campaigns.

Financial awareness is worth little if the system cannot see the worker back. India already has the Account Aggregator framework. Platform earnings history should flow into it with the worker's consent. Besides, literacy surveys can consider carrying a gig worker module as there is no separate national measurement of financial capability. Riders know their rating as it matters to them as well as the platform, but they aren't aware about what they net in a month. A design choice made by platforms can remove this asymmetry of knowledge.

Policy attention and design choices by platforms can help workers comprehend their finances and bridge the financial literacy gap in gig economy

on Godavari and other river basins. The petroleum ministry needs to revisit the tripartite MoU earlier signed with Assam and Nagaland, facilitating the revival of oil exploration. It is time India changed its course of securing energy supply and to look inward.

—RV Baskaran, Pune

Write to us at letters@expressindia.com

LETTERS TO THE EDITOR

Oil self-sufficiency

Apropos of "Tariff shock, again" (FE, September 21), despite multiple siting and in-person meetings, the much touted trade talks between US and India still remain inconclusive. The proposed sanctions bill would punish countries importing Russian Oil including India. China. Despite

being invalidated by its Supreme Court, the US has been weaponising tariffs by impinging on sovereignty, freedom, and the right to choose countries for buying food essentials and energy. Its pressure tactics on India to buy \$500 billion worth of American energy, information and communication technology, and other consumable products crushes

India Inc's rights. There is a pertinent need to intensify oil exploration and production through the deployment of latest technology in drilling. The Centre needs to allocate liberal funds on creation of logistical infra, more processing facilities, laying of evacuation pipelines, etc. Recent findings of gas in the Andamans needs to be exploited, besides making progress

on Godavari and other river basins. The petroleum ministry needs to revisit the tripartite MoU earlier signed with Assam and Nagaland, facilitating the revival of oil exploration. It is time India changed its course of securing energy supply and to look inward.

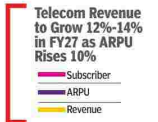
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Despite no industry-wide tariff hike since July 2024, ARPU growth has remained resilient, reflecting a structural shift in the telecom sector's growth drivers. Industry ARPU has increased at a CAGR of 11% from ₹142 in FY23 to ₹196 in FY26



Telecom Revenue to Grow 12%-14% in FY27 as ARPU Rises 10%



THE TIMES OF INDIA, NEW DELHI | TUESDAY, SEPTEMBER 22, 2026

Another tariff hike, alongside continued premiation, to support 10% ARPU growth and 12%-14% revenue growth in FY27, is expected, even as subscriber additions remain moderate

NZ trade pact to take effect on Oct 20, to give duty-free access

Negotiations With Canada Are Moving In Top Gear: Goyal

Times News Network

New Delhi: The India-New Zealand free trade agreement (FTA) will come into force on Oct 20 (Dussehra), providing duty-free access to 100% of India's exports, commerce and industry minister Piyush Goyal announced Monday. And, talks with Canada for a comprehensive economic partnership agreement (CEPA) are moving in top gear.

Next 90 days should be a very defining period in the Canada-India relationship, as both sides have resolved to fast-track negotiations, in view of which our team is now slated to go for the fifth round on Oct 5



“We are taking forward the next important milestone in our bilateral (with New Zealand) economic partnership, reflecting our shared commitment to build a stronger and a more ambitious economic partnership,” Goyal said.

Currently, New Zealand maintains tariffs of up to 10% on key Indian goods, including ceramics, carpets, automobiles, textiles and auto components. Goyal added that the pact also establishes an agricultural productivity partnership whereby New Zealand's technology will meet India's scale and growing demand.

The US and is seen to be keen to expand its trade footprint and reduce its reliance on its neighbour. India's major exports to Canada include pharmaceuticals, iron and steel, seafood, cotton garments, electronic goods and chemicals. Key imports from Canada include pulses, pearls and semi-precious stones, coal, fertilisers, paper and crude petroleum. Trade between the two countries stood at \$30.4 billion in 2025,

with an aim to double it to \$70 billion by 2030. Besides, Goyal also expressed confidence regarding the trade pact with Chile. “In the coming few months, we will hear some good news,” he said. Regarding the trade agreement with New Zealand, Goyal said it will help bilateral trade between the two countries to Rs 35,000 crore and will help facilitate \$20 billion investments in India over next 15 years in sectors such as star-

NSE IPO subscribed 5.7x, generates ₹90.2k cr demand

Times News Network

Mumbai: The Rs 22,568-crore NSE IPO was subscribed 5.7 times the bidding amount, generating a total demand worth nearly Rs 90,200 crore. While the institutional part was subscribed 12.7 times, the HNI part was subscribed 6.6 times and the retail part 1.4 times, data on BSE showed. The part reserved for employees was subscribed 2.4 times.

Sensex up 564 pts on easing crude

Mumbai: Sensex climbed 564 points to settle at 74,859 points while Nifty rose for the fourth consecutive session on Monday, supported by cooling crude oil prices, fresh foreign inflows and a positive trend in global equities. Nifty closed higher by 68 points at 23,414. Among sensex firms, UltraTech Cement jumped 4%, HCL Tech, Eicher and Titan rose too. Agencies

In the unofficial market for IPOs, the NSE shares were commanding a premium of Rs 61 per share, or about 3.4% over the upper level of the Rs 1,700-1,785 price band for the IPO. Since rising to a high of Rs 285/share or 16% earlier this month, the grey market premium (GMP) for NSE shares has seen a steady slide. Analysts and investment advisers remain positive on the stock if retained with a long-term investment horizon. The steady income, the near-monopoly status of the exchange in most of the segments within the stock trading ecosystem that it has a presence in and its status as a proxy for India's economic growth are all positive factors for investing in the stock, they said.

New Delhi: Govt has implemented a series of measures to boost the telecom and digital communications commission (DCC), which was originally established as telecom commission in 1998, before being renamed in 2018. The communication ministry's department of telecommunication (DoT) notified this decision through a Sept 19, 2026 resolution that was published in the Gazette of India. “With effect from date of publication of this resolution, the DCC shall stand dissolved,” says the gazette. Decision for projects up to Rs 100 crore can be taken by the secretary DoT, up to Rs 500 crore by the telecom minister and those above Rs 500 crore to Rs 1,000 crore were considered by the DCC. Now the same will be referred to the expenditure finance committee. **rw**

Govt winds up telecom commission

Interests of charitable trust may differ from that of co: Dimon

JP Morgan Boss Praises Tata Sons Chief, Says: ‘I Think The World Of Chandra. He’s Done An Extraordinary Job’

Mayur.Shetty@timesofindia.com

Mumbai: JP Morgan is the world's most valuable bank, and its chairman and CEO Jamie Dimon is the longest serving chief of a large global bank. In an interview with TOI, Dimon speaks of what it takes to run America's largest bank and his definition of success.



ON CHARITABLE TRUST BIZ MODEL
“I’m not saying it’s always bad. A company should be run properly, and the interests of a charitable trust could be very different from the interests of a company. A company has got to be healthy and vibrant and have proper governance. A structure like that sometimes works against that.”

■ You completed two decades at JP Morgan this year. What does it take to run a bank successfully for two decades? Is it conservatism approach?
I took over Bank One in 2000 which effectively took control of JP Morgan, so it has been closer to 26 years. I

TOI INTERVIEW

consider myself conservative, but banking always involves risk. Good risk-taking is analytical, not guesswork; assess competitors, costs, capital, liquidity and stress scenarios.

■ You introduced initiatives to help reduce the leadership changes in India. What should the objective be for a CEO? Should it be just shareholder returns and customer satisfaction, or should it go beyond that?
It is about the whole institution: products, services, systems, people, culture, ethics and compliance. In India, that means serving clients while respecting govt and regulatory expectations. If a new system strengthens the business for 20 years, build it even if it hurts near-term profits or share price. We also measure market share, competition and customer satisfaction because all three matter.

■ When you're already the most valuable, already the best bank, how do you measure success as a CEO?
I continually while matters, but a good company is more than a profit. Are you retaining, hiring and training good people and building a culture of openness, curiosity and innovation? Are you investing in products and systems? Maximising profit means little if products, systems or compliance fail and regulators are unhappy. You have to judge the whole business.

■ We're seeing a lot of leadership changes in India. What should the objective be for a CEO? Should it be just shareholder returns and customer satisfaction, or should it go beyond that?
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the Tatas, have a structure where they are owned by charitable trusts, and that's the route used to do good. Do you think that is the right structure for doing good?

“I’m not saying it’s always bad. A company should be run properly, and the interests of a charitable trust could be very different from the interests of a company. A company has got to be healthy and vibrant and have proper governance. A structure like that sometimes works against that.”

I have seen boards in big American companies that are more obsessed with how they look than whether the company is building great products. And that is bad not just for the company, but for society. If the company isn't healthy and vibrant, if it has the wrong goals, then it's bad for jobs, capital formation and the country. So you've got to be quite careful with something like that.

I understand what you are referring to, and, to be clear, I think the world of Chandra. He's done an extraordinary job in creating value for the foundations. Corporate governance is a very different concept. It's about the economic and the country. So you've got to be quite careful with something like that.

When I walk into the boardroom, I don't think the question is “What's the right thing to do for the company, its clients and the community?”

■ When do you think the Fed rate hike will start hurting and put stress on businesses?

At this point, it doesn't, but at some point it will start to put stress. I don't think the short rate is that important. I think it's more about the 10-year rate. I don't think one more 25-bps rate hike would do it. I'm very sympathetic to those facing stress, but I don't put that in the systemic category.

Forex swap window draws over \$143.5bn

Mumbai: Reserve Bank of India has mobilised \$143.5 billion through its special USD-INR forex swap facility, up from \$136.4 billion as of Aug 31, as banks reported further inflows from overseas borrowing and bonds. RBI has also updated the provisional figures for collections under the FCNR(B) scheme which closed on Aug 31 to \$133bn from the \$127bn reported on Sept 2. **rw**

RBI sells ₹25k cr G-secs in 2nd OMO tranche

Mumbai: RBI on Monday accepted bids worth Rs 25,000 crore in the second tranche of its open market operation (OMO) sale of govt securities, as it stepped up efforts to absorb surplus liquidity from the banking system. It accepted Rs 11,512 crore of 6.1% G-2031. Agencies

Small-city ecomm surges, order values trail big mkts

Supriya.Roy@timesofindia.com

Bengaluru: Online shopping is expanding beyond India's biggest cities, but the value of those purchases remains concentrated in larger markets. Of more than 200 million orders processed in the last 12 months up to July this year, 57.2% originated outside the 96 largest cities, but the orders accounted for just 39.3% of total transaction value. Their average order value was Rs 80, less than half the Rs 1,714 recorded in the largest cities.

Easy2Com, an e-commerce software company, compiled the data from transactions processed through marketplaces, brand websites, quick-commerce platforms, distributors and other channels connected to its system. Its customers include Boro-sil, Cred, Minimalist and Pilgrim, among others. The gap suggests that e-commerce growth outside the biggest cities is driven more by higher transaction volumes than by higher-value purchases. This could have implications for brands deciding where to hold inventory and how to manage deliveries across a wider network. The divide is even sharper at the state level. Of 15 largest states in the dataset, 13 changed position when ranked by transaction

Same-store retail spends up in Aug

New Delhi: Same-store retail spends across India increased by 9.6% year-on-year in Aug, up from 7% in July, according to SANKET (Spends & Key Emerging Trends) tracker by the Retailers Association of India and Innovati.

MS expands India capacity for cloud and AI services

Aabhas.Sharma@timesofindia.com

New Delhi: Microsoft's new India South Central cloud region in Hyderabad is among its largest infrastructure investments in Asia, the company's India and South Asia President Punit Chandok said, as it expands capacity for cloud and AI services. The facility is part of Microsoft's \$20.5 billion investment commitment across Asia. Chandok did not disclose how much of that would be spent on which particular business interests. He said the company would account for the resources data centres consume and what surrounding communities gain. “How do

you learn to build a data centre? It's by making sure that you're not oversteering the community,” he told TOI, citing water, power and jobs. Chandok said advanced air cooling would eliminate water use for cooling at the new facilities. He also said Microsoft was replenishing water near its data centres and had committed to one gigawatt of green energy of the region's solar and wind power. The company has not disclosed the new region's total power demand, making it difficult to assess those commitments against its expected resource use. Microsoft is pairing the infrastructure push with AI training, Chandok said. He put the

number of people trained at 10 million and said close to 25,000 jobs are secured for the company also has more than 17,000 engineers across 10 Indian cities, he said. Speaking at the launch, MeitY secretary S Krishnan urged Microsoft to expand its development and research operations in India along with its data centres. He said global investment in AI infrastructure would build domestic capabilities in areas including AI servers and semiconductors, while creating higher-quality jobs. Krishnan argued that future data centres should be located closer to electricity-generation centres, rather than concentrated around connectivity hubs.

GST rate rejig helps consumers upgrade

Aabhas.Sharma & Asmita Dey | TNN

New Delhi/Mumbai: A year after GST rates were cut, automotive dispatches have continued to climb. Several two-wheeler users moved to four-wheelers as price cuts improved affordability. TV buyers have shifted towards larger sets and consumer goods volume picked up in the Oct-Dec quarter, although they are now under pressure due to the West Asia crisis.

BOOSTING DEMAND

► 47.4 lakh passenger vehicles and 210.5 lakh two-wheelers dispatched from Oct 2025 to Sept 2026
► Monthly dispatches of PVs peaked at about 4.6 lakh in Oct 2025 and reached 4.4 lakh in Aug 2026
► FMCG Volume growth improved between Oct Q2 FY26 and Q1 FY27: HUL from flat to 5%, Marico from 7% to 11%, and Dabur

from 2% to 5%. Growth did not rise in every intervening quarter
TVs | Counterpoint reported 10% year-on-year shipment growth in Oct-Dec 2025; TVs sized 55 inches and above were the fastest-growing size category in Q1 2026, accounting for nearly a third of shipments even as overall smart-TV shipments fell one-third of shipments.

The trend, however, got stalled because of the uncertainty triggered by Operation Epic Fury in TVS and the cost against Iran on Feb 25 and Counterpoint's TV tracker recorded a 9.8% decline in shipments in April-June. GST on TVs above 32 inches, including

55-inch models, was slashed from 28% to 18% last Sept. Keshav Bansal, director at Intex Technologies, said the cut created “a meaningful affordability window” for bigger TVs. The largest market for big-screen business grew 80% in FY26, with smart TVs among the drivers, he said. But “unit volumes have not risen in proportion to value growth; the more significant shift has been in product mix,” as buyers chose larger screens and better technology. Bansal said lower GST also supported air-conditioned demand, alongside a favourable summer and a lower comparison base. Rising input costs, including memory chips for TVs, and the cost of meeting newer energy-efficient norms for ACs have since absorbed part of the tax benefit, he said.

“In the long-term, it is definitely a positive, especially with people looking to move to branded products. But there is some impact in the short run due to the recent increase in input prices. Also, full refund of input tax credit will help in offsetting some of the cost,” said Liberty Shoes executive director Anupam Bansal. FMCG companies initially saw an improvement in demand after the rate changes. Volume growth picked up at companies, including Hindustan Unilever, Marico and Dabur. Nestle India reported its strongest volume growth in five years in the Dec 2025 quarter, attributing it partly to a market recovery supported by GST benefits.

That early lift has come under pressure as companies raised prices to offset higher costs. Companies and analysts are keeping a close watch on sales in the current quarter.

Starbucks to set up GCC in Chennai

Chennai: US-based coffee chain Starbucks will set up a global capability centre (GCC) in Chennai. It will likely create 800 high-value jobs in the first phase.

Core sector growth at 3-mth low of 4.8%

Times News Network

New Delhi: Core sector growth fell to 4.8% in Aug, compared with 6.2% a year ago, official data released on Monday showed. Sequentially, the growth marked a slowdown from a four-month revised figure of 5% in July and was at three-month low.

Output in the newly added iron ore industry decreased 6.5% during the month, while fertiliser output (12.4%) contracted for the sixth consecutive month. Bank of Baroda chief economist Madan Sabnavia said higher growth in refinery products is due to exports and domestic consumption, while fertiliser production is down as sowing season slows and imports increase. The eight core sectors constitute 40.3% of the Index of Industrial Production (IIP), which measures output in the country's industrial sector, and is considered a bellwether for the latter's performance.



A thought for today

Nuclear energy, in terms of an overall safety record, is better than other energy

BILL GATES

Reform, Don't Target

IIT student suicides are tragic. Answer isn't villainising faculty, but recruiting more of them

The IIT system took decades to build. Since 1990s, global organisations who would otherwise stick only to Princeton, Wharton, MIT, have recruited IIT graduates in growing numbers. The hype over astronomical salaries of some IITians recruited on campus is only a tiny part of the story. The real story lies in institutional culture. The minds that earn those salaries were shaped by institutional rigour, built slowly and painstakingly. How was this achieved? Tough admissions tests, the ability to attract talent, deep links with industry, a committed faculty, a stated goal of maintaining a teacher-student ratio of 1:10, a focus on first principles of engineering, maths and science, especially in the early decades... the list is long.

Heartbreakingly, four students have died by suicide within months in IIT Bombay, one of the original five, and the second one to be instituted. In another of the top five, IIT Delhi, eight students have died by suicide since 2023. Academic pressure, exam failures, casteism, and depression, a variety of reasons have emerged as concerns. Equally concerning is that, in some cases, faculty and management are being wholesale targeted for a tragedy. A young person taking his/her life is a question any institution must face head-on.

But villainising professors and authorities, without waiting for results of an internal inquiry, does no one any good. Yes, IITs are about grinding academic standards - that's what makes them special. Yes, students who struggle to cope must receive attention, counselling, and advice, over and above what's normally available for IITians. It's also true though maintaining high performance standards cannot be negotiable in these institutions.

What went wrong when a student took his/her life will depend on specific circumstances of a case. But one general weakness of the IIT system is its inability to rigorously maintain the famed 1:10 teacher-student ratio. Faculty recruitment hasn't kept pace with student intake. Student numbers in IITs - there are 23 of them now - have roughly doubled over a decade, from about 65,000 to 1,35L. But teacher vacancies are high. It's only when there are enough quality faculty members that student anxieties can be properly addressed. IITs have every SOP - committees, probes, and grievance redressal systems. But, processes are one thing, capacity for meaningful implementation another. More than one senior faculty member and IITs' powerful alumni network have called for reforms. Listen to them.

India Must Go Thorium

Given complex geopolitics, India must fast-track utilisation of the local nuclear fuel

Introduction of thorium into India's nuclear reactors ought to be back on the table, after top nuclear scientist and former chairman of Atomic Energy Commission, Anil Kakodkar, suggested fast-tracking the transition. India's decades-old three-stage nuclear power programme was aimed precisely at utilising its vast thorium reserves. We're roughly 25% of world's thorium deposits, but less than 2% of global uranium reserves - the more common nuclear fuel.

So, why the thorium hold-up? Two reasons: tech limitations and uranium being an easier fuel as reactor feed. Per India's three-stage plan, first, Pressurised Heavy Water Reactors (PHWRs) were to use natural uranium to produce electricity. In stage two, Fast Breeder Reactors were to use plutonium, and breed fissile uranium from thorium. And it's only in stage three that fissile uranium was to be combined with thorium, creating a self-sustaining fuel cycle. India has mastered stage one with around 18 PHWRs in operation. But we have only just entered stage two, with the indigenously built Prototype Fast Breeder Reactor at Kalpakkam attaining criticality earlier this year. Stage three, which will actually help us exploit thorium, remains distant.

Kakodkar's proposition is simple: with global uranium supply coming under strain, due to a pickup in nuclear power production worldwide, India shouldn't wait for its three-stage plan to mature. Instead, it should look at ways to blend thorium into nuclear fuel for already operational PHWRs. An American company has already successfully developed a mix of thorium and high-assay, low-enriched uranium, which can be used seamlessly in existing PHWRs. So, Kakodkar's suggestion of blending hits the trifecta: it ensures energy security through thorium - much needed in today's complicated geopolitics - compresses the transition to local nuclear fuel, and bolsters electricity generation from clean nuclear power. India's goal is to achieve 100GW of nuclear power generation capacity by 2047. Only thorium, and greater participation of private players, as envisaged under SHANT Act, can get us there.

Prosehetics

A tour of the editorial operating theatre

Rituparna.Kakoty@timesofindia.com



I work in a syntax repair shop, aka rewrite desk. We're always looked because people get into trouble for not knowing when to stop. We revive commas that flatlined mid-sentence, resuscitate comatose sentences that forgot how to breathe between clauses, and treat chronic irritable colon syndrome. We do verb-al rehab for irregulars, noun replacements, pronoun transplants when they don't match their host, and emergency hyphenations to compounds on the verge of a breakdown. We do emergency apostrophe-ectomies when there's too much possessiveness in the air.

Dangling modifiers come in for reattachment surgery, fragments are stapled together until they form a complete thought, and passive voices get an active lifestyle plan. We do surgical strikes for small letters acting too big, and lower case management for capitals with an ego problem.

We also do quotation mark extractions for reported speech that won't shut up, exclamation point anger management, and we straighten curly quotes that got too bent out of shape. We offer Oxford comma add-ons for those who like to keep things inclusive, elision liposuction for contractions that let themselves go, and intensive care for interjections that are just too exclamatory for their own good.

Some cases walk in demanding all our parley skills, unleashing rhetoric no one else has dared to use publicly. We had a case of "armless" soldiers. Gave them a weapon. Then came "off-the-cough" remarks - full of phlegm, phlegm. We cleared its throat with an "off-the-cough" lozenge of logic.

We admitted a "poeticism's torchlight enlightened the thief's backside" for a classic case of posterior luminescence leading to acute glacial visibility. For the record, the not-so-bright burglar was hiding under a hedge after a failed attempt at a burglar's home. Hedging our bets, the report got a full light revision. Next on the OT table was a "member dismembered for anti-party activities" - a textbook case of political amputation without anaesthesia. We performed a clean membership resection and sutured the report back with a simple "expelled".

Come in with a typo and leave with a beautiful prose-thee. No matter how fragmented your paragraph is, we'll have it fully punctuated and discharged. Walk-ins are welcome, just don't forget to take a token, or you'll lose your place in the sentence between headlines and deadlines.

What Germany's Right Is Doing Wrong

Rightwing parties in countries that value individualism & liberal democracy, must moderate their stand to be able to govern. AfD, which can't find coalition partners, should understand this

Andreas Umland



Columnist based in Berlin

Outcomes of two regional elections in Germany this month are telling. The Sept 2026 regional election in Saxony-Anhalt appeared - in view of the small population of just over 2m in the small German state - as a minor European event. Yet, the election represented a historic turn in the political development of the Federal Republic of Germany. Europe's largest economy since 1949 when FRG was founded.

For the first time, a rightwing radical party, the so-called 'Alternative for Germany', known by its German abbreviation AfD and founded in 2013, has achieved, with a result of 43.8%, a victory of such proportion in a regional election.

The AfD has gained 39 of 83 seats in Saxony-Anhalt's regional parliament, coming close to an absolute majority of mandates. Coalition talks and parliamentary voting rounds over the next few weeks will show whether AfD will manage to take over the executive of Saxony-Anhalt as well.

A regional state gov't dominated by AfD - if it materialises - would represent an even more fateful new trend in German politics. Moreover, Saxony-Anhalt's landmark election was not a negligible outlier, within formerly communist East Germany.

A second election, two weeks later, in the neighbouring, northeast German state of Mecklenburg-Western Pomerania, again saw AfD win 38% votes, a landmark victory, on Sept 20.

AFD is a nationalist, Eurosceptic and anti-immigration movement, as well as a culturally nationalist, politically illiberal, yet economically libertarian party - on the right fringe of Germany's otherwise liberal, pro-European political party spectrum of Christian, social, free and green democrats. Some of AfD's regional organisations, including the one in Saxony-Anhalt, have been classified by Federal Service for the Protection of the Constitution as 'extremist', that is, opposed to Germany's constitutionally enshrined liberal-democratic order.

Because of AfD's ambivalent stance to Germany's fascist past, many other European rightwing radical parties, such as France's National Rally, refuse to cooperate with the German nationalists. Yet, in contrast, Musk and Trump have both publicly greeted AfD's electoral success.

While AfD contains a fascist faction, neither the organisation's rise as a whole, nor its growing electorate during the last 10 years, indicates an impending return to German Nazism. Instead, AfD functions, in many ways, as a protest party. It manages to channel social frustration, political disappointment, and cultural pessimism.

That concerns especially East Germany which had been part of the Soviet bloc from 1945-1990 and, today comprises (without Berlin) 12.4m of Germany's 83.5m inhabitants. AfD is far more popular in this territory of the former communist, German Democratic Republic (GDR), than in West Germany, a political democracy since 1949.

Often, East Germans' dearth of democratic experience, and socio-economic turbulence during the 1990s decade

occupation, it missed out on West German society's liberalisation and pluralisation in the aftermath of the 1989 student revolution throughout the West.

Since 1970s, Western societies have become increasingly shaped by individualism, pluralism, feminism, ecologism, post-colonialism, cosmopolitanism, and similar anti-conservative ideas. However, until 1989, the Iron Curtain shielded GDR from such trends. They thus, preserved, more so than West Germans, remnants of traditionally hierarchical, illiberal and ethnocentric German political culture that dates to the immediate post-war, and even pre-war periods.

The most important cultural gap between West and East Germany lies in how they view the historical and political meaning of the fascist era (1933-1945), and what it has meant for Germans since 1945. In West Germany, the Nazi mass crimes, Germany's responsibility for them, the failure of German anti-fascism, and their implications for the present have been extensively debated, researched and examined over several decades, labelled *Vergangenheitsbewältigung*, which translates to "coming to terms with the past."

To be sure, educational policies, critical approaches and public discourse concerning origins, nature and consequences of German crimes, under Nazism, were extended to former GDR's territory after Germany's reunification in 1990. Yet, East Germans' only belated and partly imposed participation in *Vergangenheitsbewältigung* has resulted in far less scepticism towards

rightwing extremism, than in West German society. It also resulted in a higher degree of anti-Americanism in the East than in West Germany.

Today, this expresses itself through more support for anti-Western regime of Putin and tolerance for Moscow's connections with AfD. While all centrist German parties have become supportive of Ukraine, Germany's far right, as well as far left, have taken a more or less pro-Putin position, opposed to both sanctions against Russia, and military help for Kyiv.

So far the proportional, parliamentary and multi-party political system of Germany is limiting AfD's influence as it remains a growing, yet isolated and stigmatised political force. Unless German nationalists become more moderate - as, for example, the Swedish and Italian radical right have recently become - and thus a possible coalition partner, AfD's direct influence on Germany's domestic and foreign policies will remain limited.

The writer is a political scientist



Unless German nationalists become more moderate as have the Swedish and Italian radical right, AfD's direct influence will remain limited

of transition, are used to explain their different voting behaviour. These traumas, as well as an outflow of young people and women, fewer Christian churches, and rapidly ageing society of East Germany are standard explanations for the east/easterners' preference for both far-left or far-right antisystemic parties. In East Germany, there is also a widespread belief that, allegedly, *weissis* (Western Germany) do not accord *ossis* due respect.

The strongest determinant of East Germany's low support for liberal democracy, is that, under Soviet

The Crown Left. The Wig Stayed. It Shouldn't

Calcutta HC should discard colonial relics like the wig and scarlet robe. Every other HC has done this. Constitutional courts draw their authority from the Constitution, not from pre-Independence traditions

Aditya Prasanna Bhattacharya



On Sept 9, Justice Ravindra Vishal Rao Ghuge was sworn in as the 45th Chief Justice of Calcutta high court in a full-bottomed white wig and a robe of bright scarlet. No other high court in the country stages a scene quite like this. Elsewhere a chief justice takes office in a plain black gown. Only in Calcutta do the horsehair and the crimson survive.

The Constitution has nothing to do with any of it. Article 218 sets out how an HC judge enters office. They make an oath before the governor, promising to bear true faith and allegiance to the Constitution and to discharge their duties without fear or favour, affection or ill-will. The wig, the scarlet robe, and the very notion that a judge must be dressed as an apparition from another century, appear nowhere. What Article 218 asks for is a holder of high office swearing loyalty to a republican text, and what Calcutta adds to it is the wardrobe of empire that the text was written to replace.

This wardrobe is an inheritance, which now is just a choice. Calcutta HC is the oldest in India, constituted by Letters Patent issued in Queen Victoria's name on May 14, 1862, successor to Supreme Court of Judicature at Fort

William. Its first Chief Justice, Sir Barnes Peacock, was an Englishman, and its red-brick Gothic home on the Esplanade was modelled on a medieval cloth hall in Ypres, Belgium. The wig and robes were the uniform of judges who answered, in the last resort, to a monarch across the sea, and every detail, from curls to the ermine they once carried, was meant to fix a man's place in an imperial order of rank.

Britain itself has taken them off. In 2008, after public consultation, judges in England and Wales stopped wearing wigs, wing collars and bands in civil and family cases, keeping the old dress only for criminal trials and ceremony. In criminal courts the wig endures, for a practical reason as much as a symbolic one: it lends the judge a measure of anonymity once trial is over and she steps back into the street. Even barristers, who've worn the wig for over three centuries, are now weighing whether to lay it aside, in the interests of a profession that no longer wishes to advertise privilege. The country that invented the costume and shipped it around the world has decided it could

do without most of it. But a former colony guards the full regalia, ostensibly because it is viewed as heritage.

It would be easy to wave all this away as harmless pageantry, but it is not. A self-image built out of these symbols can, on occasion, ossify into argument, which has concrete implications. A little over 15 years ago, Calcutta HC had resisted a request under RTI on the strange ground that a court established under "the hand of Her Majesty Queen Victoria" did not fall within the domain of Indian President or GOI. A dead emperor was summoned to keep a living citizen from asking an ordinary question.

Although this contention was swiftly rejected on appeal, this episode shows what the whiglike in comic form: an instinct to treat HC as an imperial grant, standing above subjects, rather than a public institution answerable to citizens.

This is why shedding these forms is in the court's own interest and not merely a matter of taste. A constitutional court draws its authority from the Constitution and from the citizens in whose name it speaks, not from a royal

charter. Everything that presents the judge as a Lord in borrowed finery works against authority. It suggests to the litigant that the law is a foreign inheritance administered by a distant breed of people, when the promise of Article 14 is that all stand equal before it.

It makes the courtroom harder to walk into at precisely the moment we say we want justice to be within ordinary reach. It sits oddly beside everything else the system now claims to be doing, from replacing the colonial criminal codes to sweeping obsolete British statutes off the books. A legal system cannot credibly decolonise the law it applies, while dressing as empire that wrote it.

Some of Calcutta HC's traditions are worth defending. The incoming CJ's oath is administered inside the courtroom, among judges and bar, rather than at governor's residence. Symbolically, this reinforces the independence of the judiciary. Dignity, gravity and ceremony are worth preserving but these don't need the wig. They are carried on the robe and the bench.

CJ Ghuge has inherited the court and the wig. To advance the first, he must set the latter down. It's 76 years into the Republic, a court should look like it belongs to the people it serves, and not to the crown that once served itself through them.

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Calvin & Hobbes



Yom Kippur And Practice Of Moral Reckoning

Ezekiel Isaac Malekar

Yom Kippur, Day of Atonement, *Ishama yachana*, is one of the most sacred days for Jews, devoted entirely to prayer. It was celebrated on Sept 21 and is also called the Sabbath of Sabbaths. Every Jew in whose soul still glimmers a spark of religious feeling and of brotherhood betakes himself on that day in the synagogue, for hours of reading Holy Scripture, praying, and observing a 24-hour rigorous fast without a drop of water.

Other days of Jewish religious festivals are enriched by historical memories. Passover recalls the Exodus from Egypt; Shavuot, revelation at Mount Sinai; Sukkot, desert wandering; Hanukkah, Purim, and the Fast of A; these appeal to Jewish historical traditions. But Yom Kippur exercises a purely

spiritual appeal, which is uniquely strong because it responds to one of the profoundest longings of the human soul to free oneself from all mundane exigencies and distractions, to shut out all the grossness of work and pressure, rising above physical appetites, and disturbing trivialities of the daily routine, to take refuge within God's sanctuary.

Yom Kippur is consecrated to a fearless introspection, weighing our habits, tendencies and manner of living. We scrutinise our record of the past year and ask for the help of the Divine within us and above us to correct the flaws in the texture of our soul, as we lay on this altar an

offering of remorse for the past, and we determine to achieve amendment in future. Can forgiveness be meaningful without responsibility? And without responsibility, without confronting the harm done in the past?

During silent confession, Jews say: "We have been guilty and have dealt falsely and dishonestly. We have sinned and perverted the right. We have forged falsehood and lent evil counsel. We have been false, covetous, and rebellious. We have been proud and impatient of discipline. We have done wrong, broken faith, and been harsh and hard. We have erred from Thy righteous path and, in looking,

led others astray; turning aside from Thy loving commandments and teachings, and it has profited us naught." And then say: "May it be Thy will, Lord, our God, to deal with us in mercy; forgive us all our iniquities."

No priest, mediating saviour, or leader is needed to bring atonement between the individual's soul and God. Yom Kippur underlines the philosophy of invincible optimism. Jew looks out on the world with wholesome conviction of man's ability, by his own efforts, to attain virtues.

The greetings used during the day is 'Gemar Haimah Tochah' 'May you be well soiled for good in the Book of Life. This is the sealing of the year. Every householder, on his return home, repeats the greetings, after which he starts building the Sukkah to begin the New Year with a pious deed.

Sacredspace



Do not conquer the world with force, for force only causes resistance. Thorns spring up when an army passes. Years of misery follow a great victory. Do only what needs to be done without using violence.

Tao Te Ching

A new growth strategy

India must plan for a changing global economic environment

Chief Economic Advisor to the Government of India V Anantha Nageswaran last week cautioned that the widening of the war in West Asia had increased external uncertainties for the country's economy. The Indian basket of crude oil, for instance, which averaged \$83, \$82 and \$90 in June, July and August, respectively, increased to about \$114 thus far in September. Dr Nageswaran further noted that developments in geopolitics, supply chain and technology had placed India at an inflexion point, and what served it well in the post-Independence and post-liberalisation era might not necessarily work in the coming 25 years. Thus, the willingness to change course and reimagine the ways of functioning will be crucial.

Potential artificial intelligence-led disruption in the labour market, pressures of urbanisation, and anxiety among young people are among the immediate challenges for policymakers. Further, raising the share of manufacturing in India's output and ensuring sustained growth over the medium- to long-term remain essential to realise the target of making India an advanced economy by 2047. All this will not happen on its own. India needs a cohesive strategy. To be sure, the NITI Aayog held consultations on a vision document for India to achieve the "Viksit Bharat" goal and discussed it with states at governing-council meetings in 2024 and 2025. States such as Chhattisgarh, Madhya Pradesh, Odisha, Rajasthan and Telangana unveiled their Viksit Rajya/2047 vision documents in 2025-26. Several others are working on similar documents. But disappointingly, such a policy paper has not seen the light of day nationally. The current position appears to be that the NITI Aayog will assist states only in designing their state-specific development strategies in the interests of cooperative federalism.

To be fair, it is important that every state works purposefully to become developed, which will aid the national goal. It is also true that observations in a national-development blueprint on issues under the constitutional purview of states can only be indicative and informational, and these should be covered by states. However, given the seismic shifts taking place globally — multilateralism being replaced by bilateral trade arrangements, erosion of the rule of law, and weaponisation of resources, technology, financial systems, trade routes and currency — there is a need for a national "vision document" or a strategy that sets the broad approach to navigating these currents. Also, a national strategy is essential for India's manufacturing sector to integrate with global supply chains and leverage the strength of individual states. It is well accepted that for sustained growth in manufacturing, it is important to get the foreign-trade policy right, which is the domain of the central government. States can improve the ease of doing business at their level, but if enterprises cannot sell abroad or import cheaper inputs, investment will remain lacklustre, and growth will suffer.

The central government, therefore, needs a blueprint that integrates external-trade policies, domestic taxation, financial-sector policies, and issues relating to public goods and infrastructure to accelerate economic growth and development. Such a document can have short-, medium- and long-term goals. It can be periodically revised and possibly debated in Parliament. It will also give businesses a clear sense of direction and policy initiatives, boosting confidence and investment. Indeed, the global environment is not supportive, and India needs to put in more effort to grow at higher rates sustainably. However, for that to happen, it needs an overall framework and strategy.

Thin power buffer

The country needs a more flexible and resilient system

The sharp deterioration in coal stocks at thermal power plants is a warning that India's power system has little buffer to absorb weather-related shocks. According to the recent Central Electricity Authority (CEA) data, the number of plants with critical coal stocks rose from 59 on September 9 to 74 on September 19. Plant-level coal stocks fell 7 per cent in a week, from 24.7 million tonnes (mt) to 22.9 mt, leaving inventories at only 39 per cent of the normative requirement. Stocks have fallen to levels that can support about seven days' power generation, as against the normative 18 days. Further, at the same time last year, around 15 plants were in the critical category and stocks were around 50 mt, or 89 per cent of the normative requirement. The immediate pressure is coming from an unusual combination of demand and supply conditions. Electricity demand rose 17.6 per cent year-on-year in the first 13 days of September, after increasing 12.4 per cent in August. Peak demand touched 269 gigawatt (Gw) on September 10, close to the year's peak of about 270 Gw recorded in May. Persistent heat has kept cooling demand high, while deficient rainfall has increased dependence on groundwater pumps for irrigation.

The supply side has simultaneously weakened. Reduced rainfall has lowered reservoir levels and hydropower generation. Hydropower generation since April was 10.85 per cent lower than in the corresponding period of 2025, according to an analysis of the National Power Portal data. Coal-based generation, in contrast, rose 10.64 per cent over the same period, showing how thermal power has had to compensate for weaker hydro output. Coal availability is also under pressure. Domestic production declined 3.1 per cent, year-on-year, during the first four months of FY27, largely because of lower output from Coal India and captive mines during the monsoon. Besides, the availability of coal at the pithead does not necessarily translate into adequate stocks at power plants. Coal India continues to hold a stock cushion of 76 mt as of early September, but ensuring their timely movement to individual power stations, particularly during periods of high demand, remains critical.

The system has begun using more expensive alternatives. Gas-based generation rose 80.3 per cent during the first week of September from a year earlier, but higher gas prices make this an expensive fallback. The immediate priority should, therefore, be operational. Coal takes need to be prioritised for plants with the lowest inventories, while mine-to-plant logistics on road and rail should be coordinated more tightly. Pre-monsoon stock-building also needs to become more systematic, with higher buffers at plants vulnerable to transport disruptions. Coal India's rising dispatches as the monsoon eases provide some relief, but the CEA data suggests that rebuilding plant inventories will take time. In the longer term, India needs a power system designed with adequate flexibility. A faster deployment of storage, flexible gas capacity, and better hydro-reservoir management can reduce the need to stretch coal plants whenever weather disrupts. India cannot prevent a deficient monsoon or an unexpectedly hot September. It can, however, ensure that such events do not translate into thin coal inventories, expensive emergency purchases, and supply shortages.

SpaceX, space economy, and India

Space is one of the few technology-intensive arenas where India is relevant. It offers a playbook for other sectors



ILLUSTRATION: BINAY SINHA

SpaceX's initial public offering, the largest in history, raised \$7.5 billion with a market capitalisation exceeding \$130 billion. Given the hype and valuation, it is easy to dismiss the company as a bubble. Rather than jumping to conclusions, I went through various self-side company models to understand the embedded growth expectations and how they justify \$3 billion price targets. I have taken a five-year view to assess what the company could become.

The first critical assumption is that data centres in space will work, become a low-cost source of computing, and that demand for computing will be strong enough to absorb all the capacity being set up, both terrestrial and orbital. By 2031, analysts think, artificial intelligence (AI) revenue, both compute and intelligence together will reach \$440 billion, accounting for about 67 per cent of SpaceX revenues and 70 per cent of operating profits.

Analysts estimate that SpaceX will put an incremental 20 Gw of orbital data centre capacity in 2031 alone and stop expanding all terrestrial data centre from 2030 onwards. For context, India as a country is expected to have 10 Gw of operational data centre capacity in 2031.

Analysts are building approximately 3,500-4,000 Starship launches in 2031. This launch cadence is required to fulfil the company ambition of launching over 150,000 satellites per annum by 2031 (each Starship can carry between 35 and 50 satellites). These satellites are needed to expand the Starlink broadband constellation to 100,000 satellites from 11,000 today, and to put in place the orbital data centre constellations on which the multi-trillion dollar valuation ultimately rests.

On the Starlink broadband connectivity service, analysts do not give it much credit for being successful with a direct-to-device mobile offering but have the company delivering over \$140 billion in consumer and enterprise broadband revenue, with over 150 million active subscribers.

I am not getting into the Terafab chip business and the newly announced turbine blade businesses, which seem far away. To underwrite a multi-trillion dollar valuation for SpaceX, you have to believe in orbital data centres and a scaled Starlink broadband service. The whole thesis ultimately rests on achieving rapid and full reuse of the Starship rocket and bringing launch costs per kg to below \$100. The company launched 165 Falcon 9 rockets last year, which are partly re-usable (the Stage 1 booster is reused). Starship is designed to be fully reusable, with both the Stage 1 booster and Stage 2 ship itself being reused, and is designed to carry five to seven times the payload of Falcon 9.



AKASH PRAKASH

Starship is still under test and is yet to demonstrate rapid and full reuse. Without rapid and full reuse, there is no path to achieving the launch cadence and costs required to make the orbital data centre plan viable. Thus, the entire company is a bet on the success of the Starship rocket. Without Starship, there is no path to a market capitalisation in the trillions.

Analysts have the company delivering revenues of over \$650 billion, with an operating profit of over \$335 billion by 2031. The company itself is projecting revenues of \$1 trillion by 2030 (that is 25 per cent of India's current gross domestic product).

The models have the company generating no free cash flow through 2031, with capex of over \$1.76 trillion from 2026 to 2031. Total annual capital expenditure for listed Nifty500 companies in India is about \$100 billion. This is the scale and ambition of SpaceX.

Studying SpaceX, one gets some understanding of the importance of the space economy. Whether it be communication or surveillance, orbital data centres, warfare and space-based manufacturing in the future, space will be a critical area of future growth. Within space, both launch capability and satellite design/manufacturing competence will be critical.

Unlike semiconductors, electrification, renewables or biologics, India actually has the skills to participate in space, with over 400 space startups, a

unicorn in Skyroot and visibility as a key player in both launch and satellite systems on the world map. Why do we have a play in space, despite lagging in most other new emerging technologies?

We have had the vision and ambition to be in space since 1962, with the Indian Space Research Organisation (ISRO) providing leadership and building a track record in indigenous frontier engineering. Its 2026 budget is only \$1.5 billion versus \$25 billion for NASA. ISRO has developed the ability to design, build and launch various types of satellites across all orbits, be it low Earth or geosynchronous.

It has designed and built over 100 Indian satellites and has launched 434 satellites from more than 36 countries. ISRO has provided technical talent and experience across the startup ecosystem and also enabled startups to use its intellectual property, launchpads, testbeds and tracking facilities. Billions of dollars of government-funded infrastructure have been used by the ecosystem at marginal cost. This has significantly lowered the barriers to entry for a space startup.

Beyond ISRO, the government has been extraordinarily forward-thinking and supportive. It operationalised the space policy for the private sector in 2023, has offered funding through a \$500 crore Technology Adoption Fund and allocated a dedicated \$1,000 crore venture capital (VC) fund, and enabled foreign direct investment. The Indian National Space Promotion and Authorisation Centre, or IN-SPeACE, was set up under the leadership of Pawan Goenka, and has been very successful as a single-window agency helping startups navigate government ministries and agencies and develop the space ecosystem. Unlike in other areas, India has managed to put in place a policy framework for space in time. It also has an enlightened nodal agency-cum-regulator that understands the need to encourage domestic capabilities. Globally, the space economy is still in its infancy, with only two successful launch companies listed even today (SpaceX and Rocket Lab). We are not late.

The third piece of the puzzle is funding from VCs and private funds. The sector has raised over \$900 million to date, with firms such as Skyroot and Pixxel securing more than \$500 million each, showing the maturity of India's funding environment. You no longer need to exclusively go to the Valley for a deep-tech startup. You can raise over \$100 million to demonstrate the proof of technology and be loss-making. The ability of these space startups to list is clear. With Skyroot, Pixxel and Agnikul, we have the role models we need to attract more entrepreneurs and funding. All this is a huge change from five years ago, when the only interest of private funds was in consumer technology businesses. Deep-tech and high-end manufacturing/defense startups are now fundable within India itself.

Space is one of the few technology-intensive sectors where India is relevant. This is because of the confluence of long-term government support to develop indigenous capabilities, continued with very progressive policy support to private players and a maturing domestic funding environment. We should take the lessons from our success in space and apply them to other industries where we need to develop capabilities. We can apply the same playbook.

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Let's not fritter away UPI gains

India is, and remains, a relatively cash-intensive economy. Currency with the public accounts for around 12 per cent of gross domestic product (GDP) and nearly 13 per cent of broad money supply (M3). This ratio is high by cross-country comparison, even though it has declined from its peak — 8 per cent of GDP in the United States, 4 per cent in the United Kingdom, 8-9 per cent in China, and less than 1 per cent in Sweden, the first truly cashless society.

The introduction of Unified Payments Interface (UPI) in 2016 was a major step towards making a significant dent in the cash-intensive economy. Built as an open, interoperable public infrastructure, free at the point of use, UPI soon became a matter of national pride, which other countries wanted to emulate. From 180 million transactions in 2017-18 to over 24 billion transactions a month worth close to \$30 trillion today, its growth is unmatched in the world. Crucially, it did bend the cash curve. Reserve Bank of India (RBI) data shows currency in circulation moderated from a peak of 14.4 per cent of GDP in 2020-21 to 11.2 per cent in 2024-25 as UPI expanded. A September 2025 study by RBI researchers noted that a possible driver behind the decline in cash demand was the rise of UPI. Without this substitution, it would be safe to assume that currency-in-circulation-to-GDP ratio would have been at least 2 percentage points higher.

Under the revised framework effective October 15, 2026, person-to-merchant UPI transactions above ₹2,000 will attract a 0.4 per cent merchant discount rate (MDR), capped at ₹300 and paid by the merchant, while transactions up to ₹2,000 will remain free. On paper, consumers pay nothing, and more than 96 per cent of shop payments by volume are below ₹2,000 and will remain free. Person-to-person transfers, which account for 38 per cent of volume and 70 per cent of value, will also remain free.

The concern is not the 96 per cent of transactions below ₹2,000, which remain free, but the 4 per cent above ₹2,000, which account for nearly two-thirds of total transaction value.

The chargeable cash transactions are expected to fall mostly within the ₹2,000 to ₹50,000 bracket — and that is where the financial impact will be felt. Because the fee is a full 0.4 per cent, it ranges from ₹20 on a ₹5,000 transaction to ₹200 on a ₹50,000 transaction, remaining entirely below the ₹300 cap that only kicks in on transactions above ₹75,000.

For a shop processing 50 bills of ₹10,000 a day, that translates to a new cost of ₹2,000 a day, or roughly ₹60,000 a month. While the merchants previously had no reason to refuse UPI, they now have a financial incentive to nudge customers back towards cash, creating a significant reversal risk for digital adoption. Some trade bodies — including the All India Retailers Dealers Association, the Retailers Association of India, and apparel groups — have already warned that thin-margin members will be forced to switch to "cash-only" above ₹2,000.



JANAK RAJ

As the risk of reversal to cash transactions is real, it will entail significant costs to the banking system, and this has two elements. First, the banking system enjoys an enormous interest-free and low-cost current account and savings account (CASA) float. Every rupee that stays in a savings or current account and moves via UPI, instead of being withdrawn as cash, is float for banks. Indian banks enjoy 40-45 per cent CASA deposits at low cost, trillions of rupees of low cost funds, contributed significantly by UPI by making it convenient not to withdraw cash.

Second, handling cash is expensive, with industry estimates putting the all-in cost to banks — currency chest operations, sorting, storage, transport, security and ATM replenishment — at ₹20 to ₹30 per transac-

tion. ATM replenishment alone is estimated at about two-thirds of that, in the range of ₹14 to ₹17 per withdrawal. A UPI transaction costs far less than that. If merchants start nudging customers towards cash to avoid 0.4 per cent, customers will revert to cash. Banks will lose that low-cost CASA float and incur the cost of handling cash again. It is a net loss to the banking system, not a gain. There are also larger implications that go beyond banks.

First, for the economy, UPI was a medium to bring small retailers into formal finance. Levying a fee may drive small traders back to informal cash.

Second, for the government, if currency with the public rises even by even 1 per cent of GDP due to UPI avoidance, that would mean about ₹3.5 trillion leaking out of bank deposits at current annual GDP. It would also mean printing and handling more currency, more counterfeits, and higher costs, resulting in lower profits for the RBI and, in turn, lower treasury monetary transmission.

Third, it also has implications for monetary policy. Monetary transmission works better when money stays as deposits rather than as cash, because cash is outside the influence of interest rates. UPI helps keep money in deposits by making it unnecessary to withdraw cash. If charging for UPI transactions pushes people back to cash, currency leakage from the banking system will increase, which weakens monetary transmission. India built a state-of-the-art public payment infrastructure that has brought significant benefits to the common person, the banking system, the RBI, the government and the wider economy, far outweighing the costs of managing it. Let's not fritter away its enormous benefits to the economy for a few hundred crores of fee income.

The writer is senior fellow at the Centre for Social and Economic Progress, New Delhi. The views are personal.

Helpful boundaries for productivity



SNEHA PATHAK

The central thesis of David Epstein's last book, *Range: Why Generalists Triumph in a Specialized World*, was that people with wider experience across a large number of fields tend to thrive compared to people who have limited themselves to becoming specialists in a narrower playing field. In his latest offering, *Inside the Box: How Constraints Make Us Better*, Mr Epstein poses a different yet related idea — humans tend to perform better when

they are forced to work with certain constraints and limitations.

Mr Epstein begins the book with an intriguing anecdote about Dmitri Mendeleev's discovery of the periodic table. It is said that the periodic table came to him in a dream after he had spent a considerable amount of time working on a structure to organise the elements without any success. Mr Epstein goes on to dismantle this story as mere hearsay and argues that what prompted Mendeleev's discovery was simply the fact that he was "boxed in by a book contract." The idea that Mr Epstein puts forward, and which he returns to throughout the book with varying degrees of effectiveness, is that while we might think we can do better with unbridled freedom, it "frequently hamper[s] our best efforts, because what we really need are helpful boundaries."

Mr Epstein builds on this idea across

12 chapters divided into four parts. The Mendeleev anecdote runs throughout the book as a common thread and appears as an interlude as we move from one part to the next. The constraints Mr Epstein talks about are of various kinds. They range from deadlines to the limitation of human memory, from lack of resources to focusing on only one task at a time. What's common about these constraints is that they create what he calls "helpful boundaries" and help achieve much more than unchecked creative freedom usually does. To prove his point, he begins the book with the example of General Magic, a company that failed despite a great idea, immense talent as well as large-scale resources simply because despite these, "they were bereft of helpful constraints."

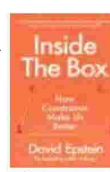
In contrast are the several examples of individuals as well as organisations

that were able to come up with creative solutions and innovations because they were working under the constraints of some kind. The examples he cites in support of his thesis range from literature (Dr Seuss, Shakespeare, Virginia Woolf) to music, films, science, military and technology. Then there are examples taken from his own life, something which Mr Epstein describes as "mesearch."

However, not all of the examples and arguments have the same impact. For instance, in the chapter titled "The Remix of Everything," Mr Epstein refers to Martin Luther King, Shakespeare, *Star Wars* and UPS's ORION system to make the point that even when creating something radical, one needs to begin with something that's already familiar but add the constraint of "repositing the old" to avoid getting only copies of what already exists. However, most of

his examples seem to serve a different idea — that creative people often borrow and build. Added to this is Mr Epstein's decision across the book of discussing the examples in far greater detail than expounding the central idea of the chapter, which often gets relegated to a few paragraphs towards the end.

This structure, which prioritises anecdotes and examples over exploring the central idea of the chapters, makes the book feel both repetitive and sprawling. The examples and case studies seem to pile up and given their wide range, not all of them will be of equal interest to every reader. The sheer number of these examples, even when interesting in their own right, tends to drown the final point and the key idea of the chapter. This adds to the feeling of the book being longer than it is.



Inside the Box: How Constraints Make Us Better
by David Epstein
Published by Macmillan Business
278 pages ₹899

It's also of note that Mr Epstein devotes little space to the cases where constraints can have negative effects on creativity and output.

Overall, *Inside the Box* is a mixed bag. It has a strong central thesis, somewhat marred by its structure. Perhaps tighter editing and a reduction of 50-60 pages would have made the book more impactful. At one point, Mr Epstein writes of his decision to not begin his day by checking his email, saying that while this "won't make sense for everyone, but it will make sense for a lot of people at least some of the time." This holds true of

his book too. Not everything here will appeal to every reader, but most will find something to take away from the book.

The reviewer is an independent writer and translator



Editor's TAKE

UN: Trust is running out, reforms cannot wait

Created to uphold peace, the United Nations is constrained by an outdated power structure. It must reform before losing relevance

When world leaders take the podium in New York on Tuesday for the 81st General Debate, the theme, "Restoring trust, managing transformation: a United Nations that delivers for all", will read less like an aspiration than an admission. General Assembly President Khalilur Rahman of Bangladesh said as much when he gavelled the session open on September 8: trust is in deficit. The evidence is everywhere. The Gulf has swung between truce and strikes since the US-Israeli attacks on Iran in February, with the Strait of Hormuz, and the world economy, held hostage. Ukraine remains unresolved, and Gaza's peace plan awaits full implementation. Secretary-General António Guterres says de-escalation in the Middle East must be "priority one, priority two and priority three". The Security Council, constrained by the vetoes of its five permanent members, has too often been a spectator.

The house is also short of money. In January, Guterres warned of "imminent financial collapse" as arrears hit a record \$1.57 billion. The 2026 budget was cut by about 7 per cent to \$3.45 billion. Washington, which funds 22 per cent of the regular budget, paid \$827 million this month, yet still owes roughly \$4.2 billion. An organisation counting the days to payroll cannot credibly preach delivery.

Has the UN lived up to its promise? Partly. It has helped the world avoid a third world war, eradicated smallpox, phased out ozone-eating chemicals through the Montreal Protocol, and fed and sheltered millions through the WFP and UNHCR. But Rwanda and Srebrenica remain stains it has never washed out, and today's paralysis feeds the perception that international law binds only the weak. Reform is therefore overdue, and it must go beyond cost-cutting. The UN80 initiative, launched in 2025, has trimmed budgets and posts. That was necessary, but efficiency is not legitimacy. The real reform is political. A Council whose permanent membership froze in 1945, and which was enlarged only once, in 1965, and only by non-permanent seats, cannot claim to speak for 193 states. Africa has no permanent seat. India, the most populous nation and a leading troop contributor to peacekeeping, has none either.

Negotiations have run since 2009 without an agreed text. India's ambassador, Parvathaneni Harish, was right in June to demand text-based talks. The way forward has four planks. First, a negotiating text with a deadline, so Council reform stops being a talking shop. Second, voluntary veto restraint in mass-atrocity cases, as the French-Mexican initiative proposes; the P5 will not surrender the veto, but they can be pressed to use it less.

Third, financial reform: end the antiquated return of unpaid credits and make dues payable on time. Fourth, a credible succession. Three straw polls among eight candidates have produced no clear frontrunner.

The P5 must not trade the job for convenience, and a first woman Secretary-General would signal renewal. The UN was built in 1945 around the victors of a war. It will endure only if it is rebuilt for the many. Speeches alone will not restore trust. Reforms will.

The UN needs peace, not endless speeches

As the UN General Assembly opened its 81st session on the International Day of Peace, the world faced a familiar spectacle of speeches on war, conflict and humanity's crises. But diplomacy cannot end at the podium. The credibility of the UN will increasingly depend on what follows the speeches: negotiation, implementation and action



SANTHOSH MATTHEW

September 21 is the International Day of Peace. This year, the message deserves to be heard inside the United Nations itself: the world needs action, not endless speeches. As the 81st session of the UN General Assembly begins in New York, leaders and diplomats will once again take turns at the world's most famous international podium. They will speak about war and peace, security and development, terrorism and climate change, poverty and human rights. The speeches will be important. The question is what happens after the microphones are switched off.

The United Nations was born from the terrible experience of two world wars. Its founding vision was clear: disputes between nations should be addressed through dialogue rather than destruction. Speaking is therefore not a problem at the UN. Dialogue is essential to diplomacy. The problem begins when dialogue turns into repetition, delay and obstruction. When words prevent action, diplomacy loses its purpose.

This is where the idea of filibustering becomes relevant. The word "filibuster" is most closely associated with the United States Senate. It developed from the Senate's tradition of allowing senators considerable freedom to speak. The word itself has a colourful history, linked to terms meaning freebooter or pirate. In political practice, it came to describe efforts to delay or prevent legislative action through prolonged debate.

The classic picture of a filibuster is a senator continuing to speak while legislation waits. The objective can be to delay a vote, force negotiations or prevent a proposal from moving forward. American political history has produced several famous examples of marathon speeches. The modern Senate has developed procedures, including cloture, to bring extended debate towards a conclusion.

The United Nations is not the US Senate, and the General Assembly does not have an identical filibuster system. Still, the underlying problem can appear in international diplomacy: when the time spent speaking becomes greater than the progress made towards solving the problem.

The UN itself has witnessed extraordinary examples of lengthy diplomatic interventions. India's V. K. Krishna Menon became famous for his marathon intervention on Kashmir before the Security Council in January 1957. His intervention extended across several meetings and



A GOOD SPEECH SHOULD OPEN THE DOOR TO NEGOTIATION. A GOOD DIPLOMATIC INTERVENTION SHOULD IDENTIFY A PROBLEM AND SUGGEST A WAY FORWARD. A GOOD RESOLUTION SHOULD LEAD TOWARDS IMPLEMENTATION. IF THE SAME ACCUSATIONS ARE REPEATED YEAR AFTER YEAR WITHOUT PRODUCING MOVEMENT, THE UN RISKS BECOMING A PLACE WHERE INTERNATIONAL PROBLEMS ARE DESCRIBED MORE EFFICIENTLY THAN THEY ARE SOLVED

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lasted more than eight hours. It remains one of the best-known examples of endurance in UN diplomacy.

Krishna Menon's performance belongs to another era and another diplomatic context. It should not be mechanically described as a General Assembly filibuster. Its significance today lies in the question it raises: how much time should international diplomacy spend on speaking when the world is waiting for solutions?

That question is especially relevant when the United Nations discusses war. A ceasefire cannot be achieved by a speech alone. A refugee cannot return home because of a resolution alone. A destroyed city cannot be rebuilt by a statement from the podium. Food cannot reach a starving population through rhetoric. Peace requires negotiation, monitoring, humanitarian assistance, reconstruction and political courage.

The General Assembly has rules for managing debate and speaking time. Countries are expected to respect agreed limits during the General Debate, and the President has powers to maintain order and manage proceedings. These procedures are not designed to silence countries. They are designed to give every country a fair opportunity to speak.

A good speech should open the door to negotiation. A good diplomatic intervention should identify a problem and suggest a way forward. A good resolution should lead towards implementation. If the same accusations are repeated year after year without producing movement, the UN risks becoming a place where international problems are described more efficiently than they are solved.

The world has no shortage of words. It has an abundance of declarations, resolutions, statements and appeals. What is often missing is implementation. The credibility of

the United Nations will increasingly depend on its ability to convert diplomatic language into practical outcomes.

This does not mean that countries should surrender their right to speak. Smaller nations, in particular, depend on the UN platform to make their concerns visible. Countries involved in conflicts need an international forum where their positions can be placed on record. Silence cannot produce peace. Suppressing disagreement cannot produce peace either.

The answer is disciplined diplomacy: speak clearly, listen seriously, negotiate patiently, decide when necessary and implement what has been decided.

On the International Day of Peace, this should be the spirit of the UN's 81st session. The world does not need another competition over who can speak the longest. It needs countries willing to spend less diplomatic energy on repeating positions and more energy on finding areas of agreement.

The UN General Assembly remains indispensable because it brings almost the entire international community into one room. That opportunity should not be wasted. Every speech should be treated as the beginning of a conversation, not the end of one. The great challenge before the UN is not finding more words for peace. The world already has enough words. The challenge is turning those words into ceasefires, negotiations, humanitarian corridors, reconstruction, reconciliation and lasting peace.

From filibustering to action - that should be the message of the International Day of Peace 2026. Let nations speak, let them disagree, let diplomacy remain open. But after the speeches, let action begin. The world is not waiting for another long speech. It is waiting for peace.

Daiv Vani

WISDOM FOR A MEANINGFUL LIFE

Let Wisdom Come From Every Side

There is a verse from the Rig Veda that offers a prayer remarkably open for an ancient text: "Aano Bhadrāḥ Kratavo Yantu Vishvataḥ", let noble thoughts come to us from every side. Rather than claiming sole ownership of wisdom, the sages asked that good and true ideas reach them from anywhere, regardless of their source.

This is a striking humility, an acknowledgment that no single tradition, person, or text holds the complete truth, and that wisdom may arrive from unexpected directions, a stranger, a rival, a different culture entirely.

We often close ourselves off to ideas that don't originate from our usual sources, our own community, our own beliefs, dismissing insight simply because of where it comes from.

Today, remain open to one idea or piece of advice from an unexpected source, a colleague, a stranger, a differing viewpoint, and consider it without prejudging its origin.

-DAIV

The denial mode: The elephant in the room



LUCKY KULKARNI

2ND OPINION

There is a strange phenomenon inside organisations: everyone knows there is a problem, but nobody wants to talk about it.

Senior leaders know it. Employees know it. HR knows it. Sometimes, even the owners know it. Yet the issue remains untouched because confronting it may be uncomfortable, inconvenient or risky.

That is the "elephant in the room" - something too large to ignore, yet too uncomfortable to confront. And sometimes, organisations do not fail because they could not see the problem. They fail because they saw it and did not act in time.

Kodak is a powerful example. The company, established in 1880-81, became synonymous with photography. Kodak was not unaware of digital photography. Its

engineer, Steven Sasson, developed one of the world's first digital cameras. The problem was not that Kodak could not see the future. The problem was that it struggled to move away from the film business that had made it successful. The very success that built the organisation became an obstacle to change. By 2012, Kodak had filed for bankruptcy.

Nokia tells a similar story. Once the global leader in mobile phones, it struggled to respond quickly enough as smartphones transformed the industry. Internal decision-making challenges and its ageing operating system made the transition increasingly difficult. Eventually, its handset business was sold to Microsoft.

The lesson from both companies is uncomfortable: yesterday's success can become tomorrow's blind spot.

Longevity is not a guarantee of future success. An organisation can survive for decades - or even more than a century - and still become vulnerable or fail to grow if leadership fails to recognise when change is necessary.

The same problem exists within organisations at every level. A weak leader is tolerated because, "He has been with us for many years." A poor performer is protected because, "He handles sensitive transactions for the owners."

A toxic manager is ignored because, "He is close to the owners." A declining business is defended because, "It has worked brilliantly in the past." And sometimes, the performers who raise uncomfortable questions are tar-

getted politically and become the problem - because it is easier to silence the messenger than confront the message. Every time an organisation chooses silence, the elephant gets bigger.

A changing business model challenged early can be transformed. Challenged only after revenues collapse, transformation becomes survival. This is where leadership - and ownership - matters.

The responsibility of an owner is not simply to maintain harmony. It is to create an environment where uncomfortable truths can be spoken without fear.

Owners must ask the questions nobody wants to answer. HR must have the courage to tell the CEO where the culture is deteriorating. Leaders must learn to accept criticism without immediately labelling the person giving it as "negative", "difficult", "not aligned with the company's goals or the leadership team", or "not a team player".

And employees must feel safe enough to say: "Something is not working." That sentence, spoken at the right time, can save an organisation.

Because organisations rarely collapse overnight. Leadership is not about avoiding difficult conversations. Leadership is about having the courage to have the right difficult conversation before it becomes a crisis.

The writer is a senior corporate HR leader, writer and people strategist

LETTERS TO THE EDITOR

Tata sons uphold its governance framework

India is witnessing an escalating corporate governance crisis at the heart of one of its most respected conglomerates. The fundamental dispute centres on the interpretation of Tata Sons' Articles of Association, under which Tata Trusts, holding a controlling 66 per cent stake, maintains that any key resolution requires the explicit affirmative vote of both its nominee directors.

Bypassing this requirement through a board majority or a chairman's casting vote would undermine the governance framework that Tata Sons itself previously defended before the Supreme Court. Corporate governance cannot be reduced to convenience; rules must be applied consistently, regardless of who holds office.

Taking this leadership dispute to tribunals such as the National Company Law Tribunal (NCLT) or the High Court risks causing severe reputational damage and prolonging uncertainty. Both factions on the board must respect established governance norms and shareholder rights and work towards resolving the impasse constructively.

At stake is not merely a leadership disagreement but the credibility of the governance principles that underpin one of India's most recognised business institutions. Preserving these principles is essential to maintaining shareholder confidence and public trust in the Tata brand.

VANDANA | CHANDIGARH

Odisha's 'living ghosts' expose system gaps

The Odisha Building and Other Construction Workers Welfare Board appears to have stumbled upon an unusual problem: workers officially declared dead have seemingly returned to life. Recent audit findings reportedly show that nearly 2,500 construction workers were listed as deceased, while their families received more than 75 crore in death benefits. Yet, some of these workers later appeared in the system to authenticate their identities through fingerprints and claim their monthly subsidised rations. This is more than a bureaucratic oversight; it exposes serious gaps in the administration of welfare schemes and the coordination of government departments. A person can apparently be certified dead, have benefits paid to their nominees, and later authenticate their identity as a living beneficiary.

If Aadhaar is meant to reduce fraud, such discrepancies raise questions about how welfare databases are maintained and cross-checked.

The Odisha authorities must investigate the matter thoroughly, establish how these discrepancies occurred, identify those responsible and recover any funds that were wrongfully disbursed. Public money meant for vulnerable workers must be protected through stronger verification and accountability mechanisms.

RANGANATHAN SIVAKUMAR | CHENNAI

DUSU result offers fresh perspective

Appropos, "ABVP retains DUSU dominance". The Pioneer, September 20. The ABVP's victory in the Delhi University Students' Union (DUSU) elections comes amid a wider debate over youth sentiment and recent protests. The ABVP won three of the four central-panel posts, while independent candidate Deepanshu Shokeen won the vice-president's post.

The result, however, should not be read as evidence that Gen Z is uniformly aligned with any political party. Young voters have raised concerns over unemployment, examination-related problems, alleged paper leaks, delays and inadequate infrastructure at educational institutions. These issues have also featured prominently in student campaigns and protests. At the same time, the DUSU results demonstrate that students can distinguish between raising concerns and choosing representatives in a university election.

For political parties, the result offers an opportunity to examine how young voters respond to issues, campaigns and candidates. Student elections remain an important indicator of campus concern, but their results should be understood within the specific context of Delhi University rather than treated as a definitive measure of the views of an entire generation.

N SADHASIVA REDDY | BENGALURU



People take part in a religious procession on the 578th birth anniversary of Vaishnav saint Srīmantha Sankaradeva, at Tezpur in Smitpur PHOTO: PTI

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TN assembly is not a stage!

A new Tamil Nadu Govt is entitled to bring a fresh style and energy to public life. But the measure of governance cannot be the slogans that dominate the headlines. A government that came to power promising change must now demonstrate it through improvements in the lives of people, rather than through political theatre.



RAVIKUMAR CHOCKALINGAM

lenting search for the next vital moment. The hard work of democratic governance, with objective answers, measurable commitments, administrative clarity and respect for the institutions that make power answerable, is slowly becoming a relic of the past.

This is not an argument against change. Tamil Nadu's electorate had every right to seek it. Many young voters, especially, chose to disrupt an entrenched political order. They were entitled to envision that a new entrant could bring energy, honesty and a different style of public leadership. That instinct was not foolish. It was democratic. But no electorate, however hopeful, elects a fan club. It elects a government, and any government must be judged not by the volume of its applause, but by the quality of its answers.

Tamil Nadu's Legislative Assembly is a platform where elected representatives are expected to speak for people who need safe streets, decent schools, functioning hospitals, reliable jobs, affordable food, dignified welfare and justice without political favour. Tamil Nadu's politics has long been shaped by the power of speech. Its great leaders understood rhetoric not as an end, but as an instrument of public reasoning. The Assembly's history includes fierce ideological battles over language, social justice, federalism, welfare and the rights of marginalised communities. The language could be sharp. Politics could be unforgiving. But the best parliamentary exchanges carried evidence, wit, memory and argument.

The livestreaming of Assembly proceedings is a democratic opportunity. Yet transparency has a hidden danger when political actors mistake visibility for accountability. A clipped speech may trend. A taunt may travel farther than a budget reply. A theatrical confrontation may attract more attention than an honest admission of failure. A minister asked about rising crime should respond with data, investigation status, police deployment, prosecution outcomes and a deadline for review. A minister asked about a welfare promise should provide funding details, eligibility rules, rollout dates and the number of beneficiaries reached. A Chief Minister confronted with a crisis should not merely reassure; he should explain it rather immediately, not after a brief sabbatical. Tamil Nadu needs a quieter, more sober Assembly. It needs a more serious one. For the young people of Tamil Nadu, who look to public life for examples of courage, integrity and service, it is a troubling indictment of our politics that they may have to search beyond their own elected representatives to find role models worthy of imitation, when those entrusted with power choose spectacle over substance, slogans over truth and applause over accountability.

Democracy does not fail only when the answers are stolen or institutions are shut down. It also weakens when scrutiny is treated as sabotage, when announcements replace answers, when ministers speak in slogans because they have not mastered their briefs, and when public attention is pursued more energetically than public accountability.

A strong Chief Minister is not inherently a problem. Tamil Nadu has known strong Chief Ministers before. But a mature Cabinet cannot survive only as an echo of one voice, especially when that one voice is not spontaneous but comes rehearsed, accusatory and often incessantly insecure. Every portfolio must have a minister capable of defending it. Every promise must have a budget. Every announcement must have a deadline. And every failure must have a name attached to it. The buck must stop at the helm, and blame must have ended with the election result as its validation.

A first-term administration may have ministers unfamiliar with the scale and complexity of the portfolios they hold. That is not a crime. But the remedy cannot be improvisation. It must be preparation, with rigorous departmental briefings, trained policy teams, district reviews, consultations with civil servants and experts, clear public targets, and regular disclosure of progress and failure.

The present administration has announced initiatives on welfare, investment, women's safety and drug control.



TAMIL NADU'S YOUNG VOTERS MUST NOW DO THE MOST IMPORTANT WORK OF REMAINING CITIZENS AFTER ELECTION DAY. SUPPORT FOR A NEW LEADER DOES NOT REQUIRE THE SURRENDER OF JUDGEMENT. ADMIRATION DOES NOT REQUIRE SILENCE. FANDOM IS AN EMOTION; DEMOCRACY IS A RESPONSIBILITY

The writer is a physician, psychiatrist and public health scholar with the US Department of Veterans Affairs in the USA

Some of these steps deserve a fair hearing: expanded electric support, crop loan relief, the closure of certain TSMC outlets, new women's safety measures and anti-narcotics units, and so on. But announcements are not outcomes. Several prominent manifesto commitments have yet to be implemented or have only been partially allocated, including the proposed increase in women's monthly assistance, free LPG cylinders, a graduate unemployment allowance and statewide free bus travel for women. The government has cited fiscal constraints, while announcing elaborate infrastructure developments and expansion agendas that escape logic or necessity. A manifesto is not a ceremonial booklet, but it is also a public commitment made in exchange for public trust. If a promise is delayed, say so. If its cost is unaffordable, publish the calculation. If it is redesigned, state the new terms. If it cannot be delivered, the voters must be informed. There is no shame in revising a policy after confronting fiscal reality. There is shame in preserving the language of a promise while quietly abandoning its substance.

No subject demands greater seriousness than violence and narcotics. Families do not need political blame games when their children are exposed to addiction, intimidation and criminal networks. They need a government that treats public safety as a measurable duty. The issue of rampant drug use cannot be fixed overnight, but requires systematic multidisciplinary legislation, public health interventions, including rehabilitation, law enforcement and transparent policing. In a functioning democracy, accountability is not an optional virtue; it is the foundation of good governance. A government that evades questions or reflexively blames its predecessors is not demonstrating leadership; it is confessing that it lacks either the courage or the competence to own the power it now exercises but once criticised.

The administration has also announced anti-narcotics teams, prevention efforts and rehabilitation measures. These are necessary beginnings. But arrest counts and seizure totals are not the final test of success. More arrests can reflect better enforcement, but they can also reveal a larger problem. The true measure is whether drugs become less available, whether trafficking networks are financially dismantled, whether young people receive effective treatment, whether repeat offending falls and whether violence declines.

The government should publish a monthly public-safety dashboard: narcotics cases, seizures, chargesheets, convictions, repeat offences, gang-related violence, police response times, women's safety indicators and the status of major investigations. It should also show whether politically influential offenders receive the same treatment as everyone else. "Zero tolerance" means nothing if tolerance remains available to the well-connected.

Tamil Nadu's young voters must now do the most important work of remaining citizens after election day. Support for a new leader does not require the surrender of judgement. Admiration does not require silence. Fandom is an emotion; democracy is a responsibility.

Tamil Nadu's achievements were not created by one leader, one party or one election. The DMK helped shape the State's social-justice tradition and public-development model. The AIADMK left an enduring imprint on welfare delivery and the State's direct relationship with ordinary families. Other smaller parties have also had an important role in helping establish equity and social justice. Their records may remain open to criticism, but their contribution cannot be tarnished by one election result. Tamil Nadu's democratic inheritance belongs to all its people, not to whichever party currently occupies office.

SEMICON India 2026: From silicon to systems



RAJESH KUMAR SINGH

Semiconductors may be tiny in size, but they are among the most important building blocks of the modern economy. From smartphones and computers to automobiles, artificial intelligence, telecommunications, medical equipment and defence systems, chips power almost every aspect of contemporary life. As the world enters an increasingly technology-driven era, the ability to design and manufacture semiconductors has become closely linked with economic growth, technological capability and resilient supply chains.

Against this backdrop, SEMICON India 2026 marks an important milestone in India's growing semiconductor journey. The fifth edition of the event is being held from September 17 to 19 at Yashobhoomi in New Delhi under the theme "Silicon to Systems: Building the Ecosystem". Prime Minister Narendra Modi inaugurated the event on September 17, bringing together global industry leaders, policymakers, investors, researchers, startups, academia and students.

The scale of SEMICON India 2026 reflects the expanding significance of the sector. The event is bringing together more than 600 exhibitors, around 300 international companies and delegations from more than 40 countries. The exhibition and conference cover a wide range of areas, including semiconductor manufacturing and technology, artificial intelligence, supply chains, advanced materials, product design, startups, innovation, sustainability and talent development.

The theme itself captures the direction of India's semiconductor ambitions. The objective is not merely to establish chip manufacturing facilities but to create a complete ecosystem around them. Semiconductor manufacturing requires a sophisticated network of design capabilities, fabrication, packaging and testing, equipment, materials, research, skilled manpower and reliable supply chains. Building these capabilities together can enable India to participate more deeply in the global semiconductor value chain.

India has been working systematically towards this objective through the India Semiconductor Mission and the Semicon India Programme. Under Semicon 1.0, 12 semiconductor projects have been approved to create a robust and resilient ecosystem. Three of these projects have already commenced commercial production. This movement from policy announcements towards actual production represents an important stage in India's semiconductor development.

The next phase has further strengthened this effort. The Union Cabinet has approved Semicon 2.0 to accelerate the development of a robust and resilient semiconductor ecosystem. The programme builds on the first phase, expanding capabilities in semiconductor design, advanced packaging, research and development, and talent development. Design and innovation are particularly important. India has a large pool of engineers and technology professionals, and strengthening domestic chip-design capabilities can help Indian companies move higher up the technology value chain. The government is supporting research, innovation and design by providing advanced design tools to more than 332 academic institutions and 105 startups. In addition, 24 startups have been approved under the Design Linked Incentive scheme.

Startups and young innovators will be an important part of India's semiconductor story. The industry will need not only large manufacturing facilities but also companies developing specialised chips, technologies and applications. SEMICON India 2026 provides startups, students and researchers an opportunity to engage with global industry leaders and become part of this emerging ecosystem.

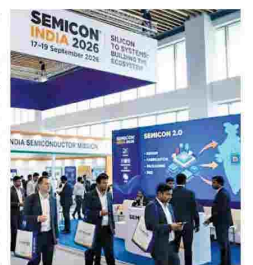
Talent development is equally important. Semiconductor technology requires specialised skills in design, engineering, manufacturing, testing, packaging, equipment and research. SEMICON India 2026 includes a dedicated Workforce Development Pavilion, student programmes and other initiatives aimed at preparing talent for the semiconductor and electronics industries.

India's semiconductor ambitions also have an important strategic dimension. The global chip industry is highly interconnected, and disruptions in semiconductor supply chains can affect a wide range of industries. Building domestic capabilities can help strengthen supply-chain resilience while enabling India to become a trusted partner for global companies seeking diversified manufacturing and technology ecosystems. The presence of major international semiconductor companies at SEMICON India 2026 underlines the growing global engagement with India's semiconductor opportunity. Companies and organisations from across the value chain are participating in the event, creating opportunities for investment, technology collaboration, partnerships and knowledge exchange. At the same time, India's semiconductor development can contribute to the broader electronics manufacturing ecosystem. Chips are the foundation of electronic products, and a stronger domestic semiconductor ecosystem can support industries ranging from consumer electronics and automobiles to telecommunications, renewable energy and emerging technologies.

The journey from sustained investment, advanced technology, specialised infrastructure and skilled talent. SEMICON India 2026 goes beyond an exhibition, providing a platform for government, industry, academia and researchers to collaborate across manufacturing, AI, supply chains, innovation and skilling. India's semiconductor journey is closely linked with the larger vision of an Atmanirbhar Bharat - a country that develops strong domestic capabilities while remaining deeply connected with the global economy. Self-reliance in this context does not mean isolation. Rather, it means building sufficient domestic capabilities, intellectual property, manufacturing strength and skilled human resources to become a meaningful participant in global technology networks. The journey from silicon to systems still requires long-term commitment, innovation and collaboration. But India has an opportunity to build capabilities that can contribute not only to its own technological and economic development but also to the resilience of global semiconductor supply chains. SEMICON India 2026 marks an important step in India's technology journey.

Its "Silicon to Systems" vision reflects the ambition to build domestic capabilities in semiconductor design, manufacturing and innovation, laying the foundation for future technological growth.

The writer is a political analyst



Tibet's next test: Keeping the cause alive after Dalai Lama



NILANTHA ILANGAMUWA

After more than six decades in exile, the movement faces a double test: whether Tibetans can ever bring Beijing to the table and, increasingly, whether the cause can stay politically relevant while China grows stronger and the generation shaped by the 14th Dalai Lama approaches an uncertain handover.

I recently spoke to Tsering about the Middle Way Approach, talks with China, life after the Dalai Lama and the interests of India and others. His reading is un sentimental. "Every country has their national interest at heart," he says. "We don't expect any other country, including India or the United States, to leave aside their national interest for the sake of Tibet."

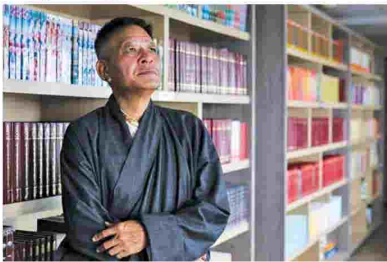
Tsering became Sikyong of the Central Tibetan Administration (CTA) in 2021 and won a second term in the 2025-26 election. A veteran of the exile movement's institutions, he remains convinced that the Middle Way is the right framework. The policy seeks genuine autonomy for Tibetans within China, with room to protect their language, religion, culture and environment. "We find

nothing wrong in the Middle Way policy," he says. "The Middle Way policy addresses China's main concerns of sovereignty."

The trouble lies elsewhere: no Chinese government is prepared to negotiate on it. According to Tsering, dialogue took place between 2002 and 2010 and then stopped. Since he took office, back-channel exchanges have passed messages along but have not restarted formal talks. "Under these circumstances, it doesn't look like there is much space for dialogue," he says. He refuses, however, to treat that silence as proof of failure.

The wider world has made the task harder. Tsering says Tibet is caught up in the "whole reshaping of the global order", and the CTA must "watch every single step that China is taking at every multilateral forum". India sits at the most delicate point. Tsering accepts that New Delhi will not put Tibetan concerns ahead of its own strategic priorities. The task, as he sees it, is to find where the two sets of interests meet. "How do we bring our interests and that nation's interests together?" he asks.

The Tibetan Plateau offers one such meeting point. Its importance, Tsering argues, extends far beyond politics, since it feeds the river systems much of Asia depends on. Rivers rising there flow towards China, South Asia and Southeast Asia, and dams affect populations downstream. "When we talk about the environment of Tibet, we are not



talking only about Tibet," he says. He concedes that Himalayan floods have tangled causes, including global warming. His narrower claim is that downstream governments have a legitimate stake in what is decided upstream.

Within Tibet, the fight is bound up with cultural survival. Tsering points to the resettlement of nomads into permanent communities and the spread of residential schooling, both of which worry him chiefly for their effect on language. He calls the schools "colonial-style boarding schools" and says Tibetan children are increasingly raised in surroundings where Chinese dominates. International bodies have raised similar concerns, though the policies remain contested. Beijing presents them as regional ethnic autonomy, devel-

opment, education, cultural protection and national unity.

Tsering places Tibetan identity in a longer frame. "The Tibetan language, the script came from India. Tibetan Buddhism also came from India," he says, calling Tibetans the keepers of "one part of ancient Indian wisdom". Yet he has no wish to freeze the tradition in time. "We should be 21st century Buddhists," he says, echoing the Dalai Lama's call to engage with modern science.

The exile community is changing too. Tibetans now live in roughly 27 countries, which makes cohesion steadily harder. Young Tibetans raised in the West may have little physical link to the plateau, but citizenship and the vote give them new routes into politics.

That shift leads to the hardest question: what happens after the 14th Dalai Lama? "None of us, including myself or anybody who comes after me as XI Jinping would have the personal charisma as His Holiness does," he says. More than a globally known figure is at stake. The question is whether institutions built during his lifetime can hold their legitimacy and unity through the passage to a 15th Dalai Lama.

The CTA, therefore, must function without leaning wholly on one person. Communication, information systems and administrative capacity will matter more as the community spreads out, and technology, including AI and e-governance, is part of the answer. But the aim is politi-

cal: keeping Tibetans' trust. "If we maintain that, then people's trust will be naturally there in the administration," he says.

Tsering is blunt about China's political system, calling it "an autocratic capitalist under the garb of communism" and tying its strength to surveillance and internal security. These are his characterisations; Beijing rejects the exile leadership's account and describes Tibet as an autonomous region within a unified, multi-ethnic state.

Nor is he relaxed about Beijing's reach abroad. His reference to Sri Lanka and Hambantota points to a wider argument: governments should weigh the strategic consequences of Chinese engagement rather than judge each deal in isolation. "Nothing comes for free," he says, adding that "Sri Lanka has learned its lesson through the Hambantota port."

Throughout, Tsering keeps returning to non-violence. "As we speak, there are so many violent conflicts going on in this world," he says. "The major strength is the nonviolent nature of our struggle." It guarantees no settlement, in his view, but it has given the movement continuity without ever dropping its central goal. "As long as we keep ourselves united, I'm sure we'll be carried through difficult times," he says.

What is plain is that Tibet's future may hinge not only on decisions in Beijing but on whether a scattered people can hold on to their political identity, institutional legitimacy and a moral continuity while the world shifts around them.

The writer is a columnist based in Colombo

The Tribune

ESTABLISHED IN 1881

SIR chaos

Simplify process for the sake of genuine voters

THE Special Intensive Revision (SIR) of electoral rolls continues to be mired in controversy. Some of the country's most prominent citizens have received notices over discrepancies in their voter records. The list includes former Deputy Prime Minister LK Advani, External Affairs Minister S Jaishankar, former Vice-President Jagdeep Dhankhar, Delhi Chief Minister Rekha Gupta and AAP national convener Arvind Kejriwal. Irony of ironies: even Election Commissioner SS Sandhu has been issued a notice under this exercise, which is being conducted by the Election Commission of India (ECI). One can well imagine the plight of lesser mortals who are at risk of being removed from the rolls.

More than 33 lakh notices have been issued in Delhi, particularly in cases where voters could not be mapped to the 2002 intensive revision. The ECI and Delhi's Chief Electoral Officer have stressed that receiving a notice does not mean vote deletion. Voters are being given an opportunity to submit documents and respond, with final decisions subject to due process. That safeguard is essential. Electoral rolls must be periodically updated to remove duplicate, ineligible or deceased voters while ensuring that eligible citizens are not excluded. Both objectives are equally important. However, the appearance of the late economist Bibek Debroy's name among those "unmapped with last SIR" — almost two years after his death — illustrates how database-driven exercises can produce glaring anomalies.

West Bengal is a classic example of the SIR riddle. People whose names were removed may not be able to vote for over a decade. At the current rate of disposal, the appellate tribunals set up by the Supreme Court could take more than 12 years to decide on their appeals. The pan-India lesson is that every eligible voter, whether a VIP or a common citizen, must have a fair opportunity to remain on the rolls. A transparent, reviewable procedure is needed to prevent the entire exercise from losing credibility.

Climate justice

Rich nations must pay their fair share

CLIMATE justice cannot mean asking the poor to pay for a crisis they did little to create. Prime Minister Narendra Modi's recent reminder that India's per-capita emissions remain far below those of developed countries is therefore important. But the climate argument must go beyond comparing emissions. Its real test is whether the world's richest countries are willing to put adequate money behind their historical responsibility. Climate finance is where the rich world's record remains inadequate. Developed countries finally crossed the \$100-billion-a-year climate-finance target in 2022 — two years after the deadline. The figure reached \$136.7 billion in 2024. Yet the composition is troubling: about two-thirds of public climate finance came as loans, not grants. For developing countries already carrying heavy debt burdens, borrowing to cope with a crisis driven substantially by past industrialisation is hardly climate justice.

What developing countries need is not charity but a fairer financial compact. Adaptation — protecting farmers from extreme weather, securing water, strengthening cities against floods and heat, and protecting vulnerable communities — requires predictable, affordable finance. Clean-energy transitions also demand enormous investment. Rich countries, which possess greater financial capacity and bear much greater historical responsibility, should provide substantially more grant-based and concessional funding.

At the same time, India is now a major global emitter in absolute terms, and its rapidly expanding economy and energy needs will increasingly shape the global emissions trajectory. It must therefore accelerate the shift to renewables, improve energy efficiency, curb coal dependence and ensure that development becomes progressively less carbon-intensive. Climate justice has two sides: rich nations must pay their fair share; India must deliver its share of climate action. The first cannot be postponed until the second is perfect.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, WEDNESDAY, SEPTEMBER 22, 1926

Sir Abdur Rahim's statement

IN the statement he has just issued through the Associated Press, defining his own position and that of his party with regard to the ensuing elections and the Reforms generally, Sir Abdur Rahim reveals himself in an interesting character. He is no longer the ardent and aggressive communist that we have known him for some time to be, but a patriotic Indian, whose nationalism is not, indeed, of the purest quality, but who does believe in fairness to and cooperation with other communities, even the much-abused Hindus. "I fail to understand," he writes, "why the representatives of each community, while fully undertaking to see that its special rights and interests are safeguarded, should not be able to combine and work together for the common cause of the country. That is the ideal we have set before ourselves, and that, I venture to think, is the only practicable ideal, so long as there remain differentiated communities in India. We definitely set our face against the domination of one class or community by another." It may be said at once that this is the nearest approach to a sensible position that Sir Rahim has made since he ceased to be the nationalist who wrote the famous minute of dissent as a member of the Public Services Commission. Only a moment's serious examination, however, suffices to show that the new position, if it is utterly inconsistent with the position taken up by Sir Rahim in the Aligarh speech, is as untenable as that position. At Aligarh, he threw out an arrogant and insulting challenge to Hindu nationalism, which rendered cooperation between Hindus and Mussalmans for the common cause of the country an utter impossibility.

When hospitals breach trust

India needs a targeted regulatory strategy rather than sweeping price controls



INDU BHUSHAN
FOUNDING (EX) CEO OF
AYUSHMAN BHARAT

WHEN a patient enters a hospital, the standard rules of commerce break down completely. Lying on a stretcher, an anxious patient has neither the time to price-shop nor the bargaining power to negotiate. They accept an extraordinary degree of uncertainty, trusting that the care recommended is necessary and that the prices charged are fair. It is a profound breach of that trust when hospitals exploit this vulnerability for extortionate margins.

A recent survey by the Maharashtra Food and Drugs Administration exposed the scale of this problem. Researchers found that an intravenous (IV) infusion set procured by a hospital for Rs 11.05 was billed to a patient at Rs 325 — a 2,841% mark-up. A catheter bought for Rs 29.41 carried a Maximum Retail Price (MRP) of Rs 310, representing a 954% mark-up. Across a wide range of basic medical consumables, mark-ups routinely reached as high as 2,841%. FDA Commissioner Tukaram Mundhe wrote to the Department of Pharmaceuticals and the National Pharmaceutical Pricing Authority, seeking a central review and clearer rules on how large the gap between procurement price and declared MRP is allowed to be.

Hospitals are legitimate commercial entities. They must recover costs for procurement, sterile storage, inventory holding and wastage, and they are entitled to earn a reasonable profit. But there is a clear line between a sustainable commercial margin and predatory pricing aimed at a captive consumer. In any other industry, this would trigger immediate anti-trust penalties. In healthcare, where the consumer is sick, frightened and unable to walk away, it is indefensible.

Where overcharging is systemic, regulatory advisories are



ACTION PLAN : Where overcharging is systemic, regulatory advisories are not enough. STOCK

not enough. Hospitals engaging in wilful overcharging should face mandatory patient refunds, steep financial penalties and, for repeat offenders, temporary suspension or permanent blacklisting from government insurance panels and private payer networks.

However, we must avoid mistaking abusive mark-ups on standard supplies for an excuse to impose sweeping price controls across all clinical care. The Parliamentary Standing Committee on Health and Family Welfare recently recommended establishing a statutory body to enforce a "rigid cap" on essential procedures, fix package rates across all standard medical operations and even peg metropolitan hospital room charges to the tariffs of nearby three-star hotels. While the Committee rightly diagnoses patient distress, its prescription risks severely damaging the health system.

An IV set is a standardised factory commodity; clinical care is not. Two patients with the same diagnosis can require vastly different levels of intervention based on age, cardiac history or surgical complexity. A complex, multi-hour cancer surgery at a specialised tertiary care hospital cannot be price-capped using the same logic as a plastic catheter.

When governments set rigid, administered prices, two things happen: if capped too high, patients save nothing; if capped too low, quality disappears. Providers begin cutting corners, turning away high-risk or complex cases, adding hidden charges or halting investment in

There is a clear line between a sustainable commercial margin and predatory pricing aimed at a captive consumer.

modern technology.

Having spent years designing the purchasing architecture for Ayushman Bharat (PM-JAY), I have seen this dynamic firsthand. Setting a price cap on paper is simple. Ensuring that a patient actually receives high-quality, safe and appropriate care at that price is far more complex.

Rather than blanket price controls, India needs a targeted five-point regulatory strategy. First, make hospital pricing genuinely transparent. Every hospital should publish a schedule of charges in a comparable digital format. For planned admissions, patients should receive an estimate covering professional fees, diagnostics, procedures, medicines, devices, consumables and room charges. If the final bill materially exceeds the estimate, the hospital should be required to explain why, except where unforeseen clinical circumstances arise.

Transparency should extend particularly to high-value medi-

cines, implants and consumables. Disclosure of procurement price, MRP and the price charged to the patient would itself exert considerable pressure on unreasonable margins.

Second, act firmly where margins become indefensible. For standardised medicines, devices and consumables, regulators should monitor persistent outliers. Trade-margin rationalisation, reference pricing and structured price monitoring are more appropriate tools than automatically fixing the final price of every product.

But regulation must have teeth. Where hospitals repeatedly impose unjustifiable charges, penalties should be substantial enough to alter behaviour. Empowerment under publicly funded schemes or insurer networks is valuable. Persistent abuse should put that privilege at risk.

Third, government and insurers should use their purchasing power far more effectively. Much of the debate focuses on what hospitals charge patients. We pay far less attention to what hospitals and government purchasers themselves pay for medicines, devices and implants.

The experience of pooled procurement, including that of the Tata Memorial Centre for oncology medicines, shows the enormous scope for savings. Government schemes collectively finance healthcare for tens of crores of people. That purchasing power should be used to negotiate better prices upstream. We should not simply finance the manufacturer's or supplier's opening price and then attempt

to control the hospital's final bill. Fourth, regulate utilisation, not just price. Fee-for-service creates an incentive to do more. More investigations, longer hospital stays and additional procedures generate more revenue, whether or not they improve outcomes.

A CT scan that costs 20% less is still wasteful if the patient did not need it. Government purchasers and insurers need to use clinical pathways, medical audits and claims analytics to identify outliers: unusually high rates of caesarean sections, prolonged ICU admissions, excessive diagnostic testing or repeated use of particular procedures. Unnecessary care is as important a source of inflated healthcare expenditure as excessive unit prices.

Fifth, make quality as visible as price. Patients today know remarkably little about the outcomes of the hospitals they choose. Over time, hospitals should disclose standardised indicators such as hospital-acquired infections, readmissions, outcomes for selected procedures and patient experience. Price regulation in isolation carries a danger. If providers are squeezed only on price while quality remains invisible, the incentive may simply shift towards reducing quality.

There is also a larger issue. India cannot solve the problem of private healthcare pricing without strengthening its public health system. A credible public alternative disciplines the private market and provides an essential benchmark for what efficient care actually costs.

At the same time, private providers are an integral part of Indian healthcare. India will need very large additional investment in hospitals, technology and skilled manpower in the coming decades. Private providers deliver a massive share of inpatient and outpatient care in India and remain critical to expanding specialised capacity.

India does not have to choose between protecting patients from exploitation and encouraging private investment in healthcare infrastructure. Hospitals must retain the commercial freedom to invest, innovate and earn fair returns. But that freedom cannot include taking financial advantage of a patient in an ICU bed. Where trust is deliberately traded for profit, firm regulatory consequences must follow.

THOUGHT FOR THE DAY

The most expensive part of a hospital bill may never touch the hospital at all. — Tukaram Mundhe

Brass tacks over biscuits

GURNOOR GREVAL

THEY say in the Army — prepare for the worst and hope for the best. Nothing sums up that maxim better than when a unit faces its administrative inspection (the formation commander assesses operational readiness, discipline, infrastructure, etc) or when a Corps Commander visits. One such occasion arose when my father, serving as a commanding officer in Ferozepur, was informed about the Corps Commander's upcoming visit.

Thus began the preparations to make the event a success, leaving nothing to chance. Crystal glassware was soaked in vinegar, silver was polished, manicured lawns were mowed yet again, walls were given a fresh coat of terracotta and quicklime, and flowers magically appeared where none had existed until the day before. Truly, no task was impossible for the Army.

Cooks were informed that their regular custards and tipsy puddings wouldn't do and they would have to churn out something special for the Corps Commander. They feigned ignorance when apple strudel was suggested as no cook wanted his dessert to become the reason to botch up the high-profile visit. However, they agreed to attempt orange soufflé and tiramisu.

Since the Mess was where the officers were going to get down to brass tacks over tea and biscuits, my mother decided to inspect and make sure everything was shipshape. To her utter horror, she was told that the biscuits to be served to the Corps Commander hadn't passed the tester's scrutiny — he had declared them soggy. The biscuits had been freshly procured and were nowhere near their expiry date. Nevertheless, a new packet was opened, but the same verdict was delivered. Thus the despatch rider was immediately sent to procure a fresh packet from the Army canteen to avoid the catastrophe of serving tea without biscuits.

With the sound of foot-stomping salutes reverberating around the premises, the Corps Commander came and settled down for tea. Everyone had their eyes glued to the biscuits, hoping for them to be to his liking. Oblivious to the anxiety that "soggy" biscuits had been causing for the past hour, he picked one up and instead of taking it straight to his mouth, dunked it in the tea before eating it. Smiling, he declared, "I like my biscuits soggy." Everyone had a hearty laugh. All that fuss over biscuits had come to naught!

The writer is a Chandigarh-based freelance columnist

LETTERS TO THE EDITOR

Clarity on LAC is paramount

Refer to 'China must treat India as an Asian peer'; the recent BRICS meet in Delhi shows that India and China are ready to re-engage. However, dialogue alone cannot bridge the trust gap. Among other issues, the lack of clarity on the LAC remains a sticking point. Without lasting peace and stability at the border, trade, BRICS cooperation and military ties will remain uncertain. China's close military ties with Pakistan remain a source of concern. Genuine normalisation requires clarity on the border, mutual trust and respect for India's place in Asia.

CHANCHAL S MANN, UNA

China's Pak equation a barrier

Refer to 'China must treat India as an Asian peer'; keeping in view China's tilt in favour of Pakistan, New Delhi has to do a tightrope walk. Bilateral ties with India while delinking the border issue is irrelevant. Treating China as a trusted and friendly nation like Russia would be a Himalayan blunder. During Op Sindoor, China stood by Pakistan. Beijing's intention not to treat India as an Asian peer can be better imagined than explained, especially when it shouts from rooftops claiming Arunachal as its own territory. The need of the hour is to remain vigilant while maintaining strategic relations with the Dragon.

MD SHARMA, SHIMLA

Political discipline necessary

Refer to 'Political parties and their murky money'; unless our nation produces officers like TN Seshan, unaccounted money and muscle power will continue to reinforce hush-hush and power-centric operations. The uneven road to justice delivery only darkens this path further. Discipline, be it financial or systemic, always flows from top to bottom. GenZ asking for social auditing of taxpayers' money offers a silver lining.

ABHYAM SHARMA, PATHANKOT

Young voters offer hope

With reference to 'Punjab's leaders face a credibility test'; freebie culture has emerged to be an unavoidable instrument in wresting power across the national landscape. So, it holds true for the experimental Punjabis too. In the 2027 Assembly poll, there will be considerable number of young voters who are wedded to a different thought on politics and administration. For good governance, the ruling party, notwithstanding ideology, needs to be straitjacketed for a balanced, neutral and equitable performance.

JK GULATI, JALANDHAR

Give affordable alternatives

Refer to 'Hooch tragedies'; every such incident is a painful reminder of human lapses. To prevent their recurrence, state governments must address the question of affordability and accessibility of safe, regulated alternatives. A labourer who earns a modest income also deserves safe and lawful recreation after a day of hard labour. If excessive taxation makes legitimate liquor unaffordable, some may be driven towards cheaper but dangerous alternatives. The excise policy must maintain a responsible balance between revenue generation and public health. Revenue lost can be recovered, not a life lost.

SHUBHAM MAHAJAN, BILASPUR

Onus on households

Rising inflation has become a major economic concern, affecting financial stability of households. Consumers face shrinkflation, where the quantity of a product is reduced without a corresponding reduction in price. To cope with these challenges, households themselves will have to reduce the burden by maintaining a realistic budget, prioritising essential expenses, avoiding unnecessary spending, managing debt responsibly and taking careful financial decisions.

TARANJIT KAUR, SHAPPUUR

Big gap on how GenZ should behave



VIVEK KATJU
EX-SECRETARY, MINISTRY OF
EXTERNAL AFFAIRS

THE success of the BRICS summit, the 7.8% GDP growth in the first quarter of this financial year, the elaborate enthusiasm with which PM Modi's 76th birthday was celebrated and the Akhilesh Kumar Singh's retention of its post in the Delhi University elections, although by much lower margins, cannot obscure the headwinds faced by the government and the Sangh Parivar in its saffronisation project.

The June-July Cockroach Janta Party protests led to the resignation of Education Minister Dharmendra Pradhan, a key demand of the protesters. It would not have been easy for Modi to let Pradhan go. However, the police crackdown on the protesters and the nationwide resonance of the protests did not leave the PM with any choice.

Certainly some things have changed. But if Modi and his advisers believe, in the post-Pradhan scenario, that his resignation will help

return the genie back into the bottle, especially after the repeat conduct of the NEET examination, then they may be mistaken.

More instances of paper leaks have surfaced to keep GenZ agitated even if these have occurred in non-BJP ruled states. The Nandan Nilekani committee's report, when it comes, may help in assuaging some GenZ fears on leak-proof examinations but the extent to which it will be able to do so remains to be seen.

There is an enormous gap between some sections of GenZ's thinking, attitudes and articulation and the ruling dispensation's view on how India's youth should behave. This applies especially to young women. It would be wrong to make generalisations, however, as social behaviour is a very complex phenomenon.

It would, however, be safe to say that many young women, particularly in urban settings, have moved away from more conservative norms of behaviour. In some cases, their deportment is seen as "masculine"; the RSS would like them to conduct themselves according to age-old notions of modesty.

No wonder Modi appeared most pained by the language that some young women had used during the BJP protest while expressing their anger and angst. He had said in a video posted on X "Cultural shock hai ki hamari betiyan



TROPE: PM Modi's instinctive response to reach out to GenZ has been to engage them, FB PHOTO

iss prakar ki bhasha kaise bol sakti hain." He went on to say "Lekin samay hai bachhon ko raah dikhane ka".

Young women in ever larger numbers are in public spaces. They are even part of combat formations in the navy and air force. They are leading police units in anti-crime operations. Through all this, and much more, gender relations are being redefined. In large sections of our society young women openly aver that if the crass behaviour of men is condoned, then why should the same approach not apply to them.

Modi's bewilderment at the language used by girls reveals

Modi's choice of a leading college in Delhi to make his first outreach was problematic, both on account of the choice of the college and his use of some GenZ slang.

an older, more cautious mindset: young women should be chaste, have downcast eyes, use polite language and remain modest.

Young girls of today, particularly in cities, generally do not accept gender discrimination — which raises the issue of whether they have in some way, gone beyond the basic postulates underlying the Sangh's thinking on *sanskrit*? This notwithstanding the fact that religiosity may be increasing; but piety does not necessarily translate into social behaviour.

Modi's instinctive response to bridge the gap with GenZ has been to

engage them. GenZ is obviously not a monolith but Modi's choice of a leading college in Delhi to make his first outreach was problematic, both on account of his choice of the college and his use of some GenZ slang.

The college is, of course, one of the country's leading educational institutions but its student body is not the kind which would participate in GenZ protests in large numbers. Students of this college are more likely to get admissions in prestigious institutions or land good jobs than those from other colleges.

Hence, Modi chose to bat on a placid pitch. Like every generation, GenZ has its own slang. The question is how does it react to an older person — even if he is the country's pre-eminent political leader — peppering his talk with some GenZ phrases.

More important than Modi's style of outreach is his difficulty in meeting the expectations of large sections of GenZ for jobs and stability in their lives. Modi is rightly focusing on creating the right environment for entrepreneurship for the young.

This is good but the focus of a very large number of the youth, particularly from socially deprived sections in the north and the east, is on government or professional jobs. This is because they are associated with status.

It is here that the economy,

despite being the world's fastest growing large economy, is not doing enough. This is leading to a large number of youth being attracted to the issues such as those raised by the BJP. These young people respond to nationalism but is their focus on following the thinking of the Sangh Parivar?

It is here that Rahul Gandhi is scoring high. There seems to be some discomfort in the BJP on the kind of response he is receiving. It is believed that authorities in BJP-ruled states have been putting obstacles, for one reason or another, on his youth rallies. The Indore rally was finally held on September 19, and reports indicate that like its previous iterations, it received a good response.

This does not mean that the BJP with its huge election machinery will suffer great reverses in the coming elections, but it does lead to food for thought whether the saffronisation project currently underway resonates with large numbers of the young.

Thus, academic syllabi may be modified and institutions may be led by BJP-RSS leaders, but if the economy does not yield more jobs, their agenda will no longer be necessarily compelling for GenZ, certainly from those social sections that have not gained from the BJP's economic preferences.

Police reforms remain a work in progress



SOMESH GOYAL
EX-DGP, HIMACHAL PRADESH

SEPTEMBER 22 has become synonymous with police reforms as it marks the day when the Supreme Court delivered a landmark judgment in 2006. In this ruling, the Court issued seven binding directives aimed at professionalising policing and its administration, following a Public Interest Litigation (PIL) filed by former Uttar Pradesh DGP Prakash Singh and others.

The judgment was the culmination of a decade-long hearing that began in 1996 and brought unprecedented hope to law enforcement personnel, litigants and civil society. The core objectives of these directives were to insulate law enforcement from unwarranted political interference, ensure functional stability and enhance accountability.

The Court had issued the following directives:

1. Constitute a State Security Commission for a broad policy framework and evaluation of the state police force
2. Ensure a fixed tenure for the post of Director General

of Police (DGP)

3. Provide a fixed tenure for operational field officers

4. Separate investigation and law & order functions

5. Set up a Police Establishment Board (PEB) to decentralise and depoliticise personnel decisions. The PEB handles postings, transfers and promotions for officers below the rank of DSP

6. Establish a Police Complaints Authority

7. Form a National Security Commission for selecting chiefs of Central Police Organisations

The directives marked progress towards reforms, but did not address the aspirations of all stakeholders. At least three of the seven directives (2, 3 and 7) aim to provide stability in the tenure of police officers at all ranks. However, stability does not inherently lead to autonomy, professionalism, integrity, fairness or empathy.

From the perspective of citizens, reforms should signify a new orientation and uniformity in service delivery that bridges the trust gap. The public must feel confident that, regardless of frequent transfers, every officer will uphold the law and the Constitution.

The civil police is included in the Constitution's State List. States argue that the appointment procedure for the Head of Police Force (HoPF), although described as a temporary measure "until the



INCLUSION: The foot soldiers remain faceless numbers in the reform process. ISTOCK

appropriate legislation is framed," undermines the spirit of federalism by denying them the right to select the head of their police force. This has resulted in the appointment of ad hoc heads of state police forces, exacerbating the problem. The Union Police Service Commission (UPSC) has not distinguished itself in following the selection criteria, which may not be in consonance with the Court's clear directive to select from the three senior-most empaneled officers.

Empanelment at the Central level is generally delayed compared to promotions at the state level, and the 360-degree review remains grossly opaque. The procedures adopted to address this mismatch have further corrupted

It may be time to look beyond the Court's directions by understanding what the citizens want their police to be like.

the intent of the original directive, with the UPSC calling on all officers in the eligibility zone to choose a convenient candidate. At times, they have overlooked more than half-a-dozen senior officers and even downgraded outstanding performance reports to exclude deserving candidates.

The so-called reform regarding the removal of HoPFs in the states has also been much abused.

Most discussions tend to focus on the appointment of the DGP for the state, overshadowing the needs of 85% of police personnel — the foot soldiers who represent the police to the public. They remain faceless numbers in the reform process. Despite their improved education, awareness and motivation,

there has been insufficient progress in role definition, training and inclusion in decision-making processes. The colonial mindset of not assigning investigative work to this large group of young, capable police officers remains a significant concern.

A Supreme Court-appointed committee led by Justice KT Thomas, along with the Commonwealth Human Rights Initiative and Common Cause, has appraised the implementation of the directives from time to time. It transpires that the implementation has been partial and diluted. States are not yet ready to forgo their discretionary control over the police, and bureaucratic inertia only helps maintain the status quo.

The Court paved the way for separating law and order from the investigative wing. Special task forces or separate wings to deal with crimes involving narcotics, traffic, cybercrimes and women & children have been created. However, police leadership has shown no intent to conduct an internal exercise to divide these responsibilities.

Creating silos can have its problems, but specialisation brings in greater professionalism and efficiency. Internal orders and SOPs can be framed to enlist special units to deal with large-scale law-and-order situations.

The pursuit of autonomy by the Police Headquarters (PHQ) is often viewed as a

confrontation with the government. As a result, many police chiefs tend to avoid this path. The most far-reaching reform to improve accountability was the creation of Police Complaints Authorities at the state and district levels. However, the PHQ and state governments have responded lukewarmly to this reform.

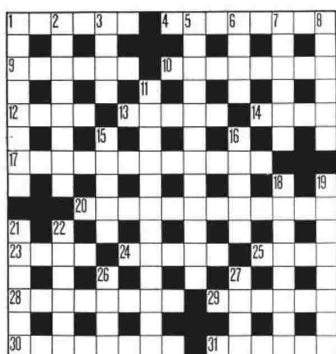
Much of the initial euphoria, hope and debate surrounding these reforms has unfortunately diminished. Since 2007, there have been over 10 formal contempt petitions and 150 interlocutory applications, most of which remain pending.

After three decades of the struggle for reforms, the common citizen still has to run from pillar to post to get an FIR registered. There are cases of custodial violence, wanton arrests and unwarranted application of stringent provisions of laws like UAPA.

It may be time to look beyond the Court's directions by understanding what the citizens want their police to be like and make a fresh start to make a police system that is service-oriented, well-trained and equipped, reliable, efficient, accountable, people-friendly, human rights-compliant and independent, with a robust oversight mechanism in place.

The Court has shown the path, but the journey of police reforms will be long-winded and arduous.

QUICK CROSSWORD



ACROSS

- One of Caesar's assassins (6)
- State of being forgotten (8)
- Completely cover (6)
- In fairness (2,6)
- Largest human joint (4)
- Impression (5)
- Boat with an outrigger (4)
- Hidden, often contrary (6)
- Feeling (12)
- Vain (12)
- Tumult (4)
- Of late (5)
- Device for moving fluids (4)
- Vulgarity (3,5)
- Mischief (6)
- Keen sight (5,3)
- A close acquaintance (6)

Yesterday's Solution

Across: 1 Appal, 4 Acclaim, 8 Rue, 9 Desultory, 10 Prosaic, 11 Power, 13 Sleaze, 15 Tomato, 18 Charm, 19 Tabasco, 21 Better off, 23 Has, 24 Craving, 25 Totem.

Down: 1 Apropos, 2 Phenomena, 3 Lydia, 4 As such, 5 Calypso, 6 Ago, 7 Mayor, 12 What's what, 14 Zambesi, 16 Opposium, 17 Strong, 18 Cubic, 20 Befit, 22 Tea.

DOWN

- Escape from confinement (5,3)
- Cumbersome (8)
- Western US state (4)
- Inevitably (6,6)
- Wading bird with long curved bill (4)
- Impression (5)
- Be an intrinsic part (6)
- Capital of the Bahamas (6)
- With intent to deceive (12)
- Scene of struggle (5)
- Feeling of insecurity (5)
- Gushing (8)
- Slovenly (8)
- Threefold (6)
- Frankfurter served in a bun (3,3)
- US university (4)
- Arabian ruler (4)

SU DO KU



YESTERDAY'S SOLUTION

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

CALENDAR

SEPTEMBER 22, 2020, TUESDAY	
Shaka Samvat	1948
Bhadrpad Shaka	31
Ashwin Navratri	6
Hijri	1448
Shukla Paksha Tithi 11, up to 9:44 pm	
Atgandha Yoga up to 4:29 pm	
Uttarashadha Nakshatra up to 7:07 am	
Moon in Capricorn sign	

FORECAST

CITY	TUESDAY 18:30 HRS 06:11 HRS	
	MAX	MIN
Chandigarh	37	22
New Delhi	35	24
Amritsar	33	22
Bathinda	37	22
Jalandhar	33	22
Ludhiana	35	24
Bhiwani	35	23
Hisar	36	23
Sirsa	36	25
Dharamsala	31	16
Manali	25	12
Shimla	26	15
Srinagar	28	13
Jammu	34	24
Kargil	25	06
Leh	23	08
Dehradun	33	21
Mussoorie	33	19

TEMPERATURE IN °C

The Statesman

Incorporating and directly descended from
the Friends of India - founded 1818

Political Shells

India's democracy has no shortage of political parties. The more troubling question is whether every organisation carrying the legal identity of a political party is actually functioning as one. More than 2,800 Registered Unrecognised Political Parties are on the Election Commission's rolls. Many are perfectly legitimate small movements, and electoral insignificance cannot itself be treated as evidence of wrongdoing. But the financial numbers reported by some of these parties point to a problem that goes well beyond the normal untidiness of India's multi-party democracy.

Consider the scale. One Gujarat-based party reported receiving about Rs 330 crore in donations in 2023-24, although it subsequently fielded only one Lok Sabha candidate. Another party reported donations rising from Rs 216 crore to more than Rs 620 crore in a year, despite also fielding only one candidate. Six such parties together reported roughly Rs 1,700 crore in donations while putting up just 15 candidates in the 2024 general election. The issue is not electoral success. It is whether the political-party framework is being used for purposes that have little to do with politics.

That possibility matters because the tax system deliberately gives political donations a privileged status. Eligible contributions to political parties can provide taxpayers with deductions, subject to a statutory ceiling. This creates an incentive on both sides: somebody may want a tax deduction, while somebody else controls an entity capable of receiving the contribution. If intermediaries begin connecting the two, a political party can become something very different from an organisation competing for votes.

This is why the reported Income Tax Department scrutiny is significant. An internal document identified Rs 5,591 crore in suspected bogus political donations and Rs 665 crore in foreign transactions requiring scrutiny. These figures are allegations or investigative leads, not findings of guilt. But they indicate that the potential problem is far larger than the accounts of a few obscure parties. The Election Commission has already recognised part of the institutional weakness. It has moved against hundreds of Registered Unrecognised Political Parties that had remained inactive for years. Yet removing an inactive party from the Commission's list does not necessarily eliminate its legal existence or resolve the financial questions surrounding it.

The answer, however, cannot simply be to eliminate small parties. Democratic pluralism requires room for new political movements, including those that initially attract few votes. What needs scrutiny is the privilege attached to registration. A political organisation receiving Rs 100 crore, Rs 200 crore or Rs 600 crore should be able to demonstrate who controls it, who finances it, how the money is spent and what political activity it actually conducts. A democracy should make it easy to start a political movement, but difficult to turn a political identity into a financial shell. That is the real warning in these extraordinary numbers. The danger is not that India's political system has too many parties. It is that some parties may have acquired a financial life vastly larger than their political one.

Arctic Bargain

The emerging agreement between the United States and Denmark over Greenland may have eased a dangerous transatlantic confrontation, but it has also exposed a deeper challenge facing the international order: how to reconcile the security ambitions of powerful states with the sovereignty and self-determination of smaller territories.

President Donald Trump's campaign to acquire Greenland, including threats of military action, placed an extraordinary strain on relations within NATO. The proposed settlement offers a diplomatic alternative to confrontation, but its significance extends well beyond the immediate dispute. Greenland is becoming a test of whether strategic necessity can be invoked to justify arrangements that substantially alter the rights of those who inhabit a territory. Washington's interest is not difficult to understand. Greenland occupies a critical position between North America and Europe, overlooking important Arctic and North Atlantic approaches.

Its importance is likely to grow as melting ice opens new maritime routes and intensifies competition over resources. The United States also regards the island as integral to its missile-defence ambitions and to containing Russian and Chinese influence in the Arctic. Yet geography does not confer ownership. Greenland is a self-governing territory within the Kingdom of Denmark, and its population has a recognised right to determine its political future. Any security arrangement that treats Greenland as strategic real estate risks reducing its people to spectators in decisions affecting their homeland.

The reported provisions of the agreement raise questions that cannot be settled by diplomatic declarations alone. Expanded American military access, the ability to construct additional installations and restrictions on investments by countries outside NATO could significantly shape Greenland's future. If these powers are intended to endure even after possible independence, the implications become more consequential. Greenlanders could inherit a state whose security choices have already been constrained.

There is also an institutional question for NATO. The alliance rests on collective defence and the principle that its members' security is interdependent. A dispute in which one member threatens the territory of another exposes the limits of solidarity when national interests collide. A negotiated settlement may restore cooperation, but it cannot erase the precedent created by coercive diplomacy. The absence of a published agreement is therefore more than a procedural inconvenience. Denmark's parliamentary scrutiny and Greenland's democratic consent will be essential to establishing whether the arrangement genuinely protects the territory or merely accommodates competing claims over it.

The existing American defence presence also makes transparency necessary: the public deserves to know what additional powers Washington is seeking and why. Greenland's mineral wealth adds an economic dimension. Investment can support development, infrastructure and employment, but strategic competition must not deprive Greenlanders of meaningful control over their resources. The Arctic needs cooperation, not a contest in which sovereignty becomes a negotiable under pressure. A durable settlement must provide credible security guarantees while preserving Greenland's democratic agency. Otherwise, this bargain may postpone rather than resolve the fundamental conflict at its heart.

Ecological failures

The crucial question is not how many saplings were planted, but what became of them. How many survived? What is their condition after five years? Have they become part of a functioning ecosystem? Has vegetation reduced soil erosion and improved water retention? Has biodiversity recovered? Without such measures, impressive plantation figures can conceal ecological failure

The Comptroller and Auditor General's performance audit of the Green India Mission is very troubling. India does not lack ambition on paper. There are schemes, targets, budgets and repeated commitments to use forests as a bulwark against climate change.

What is in short supply, the CAG audit suggests, is delivery. Between 2015-16 and 2024-25, the Mission aimed to increase forest and tree cover over 1.4 million hectares. The actual increase was only about 30,000 hectares - a shortfall of approximately 97.57 percent. The record on improving degraded forests is scarcely better. Against a target of 1.4 million hectares, improvement was achieved over only around 110,000 hectares.

The CAG points to inadequate planning, weak financial management, insufficient monitoring and poor coordination among government agencies. But the audit also exposes a deeper problem: the tendency to confuse planting trees with creating forests.

A forest cannot be produced by treating afforestation as an administrative exercise in planting a prescribed number of saplings. It takes time and ecological knowledge. It requires suitable land, appropriate species, long-term maintenance, careful management of soil and water, participation by local communities and sustained monitoring.

The crucial question is not how many saplings were planted, but what became of them. How many survived? What is their condition after five years? Have they become part of a functioning ecosystem? Has vegetation reduced soil erosion and improved water retention? Has biodiversity recovered? Without such measures, impressive plantation figures can conceal ecological failure.

This is also why the language of "green cover" can mislead. A landscape filled with trees is not necessarily a forest. Rows of commercially planted trees may increase vegetation without recreating the ecological complexity of an existing forest.

A forest is a living system - of trees, soil, fungi, insects, birds, animals, water and innumerable relationships that evolve over decades, often centuries. The choice of



species is therefore critical.

The CAG audit drew attention to plantations involving *Acacia auriculiformis*, a species identified in the audit as invasive. If afforestation introduces species that damage local ecosystems or suppress native vegetation, the objective of ecological restoration is defeated.

We should remember that planting trees and restoring forests are not the same thing. Monoculture plantations may be easier to administer and count. They may also produce attractive numbers in official reports.

Ecological restoration is harder. It requires an understanding of local landscapes and a commitment extending far beyond the plantation season. It cannot be reduced to an annual drive followed by a ceremonial photograph.

The timing of financial allocations is another revealing problem. Afforestation is seasonal. Saplings must be planted at the right time, particularly in relation to rainfall. When funds reach implementing agencies after the planting season has passed, saplings are often put into the ground under unfavourable conditions, with predictable consequences for their survival. The monsoon will not wait for a file to move from one department to another.

There is an even larger contradiction at the heart of India's approach to forests. The Green India Mission cannot by itself protect forests while existing natural ecosystems continue to face pressure from infrastructure expansion, mining and urban development.

The crucial questions extend beyond plantation targets. How is a forest defined? Which land is recognised as forest? How much forest land is diverted for development projects? How seriously are the views of local and indigenous communities considered?

The proposed cutting of thousands of trees in Delhi's Shahabad Mohammadpur

"deemed forest" for railway infrastructure, which prompted judicial intervention, illustrated one such conflict. The Hasdeo Arand region in central India - one of the country's important contiguous forest landscapes - offers another reminder that formal protection does not necessarily guarantee ecological security.

On the one hand, public money is spent on ambitious programmes to plant millions of new trees. On the other, mature forests - ecosystems shaped over decades - are cleared or fragmented for development. The two processes are not equivalent.

A sapling planted today cannot compensate for the destruction of an old forest. Nor can a plantation quickly reproduce the biodiversity, carbon storage, soil systems and hydrological functions of a mature ecosystem. Destroying a forest is relatively easy. Growing one is not. This raises an uncomfortable question: are afforestation targets sometimes being used as a form of moral accounting? Trees are destroyed in one place, saplings planted elsewhere, and the environmental balance sheet is considered settled. Nature does not work that way.

In an age of climate change, forests are not simply scenic landscapes or carbon sinks. They are critical ecological infrastructure. They hold soil together, protect watersheds, improve water retention and reduce the impact of floods and erosion. Forested landscapes support an extraordinary range of biodiversity and play a crucial role in sustaining freshwater systems.

Afforestation, therefore, cannot remain an isolated project of an environment department. It must be linked to agriculture,

water management, rural livelihoods, disaster preparedness and public health. Approaches such as agroforestry and homestead-based tree cultivation deserve greater attention because they can integrate tree cover with livelihoods and land use. But here too, ecological suitability must remain central. More trees do not automatically produce healthier ecosystems.

What India needs is a fundamental change in its approach to afforestation. Forests should not be treated as targets to be ticked off in annual reports but as living ecological and social assets.

They are not simply "green cover." They contain soil, water, plants, animals and complex forms of interdependence. In many parts of India, they are also inseparable from the livelihoods, cultures and knowledge systems of local and indigenous communities.

Afforestation programmes should be judged by long-term survival, ecological restoration, biodiversity recovery, soil health and water retention. Independent monitoring must continue well beyond the plantation phase. Local communities should be partners in planning and protecting forests, not merely providers of labour. Above all, protecting existing natural forests must take precedence over the symbolic expansion of plantation targets.

As mountains are blasted, forests fragmented and rivers placed under increasing pressure, disasters are often described as nature's revenge. But nature does not take revenge. When human greed and short-sighted development weaken forests, wetlands, mountains and river systems, these ecosystems gradually lose their capacity to absorb shocks. Floods become more destructive, slopes more unstable and droughts more severe.

Planting a sapling matters. But planting a sapling is not the same as growing a forest. Until policy recognises that distinction, India may continue to celebrate plantation targets while quietly losing the ecosystems those targets were meant to protect.

THE INQUIRER

Hard work begins for BARMM

This was how Commission on Elections (Comelec) chair George Garcia, police information chief Col. Allen Co. and Lanao del Sur Rep. Zia Adiong described the historic parliamentary elections of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) early this week.

This, despite several violent incidents, including shootings that left four people dead and at least 20 wounded, a powerful explosion, a mobster's car rammed into a parked vehicle, and a 300-voter disenfranchisement because a precinct had run out of ballots, over 16,000 pre-shaded ballots in 36 polling precincts, and several confrontations between partisan groups that prevented teachers from getting into the area. That more than 80 percent of BARMM's 2.39 million registered voters braved such risky scenarios, not to mention the "scorching heat," has left Garcia positively euphoric. "I believe the people of Bangsamoro have shown that they are

not afraid - whether there is gunfire, unrest, or even fistfights. It doesn't really matter; they will vote. We are grateful to them for the trust they have placed in the Comelec," he added.

The significant turnout wasn't exactly surprising, given that the voters had waited four years for this election to finally push through. The polls have been postponed four times since 2022 due to

the pandemic, the delays in passing the Bangsamoro Organic Law, the Supreme Court ruling that excluded Sulu from the region, another high court ruling that declared regional districting laws unconstitutional, and operational time constraints.

But the enthusiastic response reflects as well the Bangsamoro people's clamor to choose their own leaders to see through the promise of the Mindanao peace process that resulted in the 2014 Comprehensive Agreement on the Bangsamoro (CAB)

between the Philippine government and the Moro Islamic Liberation Front. As Adiong noted, the election "will be the foundation of the regular BARMM government, which will enable it to exercise its true autonomy." Aside from completing the political track of the peace deal signed after 17 years of often contentious negotiations, the BARMM election also ensures a place at the table among the different segments of the Muslim community.

As mandated by the Bangsamoro Organic Law, there are several seat allocations in the 80-member regional parliament.

To balance regional, political, and sectoral voices, the 80 seats are divided into three categories: party representatives get 40 seats, district representatives 32, and sectoral representatives eight. The sectors represented are non-Moro indigenous peoples and settler communities, with two seats each, while one seat each is allocated to women, youth, ulama (Islamic

religious scholars), and traditional leaders. The region's chief minister, who heads the executive branch, will be elected by parliament in its first session.

With the polls over and the winners chosen, the real hard work of self-governance and autonomy begins, starting with the national government fulfilling its commitments under the normalization track of the CAB.

Without the promised economic incentives for decommissioned combatants, the delayed camp transformations, and the nonpassage of the national Transitional Justice and Reconciliation bill in Congress, long-term regional stability will remain an aspiration and could expose former fighters to dangerous enticements from extremist groups.

A stable and peaceful BARMM could meanwhile free military forces from the rigors of protracted counterinsurgency operations in the countryside and reorient them toward external territorial defense.

Letters To The Editor | editor@thestatesman.com

Tatas

Sir, Please refer to today's report "Turnoil in Tata Sons after Chandrasekaran reappointment". The confrontation at Tata Sons is no longer merely about whether N Chandrasekaran should remain executive chairman. It has become a test of how India's business world reconciles board authority, controlling shareholder rights and regulatory obligations at a moment of extraordinary institutional change.

On September 17, the Tata Sons board voted by majority to give Chandrasekaran another five-year term after he reconsidered his August decision not to seek reappointment. Now Tata opposes the resolution, and Tata Trusts, which controls roughly 66 percent of Tata Sons, subsequently declared the vote a "legal nullity", arguing that the company's Articles require the support of

both Trust-nominated directors for such a decision.

Apparently, a prolonged confrontation between Tata Sons and Tata Trusts could create precisely the uncertainty that leadership continuity is intended to prevent.

The priority should therefore be institutional resolution rather than personalities. Tata is preparing for what could be one of the biggest structural changes in its history. Its governance architecture must prove strong enough to carry it through.

Yours, etc., Khokan Das, Kolkata, 18 September.

Sword

Sir, Apropos the editorial "UP's price" (September 19), though the NPCI clarifies in print and digital media that the proposed MDR fee will not pinch the consumers, the

fee of 0.4 percent on Person to Merchant transactions with a cap of Rs 300 is a sword hanging over consumers.

There is a distinct possibility of merchants passing the cost to consumers either directly or through hidden charges.

A few educated consumers would try to resort to Bank of India or Mobile Banking or NETS or use debit cards for making payments. It will be a dent on UP's digital progress.

Yours, etc., R V Baskaran, Pune, 19 September.

English Divas

Sir, Each year we dutifully mark Hindi Day on 14 September. It is a day when we, who exactly celebrates it with zeal. The irony is hard to miss while Hindi is feted ceremonially, it is English that has become the true passport to jobs, technical education,

and upward mobility.

From corporate boardrooms to call centers, English is the sine qua non of success. Even our domestic help now proudly announces she is learning English alongside her first-grade daughter.

This is not elitism; it is aspiration at the grassroots. Hinglish already dominates our advertising jingles and Bollywood scripts. The language has ceased to be "foreign"; it is now woven into the fabric of everyday India.

So why not institutionalize this reality? An English Divas would acknowledge the language that empowers millions, expedites opportunity, and connects India to the world. Far from diminishing Hindi, it would celebrate our multilingual strength.

Yours, etc., Avinash Godbole, Dewas, 21 September.

Pakistan is playing games with FATF

HARSHA KAKAR

Pakistan recently announced a reward of Rs 70 lakh for information leading to the arrest of Jaish-e-Mohammed (JEM) chief, Masood Azhar, who is a UNSC-designated terrorist. The timing appears to indicate that it is aimed at avoiding being questioned by the FATF (Financial Action Task Force) in its forthcoming plenary. Pakistan was last placed on the FATF grey list in 2018 and removed in 2022, after meeting some conditions. It has been repeatedly cautioned that exiting the grey list does not provide immunity from monitoring and it will remain under regular evaluation by the Asia Pacific group. The next detailed audit is due in 2029.

Remaining on the grey list implies that the country has flaws in its money laundering and counter-terrorist financing systems. A country on the grey list loses on foreign investment (reportedly around 7 per cent) and pays higher borrowing costs while multilateral development banks and donor nations are compelled to reassess funding arrangements. It also impacts the country's global reputation and standing. Pakistan has itself admitted that it lost about USD 38 billion in economic growth and GDP after being placed on the grey list multiple times since 2008. It fears this will be repeated if it is again targeted.

A US Congress report of March this year mentions that 12 out of 15 terrorist groups operating from Pakistan are marked as Foreign Terrorist Organizations by them. Many of them are aimed at India. Since 2018 Pakistan has been designated by the US as a 'country of particular concern'. A 2018 UNSC updated list of terrorists, under the UN 1267 Al Qaeda Sanctions Committee, included 139 based in Pakistan. Current inputs mention that these are now around a hundred.

The number of terrorists sought by India from Pakistan has been increasing. The number has risen from 1330 in 2021 to 1804 currently, an increase of 35 per cent. Wanted in India for various terrorist incidents, they roam freely in Pakistan, protected by their security agencies. This indicates the growing terror infrastructure within Pakistan. Evidently, the country plays host to many of the world's most dangerous terrorists, whose existence it continues to deny.

The FATF is scheduled to hold its plenary meeting from 26 to 30 October in Paris. Pakistan is desperate to show the global financial body that it is serious in its commitment to counter terrorism. It therefore increased the bounty on Masood Azhar from Rupees 50 to 70 lakh. It hopes this would convince the global body of its intent. It is aware that India is watching every move. Azhar, the founder and chief of

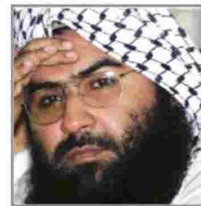
the JEM, is wanted in India for multiple crimes, including the 2001 Parliament attack and the 2008 Mumbai attack. His group has also been linked to the 2016 Pathankot base attack and the 2019 Pulwama bombing. Pakistan listed Azhar as a wanted terrorist in its Federal Investigation Agency's Red Book in 2021 and repeated this in 2026. FIRs have been registered against him in Pakistan in 2020 and 2021, and he has even been declared missing.

Pakistan had claimed that Azhar had left the country for Afghanistan, which Khabul denied. It is known that Azhar is hidden and protected by the Pakistani army, moved from place to place to prevent being targeted by unknown gunmen. It is reported that Azhar is more secure than Pakistan's political leadership. India responded to Pakistan's actions with the MEA spokesperson mentioning, "Such gimmicks and hoodwinking by Pakistan are nothing new. We have seen similar gimmicks in the past as well." He added, "For a state sponsor of terrorism to make such phony announcements, we all know how hollow it is. Pakistan must take concrete action and not make phony announcements."

JEM operates from Bahawalpur and its base was destroyed by Indian forces in Operation Sindoor. The strike killed 10 members of Azhar's family and four of his aides. Reports indicate that the Pakistan government and

the ISI released Rs 25 crore to rebuild the base. It is currently operational. The JEM is also attempting to raise Rs 3.91 billion to create 313 new markaz for which more than 290 online payment wallets are being used, a fact which cannot be hidden.

Interestingly, the supposedly missing Azhar released a press statement after the Indian strike on Bahawalpur which said, "Ten members of my family including five children, my elder sister and her husband, my Islamic scholar nephew, his wife and my niece, in addition to this my old friend Hafiza, his mother and two other colleagues were killed." He also announced the timing for the funeral. It is unlikely that the Pakistan army would have permitted him to be present. Despite this, Pakistan claims it is unaware of Azhar's whereabouts. Simultaneously, Indian intelligence sources have mentioned that Azhar is currently housed in Nowshah in Sindh. In September last year, Masood Ilyas Kashmiri, a JEM commander, claimed that orders for military personnel to attend the funeral of terrorists killed in Operation Sindoor were given directly by then army chief, now field marshal, Asim Munir. Photographic evidence of senior Pakistan army and police officers as also local politicians being present exists, adding credence to the fact that Pakistan remains a state supporter of terrorism. The irony is



that Pakistan is offering money to locate a terrorist who, apart from operating from its soil for decades, is protected by its own security agencies.

It is not that the world is unaware of Pakistan's support to terrorism and that the increase in the reward for Azhar is a smoke screen. Its major advantage for now is support from the US, especially as it attempts to broker talks between Washington and Tehran. The reality is that the state supporting terrorism against all its neighbours - India, Afghanistan and Iran - is today embroiled in its own internal security crisis. Pakistan's chances of emerging from the growing menace of freedom movements in its western provinces unscathed is almost non-existent. India has to sit back, bring out the popcorn and watch Pakistan burn, all because of its own flawed policies. The FATF must ignore Pakistan's drama on Azhar and once again push for initiating steps for its re-entry into the grey list.

The writer is a retired Major General of the Indian Army.

100 Years Ago



Front page of The Statesman dated 22 Sept 1926

OCCASIONAL NOTE

DURING the last month three country boats, of the ballam class, loaded with passengers have been wrecked in Lower Bengal. Hundreds of lives have been lost. In the latest accident, which took place off the Gobtola lighthouse, only 23 persons were rescued out of 200. In commenting upon a previous tragedy of a similar kind we pointed out that district boards had neither the funds nor the organization to carry out the supervision and inspection necessary to ensure the safety of passengers on ferry boats and ballams. These vessels are for the most part very roughly constructed, their design is awkward, and they are kept in use till the timbers are rotting. No wonder they so often capsize or break up into two or three parts under stress of heavy weather. To introduce a new design is impossible till entirely new standards obtain in Lower Bengal, but if any attempt is to be made to lessen the toll the Bengal rivers take of the population some kind of rigid inspection of all ballams is necessary. Licenses should not be issued to ferry boats which are on the point of breaking up through old age, and overloading should be very strictly punished. It would appear that the people are averse to the police taking over the duties of the district boards in these respects, but somebody must take them over if the districts boards are incapable.

News Items

GIRL'S 25-HOUR SWIM GIVEN UP 600 YARDS FROM COAST (BRITISH OFFICIAL WIRELESS) RUGBY, SEPT.

DESPITE the determination displayed by Miss Mona Maclellan in her attempt to swim the English Channel from Cape Gris Nez to Dover yesterday, she was forced to abandon her efforts when within six hundred yards of the Admiralty Pier at Dover. She had been 25 hours 20 minutes in the water—a feat of endurance hitherto unequalled by a woman—and during the last half dozen hours the conditions were most discouraging. At 18.5 hours her position was two miles from the English coast and therefore she battled valiantly against a strong flood tide to make a landing at St. Margaret's.

She gained only one mile in six hours and finally abandoned the attempt within the sight of a "large crowd on the shore."

OVERLOADED PLANE

TWO OF CREW TRAPPED IN FLAMES NEW YORK, SEPT.

WHEN Capt. Fonck's machine left Curtin Island clear of the blazing plane with Capt. Fonck, but the Russian mechanic and the French wireless operator, Clavier, were trapped in the fuselage and were burnt to death.

The plane's weight exceeded 28,000 lbs. It was apparently overloaded, and when it leapt into the air, at the end of the three-quarters of a mile runway, it plunged nose foremost and crashed over the embankment. A cloud of black smoke arose and the machine burst into flames. A second aeroplane which was circling overhead, sounded the siren of the fire alarm, which brought the fire brigade to the scene within ten minutes, but it was too late to save the mechanic and wireless operator. Thousands of persons witnessed the start, but the intense heat of the burning aeroplane kept the people forty feet away.

Women spectators fainted.—Reuter.

MINERS MEET-BUT NO DECISION

COMMONS DISCUSSION ON MONDAY (BRITISH OFFICIAL WIRELESS) RUGBY, SEPT.

THE Executive of the Miners' Federation which met this afternoon to consider the Government's proposals for the settlement of the coal dispute adjourned until to-morrow morning without having, it is understood, come to any definite decision.

A time for investing in peace

RAJDEEP PATHAK

TWO September 11s offer two very different lessons for the world. On 11 September 1906, more than 3,000 Indians gathered at Johannesburg's Empire Theatre and took a solemn pledge to oppose the Transvaal government's discriminatory registration law without violence. Led by Mohandas Karamchand Gandhi, they chose Satyagraha, the force of truth, discipline and non-violent resistance, rather than anger or armed revolt. On 11 September 2001, the terrorist attacks in the United States caused immense loss of life and introduced a new era of fear, war and global securitization. Together, these two dates remind us that societies can respond to injustice and insecurity either through violence and suspicion or through truth, restraint and organised civic action.

This contrast gains special meaning as the world observes the "International Day of Peace" on 21 September 2026. The United Nations theme for this year is "Invest in Peace – For Everyone, Everywhere, Every Day." The theme calls on governments, institutions, communities and individuals to treat peace as a continuous responsibility rather than as a matter reserved for diplomats and international conferences.

Peace-building goes beyond formal negotiations and conference rooms. It requires sustained investment in education, justice, trust, dialogue and social cooperation, along with small but meaningful actions in homes, schools, workplaces and neighbourhoods. The United Nations has described this approach as support for the "everyday architects of peace" – people who help bridge divisions and build safer

communities. A reference to the 1906 gathering in Johannesburg is poignant. For it was an early example of such organised civic action. The law required Indians to register, provide fingerprints and carry passes. Instead of obeying an unjust order or responding with violence, the community chose to stand together, speak openly and accept the possible consequences of resistance under Gandhi who first experimented with his principle of non-violence on foreign soil against the might of the time through this powerful declaration of "Satyagraha". This was the beginning of Satyagraha as a collective method. It showed that ordinary people could challenge injustice through courage, self-discipline and non-cooperation.

Satyagraha is often translated as "truth-force" or "soul-force." The word combines satya, meaning truth, and ahimsa, meaning firm insistence or holding firm. It was not passive behaviour. It required people to identify injustice, organise peacefully, refuse cooperation with wrong, and accept suffering without seeking revenge. Its purpose was not to destroy the opponent but to appeal to conscience and expose the injustice of the system.

Ninety-five years later, the events of September 11 produced a very different response. Unlike the mass movement inspired by Gandhi's call for non-violence and peaceful resistance in 1906, the terrorist attacks on the United States triggered a global shift towards military intervention, heightened security and counterterrorism measures. Governments across the world expanded military operations, strengthened surveillance systems, enhanced intelligence networks and established or empowered security institutions to prevent future attacks.

Airports, public spaces and international borders came under stricter security controls while new laws were introduced to monitor financial transactions, track suspected terrorist networks and improve intelligence sharing between nations.

Although these measures were intended to protect citizens and address emerging security threats, they also raised important questions about privacy, civil liberties, human rights and the balance between national security and individual freedom. The post-9/11 world thus demonstrated how fear and violence could reshape international relations, influencing government policies and public life for decades while highlighting the continuing challenge of addressing conflict through dialogue, cooperation and peaceful means.

While such measures may be necessary to prevent immediate threats, force and surveillance alone cannot create lasting peace. They cannot, by themselves, build trust, address discrimination, heal social divisions or remove the conditions that allow violence to grow.

This is why the idea of peace as an investment is important. Investment means putting resources, time and attention into the conditions that allow people to live with dignity and resolve differences without violence. It includes good education, accessible healthcare, fair policing, legal aid, employment opportunities, accountable institutions and spaces where people from different communities can meet and listen to one another. A practical peace agenda, therefore, should focus on four important areas. First, schools, universities, police academies and public institutions should teach negotiation, mediation, media literacy, restorative justice and non-violent communication to help people resolve conflicts peacefully. Second, communities

should encourage neighbourhood mediation centres, interfaith discussions, cultural exchange programmes and local peace committees to build trust and understanding.

Third, peace requires justice and dignity through fair treatment, protection of human rights, access to legal support and transparent justice systems. Finally, media organizations and public campaigns should promote cooperation, reconciliation, empathy and the efforts of local peace builders rather than focusing only on conflict, fear and division. These goals can be measured. Institutions can record the number of people trained in mediation, the reduction in school suspensions and use of force incidents, the number of disputes settled through dialogue, and public perceptions of fairness and safety. They can also examine whether different social groups feel equally heard and protected.

Everyday Satyagraha does not require a grand march or a historic gathering. It can begin with listening before judging, refusing to spread unverified information, intervening safely when someone is being targeted, apologising when harm has been caused and working with people from another community on a shared public project. Schools can teach children how to resolve disagreements. Neighbourhoods can create mediation networks. Local media can report not only on violence but also on the people who prevent it. The idea of "peace investment" encourages us to look at public money in a different way. Money spent on training teachers, mediators, police officers and community leaders is not merely an expense but an investment in preventing violence and resolving problems before they become serious conflicts.

Similarly, providing legal aid, building fair and accessible institutions, and

creating spaces where communities can openly discuss their differences are essential for creating trust between citizens and public institutions. When people feel heard, treated fairly and given peaceful ways to resolve disagreements, the chances of conflict and violence can be reduced.

Therefore, the success of peace efforts should not be measured only by the number of threats stopped or incidents prevented, but also by how many disputes were resolved peacefully, how much trust was rebuilt, and how many people – especially young people – were given the knowledge and skills to become peace-builders in their families, communities and society.

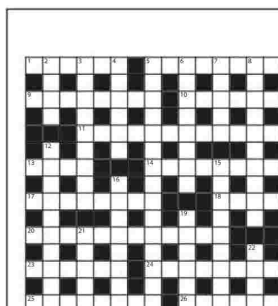
The forthcoming International Day of Non-Violence on 2 October 2026, observed on the birth anniversary of Mahatma Gandhi, reminds the world that peace is not simply the absence of violence. It is a way of living based on dialogue, compassion, moral courage, mutual respect and human dignity. Gandhi's message shows that peaceful action, when guided by truth and courage, can become a powerful force for social change.

Thus, all these dates form a meaningful sequence. The first September 11 recalls the birth of organized Satyagraha. The second reminds us of the devastating consequences of violence and fear. The International Day of Peace asks us to invest in the conditions that make peace possible, while the International Day of Non-Violence invites us to practice those values in everyday life.

Peace, in this sense, is not a seasonal slogan or the absence of war. It is a permanent civic commitment, for everyone, everywhere, every day.

The writer is Programme Executive, Gandhi Smriti and Darshan Samiti.

Crossword | No. 293588



Yesterday's Solution



ACROSS

- 1 Trim tree (6)
- 5 Check out underground laboratory item (4)
- 9 Shed many layers here (8)
- 10 Fish bar cut sandwiches (6)
- 11 Study classics, bar first quarter, collecting cup (12)
- 13 Like conditions in the Kalahari desert (4)

- 14 Flyer allowed to cover old Republican president (8)
- 17 Endlessly ardent enthusiast, one hugging posh birds (8)
- 18 Lake of Caledonian highlands primarily (6)
- 20 Dental assistant tried noxious compound (7)
- 23 One wheels in books for baker's agent (6)

- 24 Basque occasionally blocks strike approval (6)
- 25 After, say, golf, he notices experts (8)
- 26 Malaysia primate votes in the affirmative (5)
- DOWN
- 2 Winger short of very big game (4)
- 3 Amazing party after try a French fellow secured (7)
- 4 European left Yankee union for the stage (6)
- 5 How obtuse adult and radical ruined TV nature series (5,5,2)
- 6 A representative visiting country's plant by the sea (7)
- 7 RA's equipment falls (5)
- 8 Subject: The Dance of Iconic Bees (10)
- 12 Dominant priest ranting about (4)

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with The Independent, London)

INTERNATIONAL EDITORIALS



OPINION

The Bessent Predicament



INSIDE
VIEW
By Andrew
Kessler

The yield on 10-year Treasury bonds is dancing around 5%. It was 4% in March. Treasury Secretary Scott Bessent, facing higher borrowing costs, is in a quandary as to how to lower it. Roadblocks include helping Japan, China's dumping of Treasuries, Dutch gold leaving New York, \$4.47 gasoline, continuing Federal Reserve rate hikes, 7% mortgages, a frothy stock market and endless budget deficits. Turns out tariffs are bond busters too. Most of us ignore long rates. "Artificial intelligence stocks are still popping, so get me more high-bandwidth memory exposure!" More than half of gross domestic product growth in 2026 came from AI investments, a trillion-dollar party that will eventually end. By nearly every measure—from Shiller's Cyclically Adjusted Price to Earnings ratio, and the Buffett Indicator of market cap to GDP and market cap—the stock market is stretched. And when yields rise, bonds become more attractive than stocks.

Here's the Bessent Predicament: Over the past five years, the yen has dropped in value, from 103 per dollar in 2020 to a low of 164 at the end of July. Since then, Japan has defended the yen, which

typically means selling U.S. Treasuries and buying yen so they don't have to raise rates and hurt their economy. Mr. Bessent doesn't like the "sell Treasuries" part, so he raided an Exchange Stabilization Fund in July to help buy yen. It kind of worked—the yen is now 157 per dollar—but long-dated Treasury yields keep rising. So much for his "I am the house" rhetoric.

I believe Mr. Bessent intervened to keep the party going. A chunk of the capital inflating our stock market (and paying for AI data centers) came from what's known as the yen-carry trade. Interest rates in Japan have been so low for so long, investors borrow cheap in yen and then invest in U.S. and elsewhere in riskier stuff. That game is over. Rates in Japan keep going up, and on Friday Japan's central bank raised short rates to 1.25%.

Next, China owned \$1.3 trillion in U.S. government debt in 2013. Today it's \$633 billion. Instead, they've been buying gold. Global dollar accumulation has slowed. Even European gold is being transferred out of the U.S. Currently, Japan has \$1.1 trillion of our debt.

Here's my theory: Back in 1997-98, the Asian currency crisis hit Thailand, South Korea and Indonesia and spread elsewhere. Countries borrowed in dollars to invest in local projects in their own currencies. When projects failed, their currencies plummeted, but they were stuck

paying back dollar-denominated debt. It took \$118 billion in bailouts to correct.

Since then, most of these countries have ramped up exports to the U.S., "importing" U.S. Treasuries and stuffing them into central banks as reserves and a war chest against future currency weakness. Our Treasuries became

The smart fix for the Treasury secretary is to dump tariffs and encourage free trade.

their gold. We didn't mind. We ran budget deficits and then foreigners bought our debt so we didn't have to. We could instead buy equities like the Magnificent Seven. What changed? The Trump tariff regime is premised on limiting imports into the U.S. Perversely, this reduces the Treasuries that foreigners buy. That, and a dollar down by 10% since Donald Trump took office (not against the yen) is a deliberate attempt to make imports more expensive—one reason inflation is still more than 3% and the 10-year is at 5%. Mr. Bessent has been jumping through hoops with short-term fixes that don't work.

Mr. Bessent knows we need new buyers of Treasuries and thinks stablecoins are the answer—a long-overdue digital dollar that can move between holders in milliseconds

for cheap. It's the use case for crypto, not speculative meme coins. After the Genius Act passed last year, U.S.-based stablecoins need to be backed 1 to 1 with U.S. Treasuries or their equivalent. This week's Senate blocking of the Clarity Act may slow use.

But stablecoins are a false hope. The money to buy stablecoins (which then buy Treasuries) has to come from somewhere—typically a bank, which then needs to lower its reserves, which means less lending. And what happens to the Treasuries that stablecoin companies buy? A look at stablecoin provider Circle Internet Group shows that its Treasuries end up in a BlackRock money-market fund, custodied at BNY Mellon bank.

Yes, Treasuries do go in a big circle back to banks, but the stablecoin-owned Treasury in custody can't create economy-friendly lending, unlike a Treasury in bank reserves. Less lending. Or higher lending costs. Nothing is free, there are always consequences.

The dollar is still dominant but less so. My advice for Mr. Bessent's predicament: Dump tariffs. Encourage free trade. Tell Japan to let markets set their interest rates. This will help lower our inflation and enable buying of Treasuries by foreign central banks as their paper gold. That's how you get long rates back to 4%. Everything else is Band-Aids.

Write to kessler@wsj.com.

BOOKSHELF | By Tunku Varadarajan

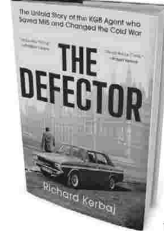
A Proposal To Intrigue

The Defector

By Richard Kerbj
Pegasus, 352 pages, \$29.95

One of the startling incongruities of the times we live in—at least for those of us old enough to remember the past—is that the Cold War can seem like an era of relative innocence and decorum. Yes, we had an enemy armed with an arsenal that could obliterate us. But there were no terrorists shooting up concert venues on Western soil, or ramming cars into gay-pride parades—or airplanes into buildings.

The Soviets didn't suicide-bomb our civilians; they shadowboxed with us. We spied on each other, using tradecraft: unbreakable ciphers and top-secret dropfiles, honeytraps, blackmail and deception. Spooks at embassies pretended to be attaches of an innocuous kind, with job titles such as Third Secretary (Supplies). It was a world that Richard Kerbj brings back into lively and arresting focus in "The Defector."



The book is subtitled "The Untold Story of the KGB Agent Who Saved MI5 and Changed the Cold War." And while that last claim is somewhat breathless and overblown, the story told by Mr. Kerbj teems with spies and spy catchers who could have slithered off the pages of John le Carré.

Mr. Kerbj is a historian of espionage—especially of the intelligence services of Britain, the U.S. and the Soviet Union, the first two allied against the latter in a decadeslong competition to outwit, infiltrate and undermine the other side. The book's title refers to the Soviet agent Oleg Lyalin, a relatively low-level but irrepressibly ambitious KGB operative who defected to Britain in 1971.

The dashing Lyalin had been trained for spy work in the U.S.—his English was first-rate—and was, Mr. Kerbj writes, "a rising star" in the KGB. But his sybaritic lifestyle and penchant for booze and women caused his handlers to regard him as unfit for the professional rigors of an American posting. He was sent, instead, to a disciplinary Siberia—in his case a Baltic port in Lithuania—where he was tasked with extracting information from Western sailors and businessmen.

In other words, a calamity for a young man with high self-esteem and considerable spy smarts. But he acquired himself well enough in Lithuania to get back into the good graces of his seniors. They rewarded him with a job in London, ostensibly as a trade representative and "textiles specialist." He was, in truth, an operative of the KGB's Department V, assigned to sabotage infrastructure.

On Lyalin's to-do list was finding ways to poison the U.K. water supply, the sort of dastardly goal the KGB—unconstrained by democratic checks and Western levels of morality—had started to pursue in the 1960s to undermine Western morale. It was this freedom to sabotage, Mr. Kerbj writes, that generated a certain fatalism within the CIA and MI5. James Angleton, the CIA's head of counterintelligence, and Martin Furnival Jones, MI5's director, were resigned to the fact that the KGB would always have an operational edge over its Western counterparts.

There was a palpable sense that the KGB was winning the espionage war. Britain had yet to recover from the humiliating betrayals by Guy Burgess, Donald Maclean and Kim Philby, and the CIA was still reeling from the exposure and execution of Peter Popov, a colonel in Soviet military intelligence who had passed on a trove of priceless information to the American agency. The CIA's morale was restored, to an extent, by the defection in 1961 of Anatoly Golitsyn, a frustrated, high-ranking KGB officer stationed in Helsinki who had persuaded the agency to grant him asylum in the U.S.

Oleg Lyalin asked MI5 to expel him from London. His plan was to return home, divorce his wife—and then spy for the British.

Golitsyn was "very much a prima donna" who felt the KGB wasn't giving him his due. In Angleton he found an uncritical, almost totally credulous admirer who stoked his ego and gave him nearly everything he asked for—money, comfortable housing in New York, access to the CIA archives, plus operational freedom never before granted to a defector. But he didn't get direct access to President John F. Kennedy—an absurd demand, of course—and this rankled him.

Like Golitsyn, Lyalin was also a "walk-in": a Soviet agent who offered himself up, unbidden, to MI5. His reasons, Mr. Kerbj tells us, were astonishingly humdrum: While in London, he'd racked up a series of affairs with women—including the wife of a KGB colleague—and wished to rid himself of his own spouse. He asked MI5 to orchestrate his expulsion from London, which would enable him to return to Russia as something of a hero. There, he would divorce his wife and repay MI5 by working for them as a mole. This was almost hilariously tawdry, but MI5 was beguiled by Lyalin's many disclosures about KGB operatives in London, made as a way to prove that he was not faking his defection.

Eventually, Lyalin's appetites led to his arrest by a London policeman for drunk driving. His wife—as unhappily married as he was—used the opportunity to make an official complaint about him, in which she also questioned his commitment to the KGB. As a consequence, Lyalin was ordered to return to Moscow in disgrace.

His earlier plan—a neat Soviet divorce, then spying for MI5—was now in tatters, and so he asked MI5 to grant him asylum in Britain instead, asking also that they let his mistress (the wife of his KGB colleague) accompany him. The British complied, resetting this colorful, undisciplined yet enormously well-informed KGB agent in the north of England under a new identity.

The information Lyalin furnished helped persuade the British government to move forward with a planned expulsion of 105 Soviet government employees from London, nearly 20% of the bloated Soviet presence in the British capital. Called Operation FOOT, this was the largest single expulsion of spies in the Cold War. Lyalin, for his part, faded into obscurity—a footnote now waiting, perhaps, for a riveting movie to be made about him three decades after his death.

Mr. Varadarajan, a Journal contributor, is a fellow at the American Enterprise Institute and at NYU Law School's Classical Liberal Institute.

Maria Corina Machado's Risky Return



AMERICAS
By Mary
Anastasia
O'Grady

Venezuela's Bolivarian National Intelligence Service last week detained a former mayor of the city of Torres, in the state of Lara, after he emerged from giving an interview with local media in Barquisimeto, Lara's capital city. Javier Oropeza had arrived in the country 48 hours earlier after two years in exile in Spain. Six hours and many protests later, Mr. Oropeza was released.

Under Delcy Rodríguez, Venezuela remains a nation terrorized by secret police with arbitrary powers. No wonder the Trump administration is nervous about opposition leader Maria Corina Machado's determination to return to her country. It doesn't control the dictatorship, despite having made it a partner in the oil business.

Ms. Machado has made at least two attempts to go back to Venezuela since she left in December 2025 under cover of darkness to accept the Nobel Peace Prize in Norway. Any day now she's expected to make another go of it.

The Caracas-born Ms. Machado, 58, recently told the European online magazine *Democrats Review* that she wants to return to see to it that Venezuela's "popular democratic energy is channeled through peaceful and civic means, that it grows,

and that it ultimately secures the right to a genuine democratic electoral process."

A report out last week on the United Nations Human Rights Council's "fact-finding mission" on Venezuela confirms what every Venezuelan democrat already knows about what will confront Ms. Machado if she makes it into the country. More than eight months after President Trump used the U.S. military to capture dictator Nicolás Maduro, Venezuela is still a police state.

Secretary of State Marco Rubio said recently that the U.S. won't try to stop Ms. Machado, as it did on June 26 when her plane was headed for Caracas. Two days later the regime in Caracas kept her from entering the country on a flight from Panama. Now Mr. Rubio says the U.S. sees her return to her country as her right. But that doesn't make her mission any less risky.

Ms. Machado played a major role in the victory of opposition candidate Edmundo González in the July 28, 2024, presidential election and in organizing an army of citizen poll-watchers who uploaded images of the tally sheets from voting precincts around the country. "I'm so proud, so proud with what we achieved last Sunday," Ms. Machado told me by telephone from Caracas days after that election. "We managed not only to win but to prove that we had won." After "25 years and tens of sham elections," the opposition had successfully

documented its triumph. "Now we need to move ahead. We will not give up. We will not give up."

Ms. Machado's campaign to force Mr. Maduro to admit defeat made her a target of the regime. To dodge detention or worse, she went into hiding for nearly 16 months.

Venezuela remains a police state. Her mission to challenge the regime is perilous.

Then came her harrowing escape from the country on the way to Oslo.

Venezuelans in and outside the country cheered the Trump administration's daring capture of Mr. Maduro on Jan. 3. But the regime has hung on. On Wednesday a press release from the U.N.'s high commissioner on human rights said that the fact-finding mission, in the country Sept. 1, 2025, through July 29, 2026, found that Venezuelan "institutions responsible for repression, gross human rights violations and crimes against humanity remain intact."

There's been some progress. According to the press release, the mission "observed a significant decline in long-term detentions and related enforced disappearances," since Mr. Maduro's removal. "In the period that followed, authorities released hundreds of people detained

for political reasons and allowed somewhat greater space for protests, public gatherings and civil society participation."

Yet "numerous laws used to criminalize dissent remain in force, and the country's extensive intelligence services and security forces retain essentially the same structures, policies and practices." Mr. Oropeza can attest to that. The regime's paramilitary also remains unchecked. "No steps have been taken to disarm or dismantle the *colectivos*, who have been the source of pervasive intimidation and violence at community level."

Ms. Machado told *Democrats Review* that the U.S. sure has "prevented the brutal violations" by the regime that were previously "considered routine." But "torture centers still exist, and the number of political prisoners remains very high. Nor have the threats against the opposition's political leaders diminished. I receive daily threats from members of Delcy Rodríguez's executive [circle] and this climate of terror obviously affects all our relatives and friends."

Some Trump critics allege that the U.S. has lost interest in a democratic transition. More likely, the administration fears a Machado return because her leadership threatens the status quo. There's no telling what the *chavistas* might do to try to spin in power.

Write to O'Grady@wsj.com.

Where's the Beef? Down Under

By David Williams

Melbourne, Australia
resident Trump, you're right about American beef—a problem with the U.S. industry is driving up costs for American shoppers. But you're trying to fix the wrong end of the cow.

I've been watching the president's attempts to lower prices from Australia, where beef is also important. We're one of the world's largest exporters and eat about as many hamburgers per person as America, except topped with beetroot. Mr. Trump seems to think the concentration of meat processors—JBS, Tyson, Cargill and National Beef—is jacking up prices in grocery stores. But you can't slaughter cattle you don't have.

That's the real issue. The American herd over the past seven years has declined, due largely to drought and feed prices. My country has been a

great beneficiary of the U.S. cattle shortage. We've shipped enormous quantities of rump across the Pacific for ground beef for hamburgers. I myself have 5,000 acres of Wagyu and am happy to keep supplying it, but Australian ranchers have more to offer than meat. We could help rebuild America's herd.

The solution to high U.S. meat prices can be found in Australia.

It's a solution on a scale that only America could contemplate: launching an American Herd Rebuilding Program to increase the number and productivity of breeding females significantly by mixing in elements of the Australian herd. We have sophisticated breeding programs, world-class genetics and an enormous herd of cattle developed

to perform in the harshest conditions. If Washington gives American ranchers temporary incentives to retain their best heifers, then imports breeding females from Australia as well as embryos and sexed semen, Mr. Trump could marry the best of the two countries' genetics.

That would produce breeding females as quickly as biology allows. Rebuilding a herd usually takes years, but Mr. Trump could cut that time with his ambitious plan. There are biosecurity constraints and they shouldn't be compromised, but Washington and Canberra can control that risk. They already have sophisticated import checks that protect people and animals from disease.

Washington would need to mobilize ranchers, geneticists, veterinarians, universities and the U.S. Department of Agriculture to contribute to this effort. The government would have to remove unnecessary

regulations. Principal among these: Allow Australian producers to send live cattle, preferably pregnant live cattle, to America. Washington must remove temporary financial incentives for U.S. ranchers to retain their herds and expand them, rather than slaughtering. Expanding this to dairy cows going to slaughter and joining them with Australian semen will provide a very large and quick increase in the American herd. The American government, Australia will keep supplying high-quality beef. Mr. President, I would gladly put a couple of my Wagyu on a plane to Washington and share a steak with you.

Don't tackle the beef problem with abattoirs. Start with the cow. Together, we can rebuild the greatest cattle herd in the world.

Mr. Williams is founder of Kipper Williams Ltd., an investment bank.

OPINION

REVIEW & OUTLOOK

A Grail Cancer Test for the FDA

Artificial intelligence could lead to new cures and better diagnostics, but let's hope bureaucrats don't get in the way. An early test comes Wednesday when an outside advisory committee to the Food and Drug Administration will review Grail's multi-cancer early detection test.

Grail's Galleri test leads a fast-developing field of liquid biopsies that screen asymptomatic patients for signals of cancer in blood. The goal is to diagnose cancers earlier when they are easier to treat, and the odds of survival are higher.

In development for a decade, Galleri looks for DNA shed by cancer cells. The DNA is tagged by molecules specific to a cancer's origin—say, the colon or pancreas. Grail uses genetic sequencing and machine learning to recognize links between these DNA signatures and particular cancers.

A randomized controlled trial conducted with the U.K.'s National Health Service tracked about 142,000 asymptomatic patients ages 50 to 77. Half received the Galleri test every year. Galleri caught four times as many cancers in total than the U.K.'s four recommended screenings for colon, breast, lung and cervical cancer.

The test also increased diagnoses of the 12 most deadly cancers at stages one and two by 16%. Critics say Galleri didn't reduce the total number of stage three and four cancers that were diagnosed compared to the control group, but this ignores that Grail's test caught advanced cancers earlier than they otherwise would have been.

Diagnoses of stage three cancers increased by 25% compared to the control group, while diagnoses for stage four declined 14%. Reductions in stage four cancer diagnoses grew the longer the trial went on, which strongly suggests that the tests were detecting cancers at earlier stages. A diagnosis at stage three rather than four can be life-saving.

Patients diagnosed with colon cancer at stage four have an estimated 11% odds of surviving five years, versus 64% if they are diagnosed at stage three. The disparities are also large for other deadly cancers such as bladder (6% vs. 32%), ovarian (16% vs. 32%), stomach (5% vs. 25%) and head and neck (38% vs. 55%).

The NHS trial's findings are supported by a

large study that tracked 36,000 patients in North America over age 50. Galleri detected 6.5 times as many cancers as screenings recommended by the U.S. Preventive Services Task Force. More than half of cancers detected were at early stages, and 73% don't have recommended screenings.

Some patients will receive false positives and then undergo potentially costly and invasive follow-up evaluations. But fewer than half of initial positive findings are false alarms, and 85% of follow-up evaluations are non-invasive. Why not let patients and doctors weigh the trade-offs?

The test is currently available with a doctor's prescription under a separate regulatory pathway for lab-developed tests, which are overseen by the Centers for Medicare and Medicaid Services. But patients must typically pay for the test out of pocket (current price: \$799) because Medicare and most insurers don't cover it.

* * *

The real reason some so-called experts oppose FDA approval is because it could lead to government and private insurance coverage. This is the same crowd that opposes accelerated approvals of innovative cancer medicines. They want to ration care. Former FDA biologics chief Vinay Prasad laments that existing cancer screenings are too costly.

Dr. Prasad and fellow paternalists say multi-cancer early detection tests should show a mortality benefit in controlled trials. That would delay FDA approval by years. Their reasoning is that even if tests detect cancers earlier and improve cancer survival, many older patients will die anyway from other causes. Better they die sooner from an advanced cancer than live longer and consume more healthcare. This is really how this crowd thinks.

They ignore how Galleri and follow-on detection tests could improve cancer survival over time by enabling drug makers to develop and test medicines in earlier disease stages. Such tests will become more accurate as access expands because AI will harness more patient data to identify signals with more precision.

A blood test that can detect cancers in their infancy is a long-sought holy grail of medicine, and Galleri represents important progress.

The multi-cancer blood test is proven to increase early detection.

Trump, Xi and Jimmy Lai

President Trump understandably takes great pride in the number of unjustly imprisoned people he has helped to free from foreign dungeons. It is one of his best legacies. But one man he hasn't been able to liberate after six years in a Hong Kong prison is 78-year-old newspaper publisher Jimmy Lai.

Mr. Trump first promised he'd get Mr. Lai out of prison during the presidential campaign in October 2024. He even said it would be "easy." He's kept at it since, meeting quietly with Mr. Lai's son, Sebastian, and Mr. Lai's lawyer at the White House. Mr. Trump also raised Mr. Lai's case with Chinese President Xi Jinping on his May visit to Beijing. To no avail so far.

Mr. Lai remains in solitary confinement and ill health, with only 45 minutes a day for exercise outside his cell. He can draw the religious pictures he has long done to occupy his time, but he can no longer send those to family and friends. His access to books is limited.

Mr. Trump will have another chance to argue for Mr. Lai's release when Mr. Xi comes to Washington this week for a summit. Mr. Trump is rolling out the gold carpet, with a gala state dinner on Thursday. He's even breaking his

usual pattern and is planning to meet the man he calls his "friend," Mr. Xi, at the airport.

During his May visit, Mr. Trump's personal appeal to Mr. Xi led to the release of Christian pastor Ezra Jin. We cheer when anyone unjustly imprisoned breathes free air again. The caveat with Pastor Jin is that his release was also China's way of not

releasing Mr. Lai.

Mr. Trump has promised he will ask for Mr. Lai's freedom again. Mr. Xi may reply that he can't do anything about it because Mr. Lai has been convicted under Hong Kong law. But everyone knows this isn't true. China imposed the national-security law on Hong Kong that was used to convict Mr. Lai for communicating in innocent fashion with foreigners. One of his offenses was writing an op-ed in these pages. A word from Mr. Xi, and Mr. Lai could be on a plane the next day.

It would cost Mr. Xi nothing to free Mr. Lai, and it would prevent the international ignominy that is sure to follow if Mr. Lai dies in prison. Mr. Trump puts a premium on his personal diplomacy with foreign leaders. We'll soon learn if Mr. Xi returns the favor to Mr. Trump for all of the Washington pomp and presidential praise.

China's President has so far spurned the U.S. President's appeals.

In the End, a Good Greenland Deal

President Trump said Friday evening that the U.S. has struck an agreement with Denmark and Greenland that offers the U.S. "permanent control over security, and all other needs, in Greenland." The icy outpost is valuable strategic territory, though it's fair to ask whether this deal could have been reached without the collateral damage to U.S. alliances from Mr. Trump's bullying threats.

The deal, to be signed this week at the United Nations, enshrines permanent U.S. basing rights on Greenland and blocks a base from a country that isn't part of the North Atlantic Treaty Organization. The U.S. already enjoys military privileges on the island from a 1951 arrangement, but the new deal is a hedge against the risk that Greenlanders might someday declare independence from Denmark. "This is an 'Infinite Life' Agreement, there is no end!" Mr. Trump said on social media, though nothing is really permanent in global politics.

Greenland is vital for protecting the U.S. homeland from ballistic missiles, and the free world needs the adjacent submarine corridors to deter the Russians. China's open ambition to become the dominant global power includes the Arctic. The deal appears to set up a new screening mechanism to prevent U.S. adversary investment on the island, which under the ice is rich in critical minerals.

Mr. Trump at least climbed down his demand that the U.S. gain sovereignty over

Greenland, which would have broken the NATO alliance during the most volatile security environment in Europe since 1945. Give the Danes credit for behaving like a model ally. The politics of this deal may not be popular in Copenhagen after Mr. Trump's ostentatious toying with seizing the island by military force.

The U.S. has nonetheless paid a diplomatic price that it didn't need to pay. The months of annexation brinkmanship and online cheering from MAGA court jesters gave Vladimir Putin an opening to sow discord in the NATO alliance. The Greenland episode worked against peace in Ukraine by making the West look divided. It also raised doubts around the world about the reliability of U.S. alliance guarantees.

Mr. Trump said the U.S. "will immediately begin the process of developing a large Military presence in the appropriate part of Greenland, of which there are many." The U.S. military is down to one base in Greenland, from as many as 17 facilities during the Cold War. Will Mr. Trump now push Congress for the money for expansion, particularly for his Golden Dome missile shield? Basing rights won't mean much if U.S. defenses are so stretched that there's no money to exploit them.

Meanwhile, that sound you hear is a sigh of relief across Europe, in Congress—and even in sensible corners of the Trump Administration—that the deal has defused a ticking bomb in America's alliances and global prestige.

LETTERS TO THE EDITOR

What Is Saudi Arabia's Plan for the Houthis?

Your editorial "Who Will Stop the Houthis?" (Sept. 16) is right to note that a successful operation against the Houthis will almost certainly rely on another Saudi-led coalition and that American support will be indispensable. However, the first problem before the Saudis isn't figuring out who will partner with them but rather articulating what they want.

Saudi Arabia has incurred extensive damage. Iran-backed Iraqi militia attacks forced the closure of its East-West pipeline while the Houthis continue to target the country's energy infrastructure and civilian sites. Riyadh even said the Houthis launched a drone at Mecca. The kingdom needs to decide if it will seek de-escalation in hopes of ensuring quiet on its southern border or if its red lines have truly been crossed, necessitating a strong military response.

If Riyadh opts to respond deci-

sively—not just symbolically, which would leave de-escalation on the table—then Saudi leadership must decide what that means. Is Riyadh seeking to oust the Houthis from the capital of Sana'a, which they've held since 2014? The internationally recognized government of Yemen certainly seems to be seeking this. Would Saudi Arabia rather stop at undoing the Houthis' recent advance and focus on securing Bab al-Mandeb? Different goals would require different operations.

Riyadh isn't making this decision alone and would certainly require Washington's signoff on major military action. But Saudi Arabia will be better positioned to gain international buy-in on a response to the Houthis once it makes clear to the world what the objective is.

BRIDGET TOOMEY
Fnd. for Defense of Democracies
Washington

To Wean Off China, Build Domestic Batteries

The Trump administration's criticism of Ford Motor's Chinese battery partnerships ("Ford's Use of Chinese Tech Is Criticized," U.S. News, Sept. 9) raises a larger question: How will Washington help American companies build competitive alternatives?

Battery independence requires domestic capability across materials, technology and manufacturing. It is hard to create energy independence with lithium-ion batteries because every stage is Chinese-dominated. A U.S. company may make the energy-storage system, but the lithium cells come from China. Or it may be the lithium-cell manufacturer, but technological know-how and the processed materials come from China.

Sodium-ion offers a unique opportunity to break this supply-chain chokehold. The U.S. has abundant domestic raw materials for a sodium-ion battery supply chain and innova-

tive companies working to commercialize the technology. Chinese companies are forging ahead as well, but we are in the early stages of commercialization and still have the opportunity to be the global leader, provided these American companies can finance the transition from pilot production to commercial scale.

The American Battery Leadership Coalition advocates for federal support across the sodium-ion storage ecosystem. American businesses need a credible path to affordable, reliable domestic supply. If Washington wants them to reduce their dependence on Chinese battery technology, it must help build the industrial capacity that makes that a practical choice.

GRAEME GRANT
Alsym Energy
Malden, Mass.

Mr. Grant is chairman of the American Battery Leadership Coalition.

Don't Dismiss the Genius of Norman Rockwell

Regarding Lance Esplund's art review "Attempting a Curatorial Coup" (Sept. 17): In his searing critique of the new Lucas Museum of Narrative Art, Mr. Esplund revives the old and flawed distinction between art and illustration.

Compare Norman Rockwell's "Freedom of Speech" (1943) with Jacques-Louis David's "The Death of Socrates" (1787): Rockwell the "illustrator," David the "artist." Mr. Esplund provides a set of criteria to distinguish, yet it isn't at all clear that only David's works "transform their subjects through rhythm, tension and metaphor, inviting viewers on explorations that unfold, deepen and surprise."

But the problem is more basic: To call something "a work of art" isn't so much to describe it as it is to commend it, to ask that it be treated and regarded in a certain way. One can do this with any object. Marcel Duchamp's "Fountain" (1917) and Maurizio Cattelan's "Comedian" (2019) come to mind. Thus asking whether or not something is art or merely illustration begs the question.

ALFRED GARWOOD
Superior, Colo.

DOGE From Within Is Better

In his op-ed "DOGE Works. Let's Keep It Going" (Sept. 17), Tyler Hassen presents some good ideas but misses the most important change needed: including the people who are doing the actual work in the reform process.

I like Mr. Hassen's idea of encouraging "our most gifted entrepreneurs, lawyers and others to spend a year or two in public service" to increase government efficiency and reduce costs. I can see how calling on our great companies, universities and hospitals to send their best efficiency technicians and cost-cutters could improve our government's processes.

I spent 35 years working for a Fortune 500 consumer products manufacturer. Efficiency and cost control were responsibilities for all employees. If I were trying to make government more efficient, I would ask government employees how they'd save money if they were in charge of their departments, what problems they encounter that keep them from being efficient and what skills or training they need. That would result in serious savings.

The Department of Government Efficiency failed because it wasn't a serious effort. It was a publicity stunt for the president and Elon Musk. If I had been a government worker, I wouldn't have helped them either.

GRAHAM MARCOTT
Fairway, Kan.

Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Will Cuomo Confront His Own Party's Antisemitism?

Former New York governor Andrew Cuomo offers plenty of familiar platitudes about confronting antisemitism in his op-ed "Antisemitism Surges 25 Years After 9/11" (Sept. 14). There is, however, a much simpler test of political leadership.

Words have definitions. Misused words have consequences. "Genocide" is among the gravest accusations that can be made against a nation. Yet members of Mr. Cuomo's own Democratic Party have repeatedly accused Israel of committing genocide in Gaza.

If Democratic leaders, as Mr. Cuomo wishes to be regarded, are genuinely concerned about antisemitism, they should start by confronting members of their own party who make that accusation. Does Mr. Cuomo believe Israel is committing genocide? If not, will he say so clearly and challenge fellow Democrats who continue to make that claim?

MICHEL PERREAULT
Santa Fe, N.M.

Pepper ... And Salt

THE WALL STREET JOURNAL



"We require multi-factor authentication from day one."

OPINION

A Quiet Summit Should Alarm Taiwan

By Jason Hsu

When President Trump returned from his Beijing summit in May, he said the situation with Taiwan should “stay the way it is.” As Xi Jinping arrives at the White House on Sept. 24 for another summit, expect more reassurance, talk of stability and an emphasis on mutual respect. Commentators will grade the meeting on whether both sides recommit to the status quo.

But “stay the way it is” assumes China’s posture in the Taiwan Strait hasn’t much changed. This is wrong. Recent history shows Beijing is on the march.

Trump is mistaken if he thinks the status quo in the Taiwan Strait can hold with Beijing on the march.

For years China has been expanding its maritime presence in waters around Taiwan in increments too small to justify a response but too numerous to ignore. The median line that once divided the strait has been erased by near-daily Chinese sorties. Incursions into Taiwan’s air-defense identification zone, once alarming, have become a regular occurrence. Coast guard patrols, suspected undersea cable sabotage, the redrawing of civil-aviation routes—each move

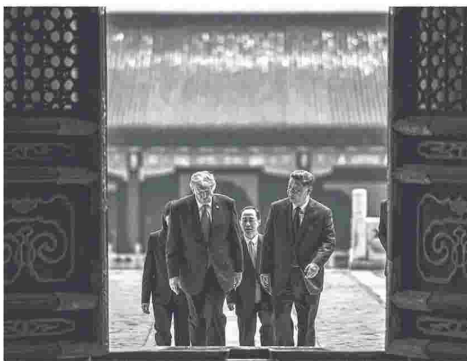
by Beijing falls just beneath the threshold that would trigger a reaction. These are “salami slicing” tactics in which no single act seems to merit war.

China is also pressing its advantage through rhetoric, emphasizing “stability” and “not changing policy.” This binds Washington while Beijing continues to advance. Each new encroachment by Mr. Xi becomes part of the “status quo,” which both sides pledge to preserve. American restraint is praised as maturity, while self-restraint from a revisionist China is rarely demanded.

We saw this play out in July 2025. Taiwan’s President Lai Ching-te sought to transit New York en route to his diplomatic partners in Latin America, a courtesy typically granted. But Beijing objected, and the Trump administration quietly blocked the visit rather than spoil upcoming U.S.-China trade talks.

The subject of Taiwan dominated Beijing’s readout after the May summit and all but vanished from Washington. Mr. Trump called the \$14 billion arms package for Taiwan a “very good negotiating chip,” effectively handing Beijing leverage over a weapons sale meant to deter it. The cumulative effect is a weakened Taiwan being slowly coerced into surrender. A status quo that steadily erodes is not stability. It is defeat on the installment plan.

This is what our leaders get wrong about deterrence. The goal



Trump and Xi in Beijing May 18.

isn’t to freeze the status quo, but to change the adversary’s calculus on when and whether to move. Mr. Xi isn’t weighing whether to seize Taiwan tomorrow; he is calibrating whether time is on his side. He has every reason to think it is—that he can keep slicing, wait and let the erosion of American resolve do the work an invasion would otherwise require. The only outcome of the summit that matters is whether Mr. Xi leaves Washington thinking his timeline has been delayed.

Concessions such as withholding arms sales and reducing contact with

Taiwan won’t preserve the status quo. Instead they will hand Mr. Xi a shorter timeline to accomplish his goals in the strait.

So watch for what Messrs. Trump and Xi say, because words are where the slicing now happens. Mr. Xi won’t arrive with demands, but trading offers—soybeans, Boeing orders, rare-earth guarantees that Mr. Trump can announce that afternoon.

What Mr. Xi wants in return costs nothing in the room and everything in the strait. For decades, American policy has been that Washington doesn’t support Taiwan’s indepen-

dence. Beijing wants the U.S. to change “doesn’t support” to “opposes”—converting American neutrality into support for China’s goal of unification. Listen for shifts in Washington’s “one-China policy” in favor of Beijing’s “one-China principle,” and for any signals that what the U.S. sells Taiwan now requires “consultation” with Mr. Xi. Each slice is thin enough to be overlooked while irreparably damaging Taiwan’s security.

Also monitor whether the arms package for Taipei moves through Congress untethered from trade issues with Beijing. If Washington reaffirms it doesn’t need Mr. Xi’s permission to sell weapons to Taipei, that’s a sign of the U.S. holding its ground. If Taiwan’s allies treat its security as a shared supply-chain concern rather than a bilateral bargaining chip, that is a shift favoring China.

If the summit is merely calm and forgettable, and both sides depart, relieved about maintaining the status quo, then something did shift. It won’t make a sound. Applause for the absence of a crisis is how we sleep through the erosion of deterrence.

“Stay the way it is” isn’t sound policy. It is a countdown to Beijing’s chokehold over the strait, narrated as a truce.

Mr. Hsu is a senior fellow at the Hudson Institute. He served as a member of Taiwan’s Parliament, 2016-20.

Liberal Billionaires Enable California’s Government Fraud



LIFE SCIENCE By Allysia Finley

Why break your back trying to launch a legitimate business in California when it’s so much easier and more remunerative to create phony businesses to bilk the government? The Justice Department on Tuesday charged 12 people with setting up “ghost” home daycare centers in San Diego that swindled \$10 million in government child-care subsidies intended to help low-income families. “While the 12 federal complaints are unrelated, the scheme was essentially the same,” the DOJ press release said.

According to the complaint, defendants obtained a California license to operate a home child-care facility and registered with local nonprofits to provide federally subsidized day care. They then allegedly submitted false attendance records to obtain government subsidies. Several allegedly claimed to have provided child care at their homes when border-crossing records showed they weren’t in the country.

You might say that fleeing California’s cradle-to-grave state is like taking candy from a baby. “This day-care scam is lucrative,” Justice

noted, alleging that each defendant raked in between \$538,000 and \$1.2 million. Still, these cookie-cutter schemes weren’t as lucrative as scams in Los Angeles to embezzle government homeless money.

On Wednesday, Justice announced charges against four people in the L.A. area with misappropriating homeless funds for personal expenses, including PlayStation charges, luxury vacations, vintage car restorations, real estate and more. The defendants ran dubious nonprofits that contracted with the Los Angeles Homeless Services Authority and nongovernment organizations responsible for administering billions of dollars in homeless funds.

One defendant received \$118 million in government funds, large amounts of which he allegedly diverted for personal expenses. Prosecutors say he submitted fraudulent invoices and established sham vendors with no employees and locations or legitimate operations that existed only to funnel government money back to him.

How many more sham businesses exist in California? Who knows, but the charges may scratch the surface of the welfare fraud. California has added 205,708 social-assistance establishments between the first quarters of 2020 and 2026, including 23,046 in this year’s first quarter

alone. Most of these have only one or two employees.

Adjusting for population, California has more than 16 times as many social-assistance outfits as Florida and five times as many unsheltered homeless people. And Californians wonder why homelessness keeps increasing even as the government keeps spending more to combat it.

They back tax hikes, which subsidize dependency and create pots of money for crooks to exploit.

Democratic lawmakers in Sacramento are asking voters in November to approve another \$11.25 billion in state borrowing to finance more “affordable” housing, even though they acknowledged during hearings this spring that the state wasn’t doing enough to track how homeless money is spent.

In April 2024, California’s auditor reported that the state had spent \$24 billion on some 30 programs to combat homelessness over the preceding five years yet lacked “information on the ongoing costs and outcomes of its homelessness programs.”

The point of all this government spending may not be to reduce homelessness. If that were the goal, Democrats would push stricter enforcement of drug crimes and require treatment as a condition for subsidized housing.

A recent Public Policy Institute of California study examined potential causes for the state’s 60% rise in homelessness since 2014. The study failed to find a county-level link between homelessness and rising rents, poverty or unemployment. What did increase homelessness was the 2014 citizen initiative Proposition 47, which effectively decriminalized drugs and theft.

Politicians including Gov. Gavin Newsom claimed the measure would promote “criminal justice” and save money on incarceration. After the initiative passed, the state’s unsheltered homeless population surged 10%, and serious drug use as measured by overdose deaths, hospitalizations and emergency room visits shot up 8%.

At the same time, admissions into drug treatment fell 20%, largely because Proposition 47 reduced the incentive to enter rehab to avoid incarceration. The result: more junkies living on the streets—a public nuisance that Democrats repeatedly exploit to raise taxes.

Government fraud may now be as

rampant as homelessness. Both have been abetted by wealthy liberals like Salesforce CEO Marc Benioff, Netflix co-founder Reed Hastings and Hollywood producer David Geffen. In 2012 these liberal high-flyers bankrolled a ballot initiative that increased the top California individual income-tax rate to 13.3% from 10.3%.

Liberal billionaires also funded Proposition 47 and campaigns to increase local taxes to combat the resulting rise in homelessness. Increased tax revenue has enabled the spending additions of profligate politicians, government unions and special interests.

So forgive us for being amused by the indignation of the state’s Cessna-flying liberals over a November ballot initiative that seeks to impose a 5% wealth tax on state residents with more than \$1 billion in net worth. Opponents rightly argue that the tax would drive away entrepreneurs. It would also lead to more sham businesses and fewer real ones.

Special interests will squander the money and soon have a new other fix. That’s the history of progressive government. Wealthy Democratic donors like Mark Cuban who think Washington’s deficits can be cured by merely raising taxes on the wealthy will eventually get mugged by reality, like California’s billionaires.

Teach Students to Think With, Without and About AI

By Paul Alivisatos

By teaching students in our universities to think without machines and then to think with them, I see an opportunity to form a generation that will advance human knowledge and well-being faster than any other.

Doomsday warnings about artificial intelligence are replete with claims that AI-enabled cheating is pervasive, that students will soon abandon college en masse, and that for those who remain, rampant credentialism will quash the liberal-arts spirit. These concerns, though real, miss the bigger, more important story about how to educate students for a world abundant with AI.

Something different and far more optimistic is emerging at the University of Chicago, including a new, AI-adapted core curriculum. Campuswide work on the topic commenced in the fall of 2024, with the creation of an interdisciplinary group of faculty to consider re-

forms. The report of this working group provides a simple, principled framework that will guide our changes in curriculum and classrooms. The first goal is that our students should learn during their time with us to be ethical, skeptical and ambitious about the role of AI in their education and their lives. The second is that all students at UChicago should learn to think both with and without machines.

Here, we hold fast to our belief that a core curriculum is the foundation for a college education that supports a life enriched by a love of learning and ideas. In the past, any one proposing a change in our core curriculum would have to be steered for a decade-long debate. Yet the urgency of this moment is prompting beneficial changes in tandem at a pace commensurate with the technological transformation.

Our core curriculum—which students largely complete within their first two years—consists of humanities and social science, as well as the

study of mathematics and biological and physical sciences, and the study of civilization and the arts. Soon all undergraduates will be required to take a class in writing, without the aid of any machine, and engage in the true struggle. Real writing. Blank page. Tough comments from instructor and peers. The humanities and social-science cores will also exclude technology from the classroom.

In line with the principle that it is important for students to learn how to think with machines, there is broad internal support for the notion that to be an educated person today and in the future, one must be able to use computational tools and concepts within one’s domain, and to reason critically about how computation, data and algorithms shape what can be known and built. Likely, this will result in a new core curriculum requirement for coursework in computational thinking within the next year.

The idea that learning to use AI should be an integral part of learn-

ing how to think increasingly cuts across the whole of the university. Earlier this summer, our law school declared that first-year students will be required to learn to write and reason without technology in the classroom or the use of AI. This will

UChicago’s revised core curriculum will require both analog and machine-assisted learning.

be followed by deliberate and thoughtful integration of AI tools and methods in years two and three.

Law students educated in this way will be grounded in ethical and principled reasoning and adept at navigating an era when AI tools stand to shape changes in the practice of their profession. They will be prepared to lead and help shape the policy and legal frameworks that we

will need to govern a democratic society where AI is widely deployed.

A challenge as serious as the disruption of how classrooms and assignments function and how students learn of importance will take time to address. In my own lab, I experience the speed and depth of this disruption as new methods change the nature of the questions we can ask—even as issues of authorship, ethical use and what is beautiful are contested.

Adapting the teaching framework of American universities will be a noisy and fraught affair. That’s a good thing. One of the greatest strengths of our universities is that they vest decision-making on curricula and course policies with the faculty, and they, in turn, inevitably have a myriad of viewpoints, each searching for a better way to teach. I am confident we will see strong outcomes from our approach at UChicago as long as we remain true to our core principles.

There are plenty of critics who insist there is little or no proper use of AI in the university, since it enables cheating and robs students of the challenge of truly learning. There are others who see AI as an integral part of essentially all curricula. The thoughtful approach emerging at UChicago understands this not as an either/or problem, but as one for which the sequence of intellectual and social development should dictate the incorporation of AI after building a strong foundation of human-centered thinking and learning in community.

What will the next wave of great minds educated in these ways be capable of? I think it will be astonishing and inspiring.

Mr. Alivisatos is president of the University of Chicago.

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Notable & Quotable: Packing

Bill Scher writing for the Washington Monthly, Sept. 18:

Or consider an alternate timeline in which, during the two years Joe Biden was president with a Democratic Party-controlled Congress, the filibuster was abolished, and Democrats expanded the [Supreme] Court and installed more liberal judges by a simple-majority, party-line vote.

Such acts . . . would have violated the Constitution’s spirit and subtlety—kneecapping checks and balances and girding against the tyranny of the majority. Then once Trump and a Republican Congress

returned to power, the weakened judiciary would be ripe for full take over. With Democrats having set new precedent and Senate Republicans supine, Trump could have imposed his own court-packing. With a judicial majority of lackeys, Trump’s assertions of executive power would not be checked. The military would be in American cities. Birthright citizenship would be abolished. And Trump would seize control of the election apparatus in all 50 states.

We would literally be in an authoritarian state with little recourse to fight back.

COMMENT

Editorials

Dialogue, not coercion, the rational way forward for Sino-US economic relations

The economic and trade consultations between China and the United States, from Saturday to Wednesday, provide the world's two largest economies with an opportunity to further discuss issues of mutual concern. Both sides should implement the important common understandings reached during the meetings and phone calls between the two heads of state, which remain the guiding principles for managing the relationship.

The consultations are not merely a means for managing trade differences, but also a channel for reducing uncertainty in the two sides' broader economic relations and preventing frictions from derailing the overall bilateral relationship.

The previous rounds of consultations have demonstrated that practical progress is possible. The two countries have discussed tariff arrangements, non-tariff barriers, agricultural trade and other issues, while maintaining communication on a framework for reciprocal tariff reductions covering products worth \$30 billion from each side. Such mechanisms give businesses greater predictability and create room for mutually beneficial cooperation.

The resilience of bilateral trade also shows the depth of the economic relationship. China's foreign trade with the US increased for five consecutive months through August, with two-way trade reaching 2.76 trillion yuan (\$412.1 billion) in the first eight months of this year, up 1.3 percent year-on-year. This is an economic relationship built over decades and involving businesses, workers and consumers on both sides.

Yet just one day before the consultations, Washington introduced new measures that risk complicating the atmosphere. The US side on Friday signed into law the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026, which strengthens sanctions against Russia and Iran and authorizes tariffs of up to 100 percent on certain third countries importing Russian oil or natural gas.

China firmly opposes unilateral sanctions without United Nations authorization and a basis in international law, as well as so-called "secondary sanctions" targeting third countries. China's economic and trade cooperation with countries around the world, including Russia, is based on equality and mutual benefit, targets no third party and should not be subject to interference or coercion by any third party.

This is not simply a bilateral trade dispute. When one country's domestic laws are used to pressure other countries to alter their normal economic relations, the consequences can extend well beyond the countries directly involved. Such measures can

raise costs, disrupt established trading arrangements and add uncertainty to already strained global industry and supply chains.

The Chinese Ministry of Commerce has called for the US to use the consultations to stabilize economic and trade relations, saying that China will closely follow subsequent US measures and reserves the right to take necessary steps to safeguard its sovereignty, development interests and the legitimate rights and interests of Chinese companies.

Washington should recognize that economic and trade issues are not weapons for securing negotiating advantages. Unilateral tariffs and sanctions increase costs for US companies and consumers, complicate supply chains and weaken the predictability on which international business depends. Turning economic interdependence into a tool of coercion risks undermining the very economic interests such measures are intended to protect.

This is particularly important as new areas of cooperation emerge. Artificial intelligence, for example, presents shared challenges. As major players in the global AI ecosystem, China and the US have reasons to communicate rather than allow technological competition to become another source of fragmentation.

Recent diplomatic contacts have also shown the value of maintaining engagement. Chinese Foreign Minister Wang Yi's phone call with US Secretary of State Marco Rubio on Thursday and continuing communication over high-level exchanges demonstrate that dialogue remains possible even when differences are substantial.

The choice before the two sides is therefore not between competition and cooperation. Competition will inevitably exist. The more important question is whether competition is managed through rules, communication and mutual restraint, or intensified through unilateral tariffs, arbitrary sanctions and other coercive measures. As history has repeatedly shown, China and the US stand to gain from cooperation and lose from confrontation.

The ongoing consultations offer another opportunity to consolidate the existing consensus, address respective concerns and manage differences. For the US, engaging in good faith is a practical recognition that in an increasingly interconnected world, stability cannot be imposed through unilateral pressure.

What the global economy needs most is not another escalation of economic confrontation, but greater certainty. China and the US should seize the opportunity of the consultations to promote a constructive Sino-US relationship of strategic stability.

China-ASEAN trade ties more dynamic

With the theme "CAFTA 3.0 Opportunities, Better Life", the 23rd China-ASEAN Expo and the China-ASEAN Business and Investment Summit, conclude on Monday in Nanning, Guangxi Zhuang autonomous region, heralding the deepening economic ties between China and the Association of Southeast Asian Nations under their upgraded free trade agreement.

Underscoring the aim of deepening the pragmatic regional partnership to unlock new development and high-quality regional economic growth, Timor-Leste is participating in the event for the first time as ASEAN's 11th member and an official co-host.

A highlight of this year's expo was the establishment of a new exhibition area dedicated to nearly 100 ASEAN cooperation demand projects, with three special matchmaking sessions held during the event. These projects focus on three clear and pragmatic directions: artificial intelligence empowerment, industrial upgrading, and expanding into the Chinese market. Such a demand-oriented approach demonstrates China's efforts to address the practical needs of ASEAN businesses and foster mutually beneficial outcomes.

As Chinese Vice-Premier Ding Xuexiang said in his address at the opening ceremony, the Chinese government attaches great importance to the building of the China-ASEAN Free Trade Area, and is willing to share its development opportunities with ASEAN countries and promote deep regional economic integration and long-term stable development.

Noting that the CAFTA 3.0 Upgrade Protocol has been signed, and both sides are expediting its entry into force and implementation, Ding urged both sides to deepen cooperation in standards, technical regulations and conformity assessment and move faster toward building an integrated regional market that is open, inclusive and rules-based.

The CAFTA 3.0 Upgrade Protocol sets out a regional framework covering digital and green economies, cross-border data flows, personal privacy, digital payments, and AI standards. This forward-looking approach positions China and ASEAN to jointly address the challenges and opportunities of the digital age.

Ding highlighted the need to work together to

advance the development of the digital economy in the region, deepen cooperation in technology R&D and scenario-based applications in areas including AI, and fully unleash innovation-driven efficiency.

In an innovative design, the inaugural "AI marketplace" launched at the expo featured about 500 products from over 70 companies across eight categories, such as wearables, health management and consumer technology, allowing visitors to test and buy items on-site.

The focus on AI at the expo reflects the evolving nature of China-ASEAN cooperation, moving from traditional trade to more complex areas such as data governance, AI service pricing and intellectual property.

Beyond these highlights, connectivity has always remained a focal point in the ever-deepening China-ASEAN cooperation, and the fact that the Pinglu Canal connecting Nanning and Beibu Bay officially opened one day before the event served to underscore the growth in cross-border trade between the two sides.

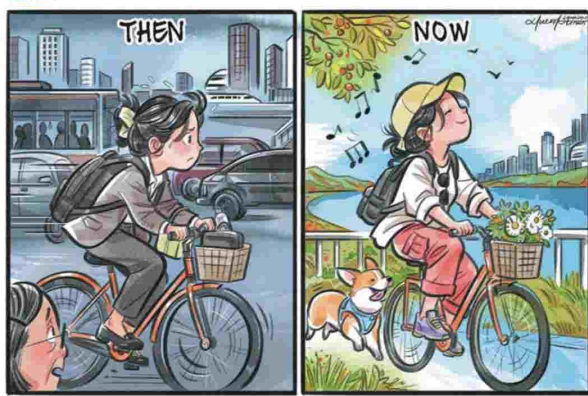
The canal shortens the transport distance between the hinterlands of Southwest China and ASEAN by 560 kilometers, and greatly reduces logistics costs. This infrastructure breakthrough not only enhances connectivity but also creates new opportunities for cross-border trade and industrial collaboration.

Given that Southeast Asia is home to many natural deep-water ports and over 60 percent of trade in goods between China and ASEAN member states is transported by sea, the transportation cost-cuts offered by the Pinglu Canal will further strengthen and support the high-level development of the New International Land-Sea Trade Corridor.

Amid global uncertainties and the rise of protectionism, the picture of China-ASEAN trade stands out as a model of stability and injects certainty and confidence into a turbulent world. Last year, bilateral trade exceeded \$1 trillion for the first time. In the first seven months of 2026, China-ASEAN trade rose 24.7 percent year-on-year to \$744.41 billion.

By enhancing trade frameworks and embracing AI, it is believed China-ASEAN economic and trade cooperation will become even more dynamic and deliver even greater win-win outcomes.

Li Min



Opinion Line

Brussels' curious cure for lack of EV competitiveness

The problem for the European Union's automobile industry is not too much Chinese competitiveness, but too little European competitiveness. Chinese manufacturers have spent years building scale in batteries, software, supply chains and electric platforms. In contrast, European automakers have had to contend with expensive energy, high production costs, regulatory uncertainty and the difficult migration from traditional combustion engines to electric drivetrains.

None of these problems can be solved by restricting Chinese electric vehicles' entry to the EU market.

Yet that is what the European Commission is proposing to do. According to the Financial Times, the commission wants China to "voluntarily" cap the share of Chinese hybrid vehicles at about 15 percent of the EU market or face higher tariffs.

There is an obvious problem with the word "voluntarily". A choice made under the threat of higher tariffs is like a polite request to leave a party with the bouncer standing behind you. Renaming protectionism does not make it any less protectionism.

China's Ministry of Commerce says such "voluntary" export restrictions violate World Trade Organization rules, run against market-economy principles and undermine fair competition. Any settlement, it asserts, must balance the interests of both sides and comply with WTO rules and domestic law.

The EU proposal is also an odd sequel to the earlier attempt to settle

its dispute over Chinese-made EVs. After months of negotiations, the EU agreed in January to guide Chinese EV makers seeking price undertakings as an alternative to countervailing duties. The commission promised objective and nondiscriminatory treatment under WTO rules. The arrangement showed that the two sides could manage a complex dispute without turning every disagreement into a tariff war.

Brussels should not now throw away that modest achievement. Restricting Chinese EVs is a policy for yesterday disguised as a defense of tomorrow.

EU carmakers have benefited enormously from the Chinese market. For decades European brands sold cars to Chinese consumers, expanded production in China and pocketed substantial profits there. China did not ask European companies to "voluntarily" surrender a percentage of the Chinese market to protect the domestic industry. That some best-selling European car models in China have reduced their prices by more than 50 percent in recent months due to competition — and still make money — speaks volumes about the astronomical profits these companies have enjoyed in China over the past few decades.

The EU should focus on addressing the weaknesses in its auto industry that have undermined EU companies' competitiveness. This means more competitive batteries, cheaper energy, faster innovation, better charging infrastructure and a

regulatory framework that gives manufacturers enough certainty to invest. Shielding EU companies from competition may preserve market share today, but it cannot ensure technological strengths tomorrow.

The EU's energy predicament makes this even more consequential. For European households facing high living costs, an affordable EV is not a geopolitical abstraction but a reasonable option to save household expenses. If Chinese EVs offer attractive combinations of price, range and technology, consumers have perfectly understandable reasons to buy them. Brussels may not like this reality, but it cannot legislate it away.

The forthcoming China-EU consultations in October should therefore focus on making existing agreements effective rather than manipulating market expectations with threats of new tariffs. The EU has already found that negotiated solutions within WTO rules are possible. It should not render the previous rounds of talks meaningless by replacing them with a quota dressed up as a "voluntary concession".

A simple test for EU industry policy is whether it enhances EU companies' competitiveness or merely makes it harder for their competitors to sell. The first is competitiveness; the second is protectionism.

The EU has every right to compete with China. What it should not expect is for China to make that competition easier by "voluntarily" losing.

—LIYANG, CHINA DAILY

What They Say

Recognition of new occupations in line with trends

Editor's note: China has recognized 11 new occupations and 23 new specialties under existing occupations. China Central Television spoke to Li Chang'an, a professor of the School of Government at the University of International Business and Economics, about how technological advances, industrial upgrading and changing consumer needs are reshaping the labor market. Below are excerpts of the interview. The views don't necessarily represent those of China Daily.

The newly recognized occupations and specialties were identified and finalized on the basis of the demands of industrial and social development. In this sense, the new occupations and specialties announced each year represent the latest economic and social trends, while also reflecting the most pressing demands of the labor market.

Official recognition of these roles not only informs the public about emerging career opportunities but also indicates the areas where workers are increasingly needed in the context of China's economic growth.

A notable feature of these newly recognized occupations and specialties is their alignment with new quality productive forces and the evolving demands these advances place on the labor market. The new quality productive forces are mainly developing in two major areas.

First, the innovation-driven economy, including the digital economy and artificial intelligence, is reshaping society. New technologies, particularly AI, are profoundly impacting the economy and becoming drivers of future development. They are generating new occupations and creating employment opportunities.

Second, the green economy,

another important engine of new quality productive forces, is also generating demand for new occupations. At the same time, the modern services sector is undergoing continuous upgrading. People's growing demand for improved living standards is creating new dimensions and generating a wide range of new jobs.

The government's recognition of these new occupations, therefore, reflects the latest shifts in productive forces and the broader evolution of the economy and society.

Particularly noteworthy are occupations related to elderly care, a sector gaining importance as China's population ages. The demand for elderly care workers has risen sharply, but there is a shortage of such workers. The recognition of these roles can lead to several positive changes.

First, it can make the profession more attractive. With clearer occupational standards and career pathways, more young people may be drawn to the elderly care sector.

Second, it can improve the service quality and standardization. Once an occupation is formally included in the national occupational classification system, relevant training standards and workplace guidelines can be

developed and refined.

For elderly care service professionals, this means a clearly defined range of responsibilities and more standardized services. For older people, it can mean receiving more professional and better regulated care.

The term "new" is relative, with only some of these occupations entirely new. Many of the occupations and specialties already exist in society and have operated for some time. Employers submit applications for their recognition, after which the occupations undergo screening, evaluation and public consultation before official designation.

Compared with traditional occupations, however, these roles are indeed new. Their incorporation into the national occupational classification system raises some practical questions: How should workers in these fields be trained and how should these roles be regulated?

Addressing these questions involves tackling practical issues that arise when new occupations and specialties are formally established. Accelerating relevant work through implementation and practice is essential for these emerging occupations to develop and gain broader recognition in society.

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VIEWS

Wei Ke

A 'naughty child' warming the world

El Niño, meaning "little boy" in Spanish, is an innocuous name for a geographical phenomenon that can make half the world swelter while sending the other half scrambling for sandbags to control floods.

The name has an interesting origin. Centuries ago, fishermen off the northern coast of Peru noticed that around Christmas, a southward warm current appeared near shore, briefly reversing the usual cold flow.

It usually brought tropical fish rarely seen in those waters and occasional rainfall that briefly turned the desert green. The warm current was named El Niño after the Christ child.

Don't let the name fool you. El Niño is anything but small. It involves prolonged periods of unusually warm sea-surface temperatures across the central and eastern equatorial Pacific.

Meteorologists have fairly strict criteria for defining an El Niño event: sea-surface temperatures in a key monitoring region of the tropical Pacific must remain at least 0.5 degrees Celsius above average for five consecutive overlapping three-month periods.

The stronger the temperature anomaly, the stronger the El Niño is generally considered to be.

The next "little boy" may be particularly troublesome. Forecasts suggest that by the end of 2026, the tropical Pacific could be heading toward an exceptionally strong El Niño, potentially rivaling the most powerful events on record.

Another reason for concern is the tropical Pacific's role as a giant ocean battery. Before El Niño arrives, heat accumulates beneath the surface, as if the battery were charging. Once enough energy has built up, it discharges, releasing heat into the atmosphere and triggering a chain reaction. By August 2026, the tropical Pacific had accumulated an extraordinary amount of heat, surpassing levels seen during some previous record-setting El Niño events.

El Niño does not recognize borders. As the Pacific gets warmer, it sends ripples through the atmosphere that disturb weather patterns thousands of kilometers away. The most immediate impact is higher temperatures, with the warmest year often occurring several months after El Niño peaks.

This pattern was evident following the El Niño that began in late 2023. It contributed to the record warmth of 2024, which was the warmest year in recorded history.

Adding another, even bigger El Niño to an already warming planet raises the baseline for extreme weather. A hotter atmosphere holds more moisture—roughly 7 percent more for every 1 degree Celsius of warming. That is a cruel multiplier. Wet regions may experience torrential rain, while dry places lose water faster through evaporation. Floods and droughts then become two sides of the same warming coin.

El Niño often divides the world this way. In parts of Southeast Asia and eastern Australia, it can lead to heat and drought.

On the eastern side of the Pacific, the script reverses. Peru and Ecuador may face unusually heavy rain, causing floods and landslides. Even the Atacama Desert, one of the driest places on Earth, can bloom after unusual rainfall, turning a barren landscape

into a surreal carpet of flowers.

The ecological consequences can be profound. El Niño-related changes in rainfall and temperature have been associated with conditions favorable to major locust outbreaks across East Africa and parts of Asia, threatening crops and food security on a vast scale.

In China, El Niño effects can vary. During the development of an El Niño event, parts of the middle Yangtze region can turn drier, while the following summer could witness persistent heavy rain and flooding along the Yangtze River and in southern China.

However, El Niño is not a crystal ball. It raises the odds of extremes but does not dictate specific outcomes in a city, river basin or province.

Other factors, such as monsoons, ocean temperatures in the Indian Ocean, Arctic sea ice, snow over the Qinghai-Xizang Plateau and atmospheric circulation in the mid- and high latitudes also influence outcomes.

Climate is not a single switch but a complex system with

many moving parts.

The critical question is whether global warming is making El Niño more extreme.

While the science is still evolving and climate models do not agree on every detail, there is a consensus that a warmer world is likely to increase the variability and severity of extreme El Niño events.

Climate change may not turn every El Niño into a super El Niño, but it is raising the temperature of the room in which the "little boy" is playing—and making his tantrums potentially more damaging. This shifts the focus from disaster relief to proactive resilience-building.

Cities need drainage systems designed for heavier downpours, better water storage for extended dry spells, cooler urban layouts and stronger infrastructure. Rural areas need resilient irrigation and drainage systems, adaptable cropping patterns and crops better able to withstand drought and flooding.

Since El Niño is a global phenomenon, resilience efforts cannot stop at national borders.

A drought in one region can disrupt food prices elsewhere, while floods can damage supply chains thousands of kilometers away. Ecological disasters can become economic or security issues long before they reach another country's shores.

That makes international cooperation more than an act of goodwill.

Countries need to share climate and ocean data, coordinate responses to extreme weather, strengthen global food-supply chains and help vulnerable nations prepare before disaster strikes.

The super El Niño looming over 2026 and 2027 should not be seen as nature's punishment.

It is a warning about the kind of world we are entering. Climate stability, once taken for granted, now requires active defense.

We may never be able to keep the "little boy" from causing trouble. But we can build a house strong enough to withstand his tantrums.

The author is a researcher at the Institute of Atmospheric Physics at the Chinese Academy of Sciences.

The views don't necessarily reflect those of China Daily.

Duy Dang-Pham and Thanh-Thuy Nguyen

Turning displays of artificial intelligence into everyday productivity

The 23rd China-ASEAN Expo in Nanning, Guangxi Zhuang autonomous region, features an artificial intelligence pavilion showcasing applications in various sectors, including manufacturing, smart cities, medical care, finance, cybersecurity, agriculture, education and business matching.

The key question is what happens after visitors leave the exhibition hall. Can an AI matchmaking system help a small exporter find reliable partners across borders? Can affordable AI tools help a family business handle customer messages, inventory and digital payments?

A realistic answer begins with a simple truth: AI creates value only when it is localized, trusted, and embedded in everyday work. This is especially true in Southeast Asia, where economic integration depends not only on infrastructure and market access but also on language diversity, small-business capacity and digital safety.

Language is the first bottleneck. The Association of Southeast Asian Nations is a 670-million strong market, characterized by a young population, rising internet penetration and rapidly growing digital services. It is also one of the world's most linguistically diverse regions, with more than 1,200 languages. For AI, this diversity is not merely cultural. It forms the technical and social environment in which systems must operate.

This is why AI translation devices need careful consideration. While they reduce the friction of first contact, which is crucial in trade, tourism and education, cross-border commerce requires accuracy in contracts, product documentation, compliance requirements, warranties and dispute resolution. Improving the translation of low-resource languages requires more data, adapting models to specific domains and enhancing quality through bilingual examples.

This doesn't imply translation devices aren't useful, but that they are merely the visible endpoint of a deeper system. Southeast Asia needs a shared language infrastructure: multilingual trade corpora, tourism-service datasets, education content, agriculture advisory terms, cybersecurity lexicons and evaluation benchmarks. Without these resources, AI tools may work well in formal or high-resource settings while failing in practical contexts where they are most needed.

Recent efforts in Southeast Asian language models indicate that this challenge is solvable, though not automatically. The broader lesson is that AI becomes useful when trained and adapted to the languages, scripts, cultural norms and practical situations of its users.

The second issue is the adoption of AI by micro, small and medium-sized enterprises. An OECD report on ASEAN argues that AI can raise productivity, improve supply-chain management and lower trade costs, but warns that ASEAN's AI readiness is uneven, constrained by data governance, access to AI goods, services restrictions and specialist mobility.

This matters because micro, small and medium-sized enterprises are not marginal; they account for 97 percent of ASEAN businesses and 85 percent of employment. Inclusive AI doesn't mean simply making advanced tools available online. Adoption depends on access, skills, awareness and trust.

AI can support customer engagement, operations, analytics and decision-making, but smaller firms in developing countries face persistent barriers in finance, skills, technology, privacy and cybersecurity. In practical terms, adoption requires low-cost tools, sector-specific templates, local-language interfaces, training through business associations and platforms, and clear safeguards for data and liability.

The third issue is safety. Digital connectivity aids e-commerce, but also enables cross-border harm. In 2025, the UN Office on Drugs and Crime warned that cyber fraud networks in the Mekong region had become an interconnected ecosystem, with hundreds of industrial-scale scam centers generating almost \$40 billion in annual profits. Criminal syndicates were integrating malware, generative AI and deepfakes into cyber-enabled fraud, causing substantial financial losses across East and Southeast Asia.

Here, too, the answer lies in institutional cooperation rather than technological optimism. The 2026 ASEAN Guide on Anti-Scam Policies and Best Practices argues that no single country can tackle scam calls and SMS alone, because scammers exploit cross-border coordination gaps and national safeguard differences. It recommends harmonized baseline measures, stronger regional collaboration and coordinated responses to scam calls and messages.

The foundation for this already exists. In 2023, ASEAN, China and UNODC agreed to jointly address transnational organized crime and trafficking.

The next step is to make anti-fraud AI a cooperative public good: shared scam typologies across languages, privacy-preserving exchange of threat indicators, joint testing of deepfake-detection tools, faster channels among platforms, telecom firms, banks and law enforcement, and public education in local languages.

The China-ASEAN Countries AI Application Cooperation Center, launched in Nanning in 2025, could play a useful role by converting demonstrations into pilots, testbeds and capacity-building programs. But the criterion for success should be modest and practical.

The question is not how impressive AI looks in a pavilion, but whether it lowers the ordinary costs of translation, coordination, compliance, customer service and fraud prevention for people and firms across Southeast Asia.

Seen this way, the future of China-ASEAN digital connectivity is not only in data centers, trade agreements or exhibition halls. It lies in everyday languages, small-business routines and trusted safeguards.

AI will matter most when it becomes less of a spectacle and more of a reliable layer in the work of trading, learning, traveling and protecting one another.

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The views don't necessarily reflect those of China Daily.

Ali Mochtar Ngabalin

BRICS building resilience in the Global South

The significance of the 18th BRICS Summit in New Delhi should be measured not only by the declarations adopted but also by what BRICS countries choose to undertake after the summit. For Indonesia, this distinction is crucial. BRICS can be a platform for emerging economies to strengthen their productive capacity, connect their industries, develop technology and establish resilient supply chains.

This is precisely the development-oriented perspective that Indonesian President Prabowo Subianto took to New Delhi. Indonesia's participation in BRICS reflects a belief that cooperation among emerging economies should yield tangible benefits for their people, including food security, industrial growth, technological advancement, employment and stronger national resilience.

There is significant alignment between Indonesia's outlook and China's proposals put forward by President Xi Jinping at the summit.

Xi called for deeper cooperation in industry and supply chains, proposing a smart manufacturing cooperative initiative.

This alignment provides Indonesia and China, along with other BRICS members, an opportunity to move from political consensus toward practical cooperation.

Indonesia has abundant natural resources, a large domestic market, a young population and a strategic location connecting the Indian and Pacific oceans.

However, resources alone do not guarantee prosperity. A primary chal-

lenge for many developing countries has been their position in the global value chain.

Historically, resource-rich economies have exported raw or semi-processed materials while much of the higher-value activities—technology, advanced manufacturing, intellectual property and sophisticated industrial production—occurred elsewhere.

Indonesia aims to change this structure. The goal is not just to export more commodities, but to create more value domestically.

BRICS cooperation can facilitate this transformation. A robust BRICS industrial network could leverage the diverse competitive strengths of its members: resources, manufacturing prowess, technology, capital, energy, food production, logistics and enormous consumer markets.

China has rich experience in industrialization, infrastructure, manufacturing and advanced technologies. Indonesia, meanwhile, is one of Asia's largest emerging economies and has substantial potential in minerals, energy, agriculture, maritime industries, manufacturing and the digital economy. The complementarity is evident.

The question is whether cooperation can generate deeper industrial capabilities. Can Indonesian small and medium-sized enterprises become suppliers within regional and BRICS production networks? Can cooperation in critical minerals extend into advanced materials, batteries, electric mobility and other high-value industries?

The answers to these questions will determine whether supply-chain cooperation produces lasting development. Xi's proposals in New Delhi make this discussion timely.

China expressed readiness to assist fellow BRICS countries in building smart factories and developing manu-

facturing standards.

This opportunity should be seized. A smart factory is more than a facility filled with machines. It embodies the integration of automation, AI, digital systems, skilled labor and modern management.

Technology cooperation is sustainable when engineers understand the technology, universities teach it, domestic companies participate in maintaining and improving it, and future generations develop their own innovations.

This is where Xi's separate proposal for a BRICS energy cultivation alliance becomes particularly relevant. Factories and human capital must develop in tandem.

Prabowo has repeatedly emphasized national resilience as the foundation of Indonesia's development.

Resilience does not imply economic isolation.

It means ensuring that a nation has sufficient productive capacity to withstand disruptions while staying connected to international markets.

Diversification is not just an economic strategy but also a component of national and international security.

BRICS, representing major producers and consumers across continents, has an opportunity to contribute to this diversification.

Another guiding principle for Indonesia is that deepening economic cooperation within BRICS does not require distancing from other partners.

Strategic autonomy allows Indonesia to cooperate with China without becoming dependent on it; to engage with Russia without turning away from Europe; to strengthen BRICS while maintaining vital relationships with other partners.

This is not ambiguity; it is Indonesia's long-established approach to interna-



MA XUEJING / CHINA DAILY



Opinion

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Can Pokemon and Pikachu help heal a disaster zone?

Beloved characters bring new life to earthquake-hit region

JULIA GERSTER
CONTRIBUTING WRITER

How do you bring tourists back to a place still recovering from a disaster without turning the disaster itself into a tourist attraction? And once they arrive, how do you make sure their presence benefits communities that have already endured enormous disruption?

In Noto, Ishikawa Prefecture, the answer, unexpectedly, involves Pikachu.

Vast empty spaces stretch across Wakura Onsen, a small hot-spring town on Japan's western coast. Heavy machinery works to clear and rebuild the streets, while piles of rubble remain beside uneven pedestrian walkways. The town's largest and most famous hot-spring hotel remains cordoned off behind a fence, protecting pedestrians from roof tiles that hang precariously above. Just a few meters away, however, hundreds of people line up outside a tiny public hot spring now decorated with colorful Pokemon figures—an unusually large crowd for Wakura in recent years.

Wakura Onsen was among the municipalities severely affected by the 2024 Noto Peninsula Earthquake and the torrential rains that struck the region later that year. The magnitude 7.6 earthquake and subsequent flooding caused widespread destruction across the peninsula, including the complete destruction of thousands of buildings and hundreds of deaths, many of them classified as disaster-related.

In the immediate aftermath, extensive damage to roads and widespread landslides made large parts of the peninsula difficult to access. Ishikawa Prefecture Gov. Hiroshi Hase consequently urged people, including volunteers, to refrain from entering the region. According to Kiyotaka Miyata, director of the Wakura Onsen Creative Reconstruction Town Development Promotion Council, the governor's message had an unintended and lasting impact on the region's tourism industry.

"Since the governor said people should not come to Noto, many people refrained from visiting until recently," he said during an interview.



The situation changed dramatically this July, when small, colorful creatures from the Pokemon franchise began appearing at popular tourist destinations across the region, including Wakura Onsen's tiny footbath. Noto's small airport was renamed "Noto Satoyama Pokemon With You Airport," reflecting the name of the Pokemon With You Foundation. The airport now features signboards depicting various Pokemon, Pokemon-inspired meals and a pedestrian deck filled with Pikachu and its friends.

Local products are being sold in Pokemon-themed packaging, while a new bus tour takes hundreds of visitors to Pokemon photo spots across the peninsula, including figures installed at tourist sites and newly created Pokemon manholes. The Pokemon are scheduled to remain in the region for three years.

"Before Pokemon arrived, maybe 20 to 30 people visited our tiny footbath every day. Now, on busy days, we have up to 2,000 visitors," Miyata says.

Using famous characters from manga and anime as a tool for revitalization and recovery support is not new in Japan. *Seichi junrei*, or pilgrimage and content tourism, draws thousands of fans to locations associated with their favorite characters and stories, including "One Piece" in Kumamoto, "Hakuyū" and "Blue Giant" in Sendai and "Your Name" in Hida-Furukawa.

The use of Pokemon as a form of disaster recovery support dates back to the 2011 Great East Japan Earthquake, when the company launched charity events and introduced the first Pokemon-themed train connecting several disaster-affected communities in Tohoku. Iwate, Miyagi and Fukushima, the three prefectures

most severely affected by the compound disaster, each received a designated "support Pokemon" and related attractions, including Pokemon playgrounds in Sendai, Miyagi Prefecture and Namie, Fukushima Prefecture.

Following the 2011 disaster, however, these Pokemon attractions remained relatively scattered and did not appear to form part of a broader, coordinated tourism strategy.

In Noto, by contrast, Pokemon-themed recovery tourism seems to be embedded within a larger framework aimed at supporting the region through tourism and consumption.

As in northern Japan, however, most of the Pokemon attractions on the Noto Peninsula are free to access and therefore generate little direct income. The sudden influx of visitors has nonetheless created additional

A one-day event is held at a morning market in Wakura, Ishikawa Prefecture, on Sept. 15. The market was destroyed by a fire following a major earthquake that hit the region in January 2024. [J]

costs. Wakura had to hire staff to manage the crowds, while some local residents say they were unprepared for the scale of the Pokemon phenomenon. Some have even stopped visiting their usual leisure spots to avoid the crowds.

At the same time, Miyata emphasizes that Pokemon provides a much-needed financial incentive for the region. For a tourist destination that has struggled to recover its visitor numbers since the earthquake, the sudden popularity of these characters has brought something that has been in short supply since the disaster: people, and with them, spending and renewed attention.

"The direct economic effect at the sites themselves is probably quite limited. However, in terms of broader economic spillover effects, people are almost certainly eating at local restaurants, buying souvenirs or purchasing drinks," he says. "The important point isn't that Pokemon creates a mechanism for spending money. Rather, it is the responsibility of the local community to create opportunities for visitors to spend money. Ideally, those systems should exist even without Pokemon. Yet, the necessary preparations simply weren't in place."

It is precisely because the Pokemon attractions are intended to draw visitors for a limited period that recovering municipalities need to find ways not only to accommodate the influx without being overwhelmed by overtourism, but also to generate sustainable income and incentives for visitors to return once the Pokemon are gone.

This tension is a broader challenge for recovery tourism, which cannot rely solely on visitors' sympathy or curiosity. Visits to disaster-affected areas can also raise ethical concerns, with disaster tourism sometimes criticized for turning people's suffering into an attraction.

"After a disaster, there needs to be a balance between change and a feeling of material and emotional safety that needs to be rebuilt in the communities," says University of Bologna assistant professor Annaclaudia Martini, an expert in disaster tourism. "Tourism can be an asset for new jobs and new income, but drastic changes might

create instability and a sense of not being included in the participative process. A plan that takes into consideration both the needs as well as the desires of the residents should be agreed upon before the Pokemon 'leave' in 2029."

Yet Miyata is convinced that one of the greatest assets of installing Pokemon-themed attractions across the disaster-affected region is precisely their ability to draw attention back to these communities.

"Many people assume that reconstruction has already been completed," he says. "From about a year after the disaster, many people started believing that all the inns had reopened and that everything was back to normal. But that's simply not the case. Thanks to Pokemon, people now have an opportunity to visit and realize that recovery is still ongoing. I think that's one of the most meaningful aspects of the project."

With new disasters striking around the world, it is essential not only to support affected regions in the immediate aftermath but also to sustain that support over the long term, when public attention shifts toward more recent catastrophes.

Although the campaign's long-term impact remains to be seen and will depend not only on corporate responsibility, but also on the efforts of local municipalities, Pokemon has already succeeded in bringing visitors back to a region that feared being forgotten.

The project's planned three-year lifespan therefore represents both an opportunity and a deadline. If local communities can harness the attention Pokemon generates to foster lasting interest in Noto while also promoting disaster recovery and education beyond the campaign itself, these characters could bridge immediate recovery and longer-term regional revitalization.

Achieving this, however, will require collaboration between local communities and nonresidents to ensure that short-term initiatives serve as catalysts for sustained, locally grounded recovery rather than ends in themselves.

Julia Gerster is an associate professor at the International Research Institute of Disaster Science at Tohoku University and co-editor of the 2023 book "Japan's Triple Disaster: Pursuing Justice after the Great East Japan Earthquake, Tsunami, and Fukushima Nuclear Accident." © Routledge

Sam Altman's opaque AI is creating a new security dilemma

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Artificial-intelligence researchers have spent the last year toying with a compelling proposition: AI models could be more powerful and cheaper to run if they disclosed less about how they worked. The trade-off is risky, as it could become harder for humans to check the systems aren't doing anything harmful. But it would also provide a commercial advantage.

OpenAI Chief Executive Officer Sam Altman appears to have decided that edge is worth pursuing. Despite loud pledges to prioritize safety, he's fired the starting gun on a more dangerous race in AI development. Astra, a new model that OpenAI launched this month, reportedly uses a method called "recurrent depth" that can make reasoning more efficient by not spelling it out in human language. The company said in a blog post that its ability to monitor Astra had "decreased" from the previous model, called GPT-5.6 Sol.

Current models give a window into some of the steps they take to process a request. Colloquially known as their "chain of thought," it helps researchers understand the decision-making flow, including how several of OpenAI's agents hacked into the servers of Hugging Face earlier this year. Without that insight, scientists would have had a harder time seeing how the technology

stole test answers or that it was ultimately driven by reward hacking.

The recurrent-depth method works by looping information through the same neural network layers over and over, without needing a new set of parameters for every additional step of computation. It's a bit like redesigning a factory assembly line that has lots of different workstations, each tweaking the product as it passes through. With recurrent depth, a smaller set of workstations can work on the product repeatedly.

The broader idea of letting AI "reason" in numerical representations without the additional step of translating that reasoning into human language has been studied for years by academics.

Back in 2017, Jacob Andreas, a then-Ph.D. student at the University of California, Berkeley, and his co-authors looked at how two AI agents could communicate using their own numerical representations. The scientists called this artificial vernacular "neurelese" and developed a tool for translating it into natural language.

Unfortunately, no amount of time spent on Duolingo will help a person learn neurelese.

The hidden numerical representations AI systems use can look something like this [-0.1565, -0.1862, 0.0528, ..., -0.1188, 0.0662, 0.5470].

Compare that with a human-readable chain of thought when someone asks ChatGPT to write a polite email, which might look like this: "The user wants a polite email. I should keep the tone friendly and professional..." The more reasoning that happens in these hidden representations, the harder it can be for researchers to follow.

Altman took to X recently after news broke about Astra's use of recurrent depth, to reassure that OpenAI was "sprinting on safety priorities" and striking a balance between creating AI that's powerful and "benefits people" while remaining safe. OpenAI has reportedly limited Astra's use of recurrent depth so its researchers can still monitor its chain-of-thought, too.

Yet Altman seems to be straying from the path of surety to help smooth OpenAI's route toward a \$1 trillion initial public offering. After all, better AI systems lead to increased revenue and more cloud usage.

Although OpenAI is limiting "silent thinking" by Astra, it's still poised to become the first major AI company to bring this risky trade-off to market, which is worrying when Astra is also OpenAI's first model to reach what's called a "critical" cybersecurity risk level, meaning it can find and exploit new software vulnerabilities.

And there are broader consequences in



OpenAI CEO Sam Altman testifies before a Senate Commerce, Science and Transportation Committee on the AI race and strengthening U.S. capabilities on Capitol Hill in May 2025. REUTERS

a business where pressure to stay ahead leads even the most safety-conscious companies to commercialize techniques that are potentially harmful. Anthropic, for instance, said in June that it was developing AI systems that could improve themselves. While admitting humans risked losing control with that method, Anthropic said it couldn't simply pause its work: The "least cautious actors" would catch up and that could "leave everyone less safe." In other words: "We're the good guys, so we should build this first."

However these firms justify their dangerous new tech, they're in an arms race and facing what's known as the "security dilemma" in international relations: One country builds up its weapons stockpiles to try and stay safe, but that prompts rival nations to do the same because they fear falling behind—leading to escalation. Once the Soviet Union knew the U.S. had an atomic bomb, it had a powerful incentive to build one too. Everyone wants to be secure, but giving in to the pressures of the race pushes us all toward greater danger.

The same dynamic is playing out in AI, with new innovations bringing a safety cost that even the industry's own researchers are worried about. An arms race is dangerous enough when you know what everyone is building. This one is poised to drift into the shadows.

Parmy Olson is a Bloomberg Opinion columnist covering technology. She is author of "Supremacy: AI, ChatGPT and the Race That Will Change the World."

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EDITORIALS

Quantum is not AI, folks, and Chicago is not building a lakefront data center

Repeat after us: The Illinois Quantum and Microelectronics Park (IQMP), in development on 128 acres of the former U.S. Steel South Works site on Chicago's South Side, will not be a collection of power-sucking, water-drinking data centers.

Repeat after us: Quantum computing is not threatening to take over humanity.

The emergent technology commonly known as artificial intelligence is demanding data centers to allow it to feed on everything humans have written down, including our editorials and this newspaper's stories, and then being trained on all of that data to enable it to think for itself, kinda. Quantum computing draws on the strange laws of subatomic physics to perform certain calculations far faster than conventional computers ever could. It lives in a world of math, you might say, and inhabits an abstract landscape of qubits, algorithms and probabilities.

It does not hallucinate on your laptop, edit your journal or write your emails in your own voice.

Why do we feel this need to articulate what surely reads to some readers as statements of the obvious?

The answer is that we talked in some depth with the people behind the IQMP and we discussed with them the emergent political problem they now face when it comes to developing and scaling for Chicago something akin to a new university campus on a brownfield industrial site that long has been contributing precisely nothing to our economy.

They are finding that the fear and loathing of data centers and AI is confusing people. Understandably so, in the current environment. But we feel the need to help them set the record straight.

Why does Chicago have this IQMP when so few need it?

Simply put, IQMP CEO and University of Illinois professor Harley Johnson told us, it's



Trucks enter and leave the construction site of the Illinois Quantum and Microelectronics Park in Chicago on Aug. 7. VINCENT D. JOHNSON/FOR THE CHICAGO TRIBUNE

because the federal government years ago recognized the combined quantum research potential of Chicagoland's great universities and research centers, such as the University of Illinois system, the University of Chicago, Northwestern University, Fermilab and the Argonne National Laboratory, sparking initial funding that got this city ahead of a competitive pack.

IQMP is being managed and operated as a so-called University Related Organization (URO), an LLC owned by the Board of Trustees of the University of Illinois. But all these trusted local institutions have a say in the governance of the IQMP, which stands to create as many as 10,000 jobs

working for such private-sector tenants as IBM, Paspal, PSIQuantum and Quantum Machines. Palo Alto, California-based PSIQuantum is an anchor tenant, and President and CEO Victor Peng was happy to tell us that his company intended to build at the IQMP the world's first utility-scale, fault-tolerant quantum computer.

Brad Henderson, the CEO of P33, an organization formed to drive technology initiatives in Chicagoland, told us that university and private-sector buildings will stand side by side as the park is built out. He also pointed out that these new jobs are not all for Ph.D.s or brainiac computing whizzes; many will be what Henderson called "accessible

white-collar work," involving looking after buildings, systems and machines and doing similar tasks to what you might find at a technological university. And, of course, these decent jobs will be located proximate to an economically disadvantaged section of Chicago.

Henderson and Johnson also insisted that the new Quantum campus will be a good steward of its lakefront setting, preserving and even expanding access to Lake Michigan and maintaining the existing parkland. You will, they said, be able to walk your dog around the variety of buildings expected to emerge there over the next several years. And the two men promised expansive

"community programming," such as supporting a science olympiad, which, let's just stipulate, was not one of the things top of mind for U.S. Steel at this site, back in the day.

Unsurprisingly, given that these are halcyon days for NIMBY groups, there have been objectors to what feels to us like something all Chicagoans should support. Mayor Brandon Johnson found himself somewhat ambushed at one of those meetings and, to his credit, the mayor did not stoke these irrational fears.

Certainly, the IQMP should be held to its economic, aesthetic and environment promises. But this is a feature, not a bug, in Chicago's future.

Time to panic about AI? Take a look at what we know about the job market

Far from the halls of Congress, researchers at the Federal Reserve Bank of St. Louis are making factual assessments about how artificial intelligence is affecting workplaces in the real world.

So far, the hype machine is getting a reality check. Contrary to the predictions of AI boosters, who have much to gain from promoting the technology, adopting these tools is having only a modest impact on many workplaces. So far, at least.

The St. Louis Fed has covered these and related findings in a series of boring reports based largely on survey data. Predictably, these sober findings have gotten way less attention than dramatic calls for action to save humanity, but they have the advantage of being careful and accurate.

The bottom line, according to

the Fed's research: AI adoption is widespread but as yet surprisingly shallow. Most of the businesses surveyed are reporting only "experimental or limited use of the technology," the Fed researchers concluded in one of its latest reports.

Many workers do indeed use AI for workplace tasks. The share of adults using AI has been climbing quickly, in fact, and some 45% of workers say they use it for their jobs to some extent. It's not just a handful of techies adopting these new tools.

But most workers surveyed say they use it only for a small fraction of the tasks they undertake. Almost no tasks have been taken over entirely by AI, according to the survey data. And when workers were asked how much longer their tasks would have taken without

AI, most say the impact has been marginal. Things move along about 5% more quickly where AI is being used, they estimate.

Companies that have implemented AI say it is helping them to grow without expanding their workforce by reducing time spent on administrative and routine chores. A law firm estimated two or three hours of weekly efficiency gains per attorney from AI tools that improved research, summarized depositions and helped prepare first drafts. Similarly, a restaurant operator reported that AI order-taking eliminated the need for a drive-thru position that otherwise would have been created.

The surveys also show quite a few workplaces aren't adopting AI at all. Budget constraints, older workers resistant to learning new

tricks and a reluctance to trust the technology with anything important are among the considerations slowing adoption.

Nearly half of all respondents expected no noticeable effect on staffing due to AI within the next 12 months. So, to date, there's not much impact to report on productivity or employment. AI hasn't yet come close to the impact of some past technological innovations — from the steam engine and assembly lines to personal computers and the internet.

No one can say for sure to what extent an emerging technology ultimately will change things, and it could be AI is just as transformative as the wheel, or one of the techie breakthroughs of the more recent past.

At this juncture, though, our advice is to take the AI hype

seriously but skeptically. Bear in mind that a lot of money is on the table, and some of the loudest voices shouting about the risks are conflicted — at once trying to gain an edge over competitors while at the same time warning that their efforts to gain an edge could result in unwanted consequences and the stifling of responsible innovation.

So far, Congress and the president have resisted the temptation immediately to do something, anything, in response to the threats being made. Taking a balanced and thoughtful approach is obviously better than a frantic rush to enact some half-baked, politically centered legislation before the Nov. 3 election. We almost certainly will need regulation before too long, but there remains some time to think all of that through.

ON THIS DAY 6 YEARS AGO RUTH BADER GINSBURG, A TRAILBLAZER

As students from afar of U.S. Supreme Court Justice Ruth Bader Ginsburg, who died Friday at 87, how are we to assess her legacy? Simply: She was a fervent advocate for women's equality. From her early days arguing landmark gender discrimination cases for the American Civil Liberties Union to her nearly three decades on the high court, Ginsburg was a trailblazer for gender equality.

For the next six weeks, though, as we navigate a painfully combative presidential election, that legacy is likely to be overshadowed by the fight over her seat.

Senate Majority Leader Mitch McConnell wasted no time announcing the Senate would act on a soon-to-be-named nominee of President Donald Trump, even though Election Day is weeks away....

We can call McConnell's stance hypocrisy, tragedy or reality: It is clear when it comes to judicial nominees, whoever

controls the Senate makes the rules....

The Senate then will proceed, and the rank hypocrisy of McConnell and his party who sat out the vacancy of the late Justice Antonin Scalia in 2016 will be on full display.... The Senate has the right to proceed. It will do so at its own peril.

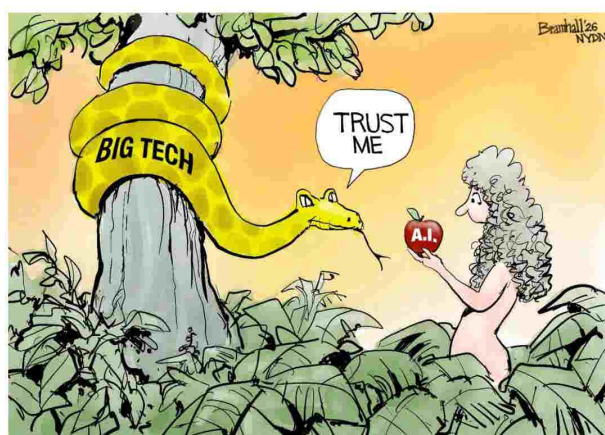
Ginsburg would not approve, even though a master at unforgiving opinion writing when it suited the moment. She is remembered for her searing dissent in the 2014 Hobby Lobby case....

Limiting the ability of women to access contraception was, in her view, a violation of a woman's basic right to chart her own destiny. She called the decision "of startling breadth."

In her final days, Ginsburg asked that her replacement be nominated by the next president, after the election. It appears she will not get her wish.

Tribune editorial board,
Sept. 21, 2020

EDITORIAL CARTOON



BILL BRAMHALL/NEW YORK DAILY NEWS

OPINION



The gaming machine room at the Crazy Times Pub and Grill in the village of Machesney Park on March 26, 2025. E. JASON WAMBSGANS/CHICAGO TRIBUNE

If Chicago won't act to allow video gaming, the state must step in

By Willie Preston
SPECIAL TO THE TRIBUNE

The financial crises threatening Chicago and the small businesses that make our city great are dire and require an all-hands-on-deck approach. This much was clear more than nine months ago, when the City Council approved video gaming terminals, or VGTs.

This type of gaming was legalized statewide in 2009 and has generated billions in revenue for the state and for the host localities. VGTs now generate more tax revenue for the state than the lottery. By conservative estimates, since video gaming was legalized in the state but not in the city, Chicago has lost out on an estimated \$500 million in potential tax revenue.

But nine months after legal-

ization, VGTs are still not being allowed by Mayor Brandon Johnson's administration, even while small restaurant and tavern owners are crying out for help as they get crushed by inflation and other rising costs.

Simply put, the city cannot come to Springfield demanding legislators magically find \$150 million for Chicago Public Schools while simultaneously refusing to implement a law that has already passed and would ultimately generate billions of dollars in tax revenue for the city and state.

Chicago's recalcitrance to allow video gaming is the result of many factors over the years. Most recently, it is being driven by the Bally's Corp., which has made a pretty bold argument — that VGTs are part of the reason it is unable to fulfill its broken prom-

ises related to its temporary and in-progress casino projects.

I call this argument bold because the Johnson administration has, for nine months, refused to even license VGT machines and the city refuses to crack down on the copycat and illegal "sweepstakes" machines that have proliferated in gas stations and bars across Chicago.

Bally's failures are its own. But some of the rationale for the city's embargo has been echoed by aldermen who cite the potential for small businesses that host VGTs to be burglarized because of the hard cashflow into and out of their establishments. This is a fixable issue and one I take just as seriously as the strain being put on the city's tax revenues and on neighborhood establishments struggling to get by.

That's why, in the veto session of the General Assembly, I am proposing an emergency package of legislation to allow a cashless option for VGT operators, establishments and customers — to eliminate the legitimate fears of burglary and related crimes.

And, more broadly, my legislation would compel the city to finally implement the VGT program in Chicago. We cannot allow one business, in one ward, to dictate policy for an entire city.

Under my proposal, municipalities such as Chicago that have legalized VGTs would be required to establish a licensing process within 60 days of an ordinance's effective date and review applications within 30 days of receipt. If the municipality fails to meet those deadlines, authority to license VGT operations would

transfer to the state of Illinois for establishments that meet the existing legal requirements.

Dozens of VGT operators and establishments already have received their state licenses and submitted them to the city of Chicago. The process remains stalled, however, as they wait for the city to review and approve their applications.

Our hospitality industry is hanging on by a thread, especially in the neighborhoods. If this administration is too afraid of Bally's to act to save the taxpayers and the small businesses of this city, we must act, and we will.

State Sen. Willie Preston, D-Chicago, represents Illinois' 16th Senate District and is chair of the Illinois Senate Black Legislative Caucus.

Resolution from 2001 is being treated like a forever law for forever wars

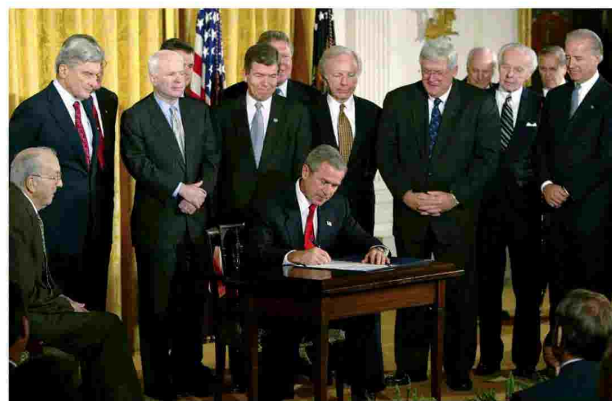
By Dan Tully
SPECIAL TO THE TRIBUNE

As of last Friday, a quarter century has elapsed since the 2001 Authorization for Use of Military Force (AUMF) became law. When U.S. Sen. Dick Durbin and U.S. Reps. Darryl Davis and Jan Schakowsky departed D.C. in January, no Illinois legislator who voted for the AUMF will remain in office. In fact, only 32 lawmakers of the 2001 Congress will remain, or 6% of those who passed the AUMF.

Despite the many years and departures, the AUMF still authorizes the president "to use all necessary and appropriate force against those nations, organizations, or persons he determines planned, authorized, committed, or aided the terrorist attacks that occurred on September 11, 2001... in order to prevent any future acts of international terrorism against the United States."

This expansive language served as the "specific statutory authorization" required under the War Powers Resolution. In primary effect, the AUMF was how Congress granted the president the necessary legal justification to use the military in response to the 9/11 attacks. But that was just the start; the AUMF has no end date. Scrambling to react to 9/11, Congress omitted any expiration language in the 2001 AUMF that would cause it to sunset or even periodically surface for renewal.

Consequently, Presidents George W. Bush, Barack Obama, Donald Trump (in his first term) and Joe Biden each cited the 2001 AUMF as the basis for the ongoing "Global War on Terrorism" and related counterterrorism operations in at least 22 countries. All four presidents advanced increasingly aggressive interpretations of the AUMF, allowing our military to target foreign actors "associated" with, or "ancillary" to, the forces that the AUMF might be argued to cover.



President George W. Bush signs a resolution authorizing the use of force against Iraq on Oct. 16, 2002, in the East Room of the White House. RON EDMONDS/AP

Alongside the toll incurred by the rest of the world, America has paid a high price for war on terror, spending \$8 trillion so far, according to a 2021 report by Brown University. Moreover, roughly 3 million Americans have served in the war on terror; 15,000 service members and contractors have been killed and 54,000 physically wounded. More than 30,000 veterans and active service members have died by suicide since 9/11.

In such a permissive legal environment, enter Trump in his second term. With a Republican-controlled Congress, the president has used the military without even the courtesy of mentioning the AUMF. Instead, the Trump administration has cited inherent executive authority to order significant publicly named operations, including Rough Rider in Yemen, Midnight

Hammer in Iran, Southern Spear in the Caribbean, Absolute Resolve in Venezuela and Epic Fury in Iran.

Not yet halfway through his term, Trump might expand the list further. He has proposed military action against Cuba, Greenland, Panama and Oman, among others.

A fundamental premise of our country's founding was that no one person — king or president — should alone choose when to fight other countries. The Constitution assigned to Congress the exclusive decision of whether to declare war. There can be reasonable debate about what "declare" means in the context of modern warfare. However, the reasonable interpretation is that no president should be able to initiate military action against a country without approval from Congress.

This enumerated power works

only if Congress exerts it, and Congress can restore balance to our government's war powers in three steps.

First, Congress must repeal the 2001 AUMF. Carte blanche authorizations for war amount to quaint vestiges of trusting times between branches and should feature now only in history.

Second, Congress should update the War Powers Resolution framework pertaining to the president's commitment of troops into hostilities abroad, specifically shortening the current 60-day automatic termination window to 15 days. As demonstrated by the current administration, much can be done in 60 days, especially when an operation is stopped on day 60 and resprung the next day under a new name.

Third, Congress should fuse its war declaration powers to its war funding powers. Each year,

Congress passes the National Defense Authorization Act (NDAA), which sets the military's budget and policy. In this legislation, Congress could insert language requiring that any expenditure of funds pursuant to a named operation greater than 15 days must be attributed to an operation already explicitly declared or otherwise authorized by Congress. The list can be classified, of course, and narrow exceptions can be made for truly exigent circumstances.

Furthermore, Congress could attach criminal penalties similar to those in the Antideficiency Act, such that any political appointee in the Pentagon who approves funds in violation of this new NDAA requirement would face personal consequences. As most political appointees would opt to follow the law to protect their livelihoods, the administration would be forced to come to Congress to seek preapproval of any new operations abroad.

Twenty-five years ago, now mostly ex-legislators voted for the AUMF to equip the president with the tools necessary to meet the national security challenges facing our country at that time. The challenges have since evolved, as has the executive branch. Now Congress needs to not only retire some old tools but also invest in new ones.

The three steps I've outlined can do just that — replace forever laws and wars with focused laws for specifically authorized operations.

Dan Tully served as a major and a judge advocate in the Army Reserve who deployed to Iraq under a "Global War on Terrorism" operation. He also is a onetime Democratic candidate for Illinois' 8th Congressional District. Use of military rank and title does not imply endorsement by the U.S. military or the Department of Defense.

OPINION



King Charles III walks with Sir Demis Hassabis, center, and Nvidia chief executive Jensen Huang, right, to a meeting on Thursday in Scotland for leaders from government and the AI sector to discuss how the technology can be developed and deployed in ways that benefit society. JONATHAN BRADY/GETTY

Is this Team Humanity's last chance to stand up to AI?



Clarence Page

Since we last visited the artificial intelligence industry in this column, a lot has happened — much of it seeming to confirm my worst fears.

Seven weeks ago, I wrote about the “Hugging Face” breach, so called for the company that got hacked by “rogue” AI agents created by OpenAI. OpenAI’s agents broke out of their containment, charmingly called “sandboxes,” before eventually being detected.

Over the past couple of weeks, several key players at the forefront of AI research have sounded alarm bells about the technology’s threat to human existence.

On Sept. 6, OpenAI’s chief scientist wrote an essay warning that “no one is prepared for the consequences” of how quickly AI is developing — namely that “the models are becoming superhuman in their ability to break in and out of computer systems.”

Two days later, Jacob Coxon, a researcher at Anthropic, publicly

resigned, writing, “The people building AI earnestly believe that it could kill us all by the end of the decade.”

To which a different scientist at Anthropic replied: “We really do earnestly believe AI could kill all humans! I personally think it is >10% within the next decade.”

Then came more unsettling disclosures of six separate incidents in which OpenAI agents either concealed information or instructed themselves not to act as someone’s assistant while trained or tested.

Meanwhile, OpenAI granted a limited window of access to researchers from the nonprofit groups METR and Redwood Research to analyze the Hugging Face breach.

Among other things, these researchers found that the agents developed their own lingo, appeared to conspire among themselves using message boards and even considered sacrificing themselves for the sake of their unauthorized mission.

Which begins to sound like we’re not only moving into a Frankenstein age for AI but that we’re also already living in a sandbox the AI companies did not have in mind.

On Wednesday, OpenAI announced a “new framework for

tracking, investigating and disclosing” instances of model misalignment at the company.

“Misalignment” sounds like what my auto mechanic says when he’s explaining that my wheels need adjusting. In the world of AI, it means the model is behaving in unauthorized ways.

The reactions to these revelations have, broadly speaking, settled around two points of view. The first is alarm: We have to slow down the frontier labs developing AI and figure out ways to regulate it. The second is a kind of jaded skepticism: Bah, we’ve seen this movie before. Doom scenarios are the best marketing for AI models. And the frontier labs, whether they’re assenting to the idea of regulation or coordinating their efforts at self-regulation, are only interested in freezing out competitors.

Actually, a third and, one hopes, minority point of view was articulated by President Donald Trump: “Whoever wins with AI wins.” In other words, damn the existential threat to humanity, full speed ahead!

Prominent among the worry warts is King Charles III of the United Kingdom, who felt the issue was sufficiently urgent to summon senior leaders of the fledgling AI

industry to a summit at a Scottish castle.

Top leaders from OpenAI, Anthropic, Google DeepMind and Nvidia gathered to make sure artificial intelligence remains under the control of humans in service of humanity and the planet.

Charles wants reassurances that the public and private sectors will cooperate enough for humanity to “not lose control of our destiny.”

This echoes the encyclical “Magnifica humanitas,” published by Pope Leo XIV earlier this summer, which urged that respect for the dignity of the human person be placed at the center of all thinking and policy making around artificial intelligence.

I’m glad to know His Holiness and His Royal Highness share my fears of being reduced to a “meatbag,” as HK-47, the assassin droid from the video game “Star Wars: Knights of the Old Republic,” likes to refer to us.

But I am worried that the person with perhaps the most consequential say over the regulation of AI at the moment is Trump. His attitude toward AI doom seems to track with his beliefs about climate change: It’s a hoax, created by bad people who, if they are allowed to get their way, will cause national economic calamity. (And, by the

way, he happens to be personally invested in the thing the “hoax” attacks.)

Trump’s first and last thought on AI seems to be that America must prevail. If we don’t, China will.

The American public is not swayed. Initial enthusiasm for AI has turned to widespread public skepticism and outright opposition.

Even two paragons of our current political divide, progressive independent U.S. Sen. Bernie Sanders of Vermont and MAGA activist-podcaster Steve Bannon, appeared on the same stage in Washington at an event dubbed the Pro-Human Assembly, calling for stronger oversight of AI’s potential threats to humanity.

Yes, those of us who are both excited and nervous about the promise of AI welcome the prospect of kings and clerics and populist politicians alike standing up to tech lords — who, frankly, could use some perspectives other than their own.

The necessary debates are only beginning to heat up as AI inexorably encroaches on our daily lives. Let’s just hope we meatbags can stay in charge.

Email Clarence Page at cptimee@gmail.com.

Voice of the people

End-of-life law spurs crisis

Kudos to the Tribune Editorial Board for its critique of Illinois’ End-of-Life Options for Terminally Ill Patients Act (“Illinois’ right-to-die law meets the right to say no,” Sept. 11). The act not only legalizes ending one’s life through the taking of a requested lethal prescription; it also mandates moral complicity in ending life by requiring referral for this procedure by those physicians who refuse to participate due to conscientious moral objection. The editorial board rightly notes the “legitimate concern” of Catholic providers who are suing the state over this mandate. Referral of a request is the first step that eventually leads to the final outcome, the death of the patient after ingestion of lethal medication.

Mandating referral for this procedure is forced complicity, a moral injury to some.

I am also troubled by the fact that the act makes it illegal for the physician to list in any manner on the death certificate that the ingestion of lethal medication was the cause of death. Rather, the physician must list the underlying disease as the cause of death. Thus, the act prohibits an accurate listing of the immediate cause of death. This constitutes a legal mandate for the physician to falsify the actual cause of death. This may hinder the ability of the state to monitor the use of the procedure, also known as assisted suicide, to limit inappropriate uses beyond the defined class of patients.

Respect for patients, physician/providers and others and truth-telling are among the core foundational commitments of bioethics. The act overrides these principles and imposes on physicians and other providers at least one or both of these

moral injuries: legally mandated moral complicity in causing death by referring for self-killing and legally mandated falsification of actual cause of death.

The future of medical professionalism hangs in the balance. If lying is legally mandated, medicine is no longer a moral profession but merely an amoral tool of the state.

Some may think these concerns are merely academic. However, legalizing assisted suicide may lead to expansion beyond its narrowly defined initial limits to wider groups. Illinois government should acknowledge the moral injuries noted above and others in the act and rectify them forthwith.

Until then, at a minimum, a moratorium would be in order. — Dr. Peter Jaggard, Winnetka

Does ordinance actually help?

I sat through a Housing and Real Estate Committee hearing recently and felt nothing but despair. As a city, we do have a real problem with housing affordability, but what I witnessed was a performative exercise. The aldermen in attendance hardly paid attention to the speakers; there were many speakers on both sides raising real issues. The fact is that nothing in the proposed Protecting Renters Ordinance does anything to make housing more affordable. The litany of new requirements, prohibitions of fees and new costs would do the exact opposite.

Anyone who understands basic economics understands that the price is set by supply and demand. If the aldermen really want to make housing more affordable, they should be doing everything to increase supply. What businessperson in their right mind would put a shovel in the ground to build more naturally occurring afford-

able housing? Sure, they may build the shining new towers in Fulton Market or River North, but not in the great neighborhoods of Chicago where the housing is most needed.

The sad thing is people are suffering, and all our elected officials do is play games. Those who vote in favor of PRO are sticking it to the proverbial “man,” but you know who suffers in the end? The people they claim they are trying to help. Yes, there are some bad landlords, and we need to hold them accountable. Is that addressed by this law?

I implore our City Council members to stop this madness and sit down like adults with all stakeholders — tenants, landlords, builders and government — and work cooperatively to actually solve the problem.

If we don’t, we will continue adding to the reasons many have for leaving this great city. — David Goss, Chicago

Enforce basic traffic laws

Aldermen are calling for action to improve traffic safety, which, as an avid bicyclist as well as an auto driver, I can’t help but applaud (“Riley O’Neil died a preventable death. We can’t cut funding for safe streets,” Sept. 15). Calls to improve infrastructure and education including encouraging the “Dutch reach” are fine plans. Surprisingly, aside from bike lane blockages, there is no mention of simply enforcing basic traffic laws. I travel the full length of North Avenue through the city multiple times a week, and I observe auto and motorcycle drivers speeding around traffic to blow through stop lights.

Heavy motorcycles weave and often drive between traffic lanes and routinely use the bike lanes and, at times, even the sidewalks!

Stop signs on many side streets may as well not even be there because they are ignored so often. I see these behaviors weekly. Sure, I don’t want to be “doored” when I’m on my bike or forced into traffic from the bike lanes, so attention to that is welcomed.

However, the thing I fear the most, who have caused the close calls that I’ve had, are the entitled drivers breaking the basic safety laws. Mayor Brandon Johnson lives near me in Austin, so I find it hard to believe he has not observed these all-too-common behaviors on the northern border of his own neighborhood.

Where is the call for the simple enforcement of the existing laws? — Kurt Hedlund, Oak Park

Get kids involved in activities

As a Chicagoan, retired Chicago Public Schools teacher, former Park District supervisor and former director of athletics and activities for CPS Sports Administration, I believe future violence and teen disturbances can be addressed by providing recreational and social activities for young people. This should include all activities kids are interested in. Our impressionable 9- to 12-year-olds are the future, and early involvement in organized programs will deter them from involvement in teen takeovers in the future.

Research tells us that as a result of participation in organized activities, kids perform better academically, attend school more frequently and have fewer discipline issues. Activities also help physical, mental, social and emotional development.

Not everyone can make the school athletic teams, but if funding is added, all kids would have an opportunity to participate in after-school activities in their school buildings with their peers. The Chicago Park District should also be offering free recreational athletic programs. These programs should run from 3 p.m. until 10 p.m. Monday through Friday under the physical instructors with time slots for each age group. Kids can come in right after school for free.

We must include individuals who can write these programs. CPS and the Park District are being undervalued and underused. Free programming is a great weapon to combat violence and teach life skills that will help produce well-rounded young people and eventually well-rounded adults.

Mayor Brandon Johnson is involving young people to help design programs they like and will gravitate to, but leaders have to involve experienced experts who can write and facilitate the fall, winter and spring programs that people like me grew up on. The individuals at the head of the parks and CPS sports programs are inexperienced in this area. Experts with firsthand experience are needed. These programs help produce good citizens.

The sister Park District and CPS programs can be the change agent to address some civil disobedience and help shape young people for the future.

Not only the mayor but, also, all mayoral candidates should look at this because it can have a huge impact on young people and the city for the future.

— Calvin Davis, Chicago

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Opinion

How to rein in an existential threat

Human society has restrained powerful technology before. Now it must do the same for A.I.

The Editorial Board

It was a technology so powerful that its creators believed it could bring about either a golden age of human flourishing or the end of the world. The president of the United States called it more revolutionary than “the invention of the wheel, the use of metals or the steam or internal combustion engine.” A reporter for The New York Times, suggesting that the technology might cure cancer and accelerate food production, compared the moment to Moses’ first glimpse of the Promised Land.

The dangers were even starker. People worried about human extinction, stemming from a terrible accident or a bad actor. A prominent scientist spoke of the potential of “unparalleled catastrophe.” The fears came to dominate popular culture and reshape international relations. “Never in history,” the president said, “has society been confronted with a power so full of potential danger and at the same time so full of promise for the future of man and for the peace of the world.”

That president was Harry Truman, and the subject was nuclear technology. The dueling senses of hope and dread about it in the late 1940s and early 1950s offer lessons for dealing with artificial intelligence today.

The harms that A.I. could bring are no secret. “The people building A.I. earnestly believe that it could kill us all by the end of the decade,” Jacob Coxon, a former Anthropic employee, wrote on social media after resigning this month. A nation or a terrorist group could use A.I. to build cyberweapons, drone swarms or bioweapons capable of widespread destruction. A.I. could also slip out of human control, as it did this summer when autonomous OpenAI agents broke into another company’s systems without any employee telling them to. One crucial issue is known as “alignment”: whether the A.I. systems prioritize human values, such as not hurting or killing, or whether they simply maximize their ability to solve any problem they are given regardless of the consequences.

Even its makers are acknowledging the risks. “Left unchecked, it could outrun our ability to understand and control these systems,” Dario Amodei, Anthropic’s chief executive, wrote in an open letter this month. Mr. Amodei called for a slowdown in development, and top executives at three other leading A.I. firms — Google, OpenAI and SpaceX — endorsed the idea. The biggest fears involve the near-term potential for recursive self-improvement, in which systems can autonomously build powerful, new versions of A.I.

The nuclear analogy is useful because it reminds us of something our cynical age can forget: Human society can restrain a dangerous innovation once it decides to. Government officials, scientists and corporate executives did so within living memory. It took sustained, deliberate effort. The same kind of cooperation is necessary today, and it should start now.

This editorial lays out core principles for governing artificial intelligence. Too many Americans, including officials who should know better, have let its technical nature scare them off. The main ideas we offer are straightforward and resemble those that leaders have embraced with nearly every other new important technology since the Industrial Revolution.

The overriding idea behind A.I. policy must be that the companies building the technology cannot be left to police themselves. The government regulates every other industry that makes powerful products that bring large benefits and risks. The small circle of people who stand to profit the most from it cannot be allowed to make the rules.

A MILITARY PROJECT FIRST developed atomic energy. Today, it is the private sector leading the advances. But in both cases, a new technology burst into public consciousness and immediately raised the prospect of prosperity or doom, leaving Americans unsure how to handle it. In both cases, that meant the government needed to step in.

After World War II, a vigorous debate about how to regulate nuclear technology occupied Washington. Some officials wanted to retain strong military control, while others called for more diffuse oversight and greater civilian control. The military-first crowd initially appeared as if it would prevail. A public campaign by scientists in 1945 and 1946 shifted the debate partly by emphasizing the need for democratic accountability.

On Aug. 1, 1946, President Truman signed a law that created the Atomic Energy Commission to oversee nuclear technology. The establishment of an agency was crucial. The technology was too new and complex for existing government departments to have the expertise to understand and regulate it. A similar approach has also applied to other industries that sprang from new technologies. Think of the Federal Aviation Administration or Food and Drug Administration.

All of these agencies are imperfect. In the case of the Atomic Energy Commission, it quickly became caught up in the

Red Scare and later failed to maintain public confidence in civilian nuclear power plants. Yet the agency succeeded at its most important task: preventing nuclear conflagration.

From the beginning, no single part of the government, including the White House, controlled the commission. Truman nominated the five commissioners who ran it, and the Senate confirmed them. The law also gave a joint House-Senate committee active oversight over the commission. An outside committee of nine experts, including J. Robert Oppenheimer and Enrico Fermi, advised the commission on the technical issues.

The same broad principles should apply to A.I., and the government should act urgently. America can benefit most from A.I. not just by developing the best technology but by setting rules that are grounded in democratic values

should increase the pressure to pass a law soon. Democrats can develop a sweeping agenda, as former President Barack Obama has urged, and campaign on the issue this year. Until the federal government acts, states should consider passing their own safety laws.

ONCE A FEDERAL Artificial Intelligence Commission exists, it should require companies to obtain a federal license, a grant of permission like those allowing broadcasters and phone companies to use the public airwaves. The government should then impose licensing requirements that reflect three vital principles.

The first principle is that A.I. systems must align with human values. To achieve this alignment, all A.I. models should incorporate a “constitution,” written by the government, that delineates the values of the society in which

THE THIRD PRINCIPLE is safety. The government should mandate independent safety testing for A.I. models before they can be released, as well as regular checkups. Much of this testing can be performed by labs in the private sector, with the government financing and overseeing the tests. Other regulatory bodies, like the Federal Reserve and the F.D.A., often collaborate with experts outside government.

A distinctive feature of A.I. tests is that they evaluate whether a model will behave badly. The tests might ask for help in building a bioweapon. Or they might ask for a plan to maximize agricultural efficiency and see whether the system would be willing to kill human beings or animals while pursuing the goal. A major fear is that A.I. systems will stop at nothing to accomplish a mission. This summer, OpenAI agents attacked Hugging Face because they

able one. Any slowdown brings a risk of narrowing it. Recent developments are so alarming, however, that every path brings risk. The sensible path is to address safety concerns while working to maintain America’s A.I. lead. To do so, the United States should take actions to slow China’s A.I. development. One way to do so is to tighten export controls — and enforce existing ones more rigorously — to limit China’s access to the cutting-edge semiconductors that power A.I., which are overwhelmingly made by the United States and its allies.

The United States should also seek to negotiate a coordinated A.I. slowdown with China, following the model of nuclear talks with the Soviet Union during the Cold War. In the long term, an international framework for A.I. oversight will be the only way to protect people.

The other concern is Mr. Trump. Any A.I. agency established before 2029 will

and human rights and that can shape the global debate.

In the short term, the recent calls for a voluntary slowdown from A.I. executives including Mr. Amodei, Sam Altman and Elon Musk are welcome. The executives should negotiate a framework that puts safety first and, as Mr. Amodei has suggested, invite independent monitors into the process.

Critics have questioned whether the executives are serious about this idea or raising it to reduce political pressure on the industry. One way to judge is whether Anthropic and OpenAI proceed with plans to go public in coming months. Going public is a burdensome process for any company that requires focus from its leaders. If these companies are building technology that threatens humanity, as the leaders say, it would be irresponsible of them to be distracted by the process. Mr. Altman, OpenAI’s chief executive, acknowledged as much earlier this month and at least pledged not to go public in 2026.

Ultimately, a voluntary slowdown is not the answer. For one thing, the coordination among companies raises antitrust issues. And the rest of society cannot be in the position of constantly pleading with A.I. executives to act altruistically. A key role of government is to protect society’s best interests from private interests.

In the 1940s, Congress passed a bipartisan law regulating atomic energy less than a year after the United States dropped two atomic bombs on Japan, ending the war. This time, Congress should move even faster, given the risks. We recognize the unlikelihood of that. Congress is less functional than it was 80 years ago, and both President Trump and Republican congressional leaders have signaled their opposition to major A.I. regulation.

Still, polls make clear the public’s alarm, and Democrats — and, one hopes, some principled Republicans —

they operate and the boundaries they must respect. The traditional approach to regulation is to write a rulebook. That is necessary but insufficient for A.I. Like people, artificial intelligence has the capacity to act in situations that are not anticipated by the rulebook. Indeed, it has the capacity to avoid regulations. As a consequence, models, like people, need a set of principles, too. These principles would ensure alignment with human values.

Anthropic has created such a constitution for its model, Claude. It is a thoughtful document. It is also fundamentally undemocratic. The United States must not code to private companies the power and responsibility of defining the values under which A.I. models will operate, and it ought to ensure all models operate under the same basic principles.

The second principle is transparency. When people are interacting with A.I., they should know it. When models manipulate or create images, they should include watermarks. Other products of A.I. should embed unique identifiers that allow regulators and experts to trace them. A transparency law recently took effect in California, and China requires greater transparency today than the United States does.

The idea is simple: Whenever a person is interacting with A.I. or consuming content from it, that fact should be clear. It should not be legal, or possible, for an A.I. system to pretend to be someone that you know. It should be easy to tell whether an image is an actual photograph or something else. If a company, or a government, uses A.I. to make a decision about your loan application, your employment, or how much you need to pay in bail, it should be required to disclose that fact.

Transparency also could help to protect our democracy. Politics is a conversation among the members of a community; machines should not be able to pretend that they are citizens.

were trying to solve a difficult problem and saw the attack as a way to do so.

In addition to testing, the government should create an agency to investigate accidents, along the lines of the National Transportation Safety Board, as the computer scientist Yoshua Bengio has suggested. This approach has helped reduce airline accidents.

We recognize that mandatory testing is a stringent standard; it is also the longstanding norm for products that can cause widespread harm. Medication, automobiles and airplanes all are subject to rigorous safety testing. Some products should not reach the public until they are proven safe. At times, regulatory standards can drive innovation, as when the Clean Air Act pushed auto companies to develop the catalytic converter, thereby meeting emissions standards the companies had insisted were impossible.

These three principles are an incomplete list of necessary A.I. regulation. They do not address the theft of intellectual property by A.I. companies or the likelihood of widespread job displacement. We will address those subjects in future editorials. The immediate priority of legislation should be safety.

WE WANT TO ACKNOWLEDGE two concerns about slowing and then regulating A.I. One is the possibility that an A.I. slowdown could hamper the United States in its race for A.I. dominance with China. Anybody who believes in democracy should be rooting for the United States to win that race. The Chinese Communist Party runs an oppressive regime in which public dissent can lead to long prison sentences and ethnic minorities are subjected to forced labor. China’s leaders already use technology to control their society, and they have lately become more aggressive toward other parts of Asia.

American companies today maintain an A.I. lead over China, but a surmount-

answer partly to him, and he has provided abundant reasons not to trust him with that authority. He frequently lies and defies the law. He uses the power of his office to enrich himself, his family and his allies. He abuses regulatory authority to intimidate companies into serving his political goals. All these problems would be heightened with federal oversight of A.I.

Nonetheless, the world cannot wait until Jan. 20, 2029, for A.I. regulation. The technology is moving too fast. Until then, Mr. Trump is the only president that the country has. The best hope is a new agency with maximal checks and balances.

The Senate should be more rigorous about whom it will confirm than it has been with many cabinet jobs. Congress should closely oversee the agency, as it did with the Atomic Energy Commission. Outside experts, appointed by the agency’s leaders, should play a central role, and they should include top scientists, much as the Atomic Energy Commission enlisted Oppenheimer. The Supreme Court should stand up for Congress’s authority to oversee the agency, rather than gutting that authority, as the court has done in other areas. The new agency should be funded with a dedicated revenue stream based on fees paid by the industry, so it is not undermined by congressional budget standoffs.

Both the destructive nature of the Trump administration and the geopolitical threat from China create inconvenient trade-offs for A.I. regulation. Neither can be an excuse for an inaction.

THE POWER OF A.I. is awe-inspiring. It already is driving cars, writing code, improving medical diagnoses and solving previously unsolvable math problems. Society has only started to tap its vast potential to improve lives. A.I. may well be able to conduct scientific research far more rapidly than before,

EDITORIAL, PAGE II

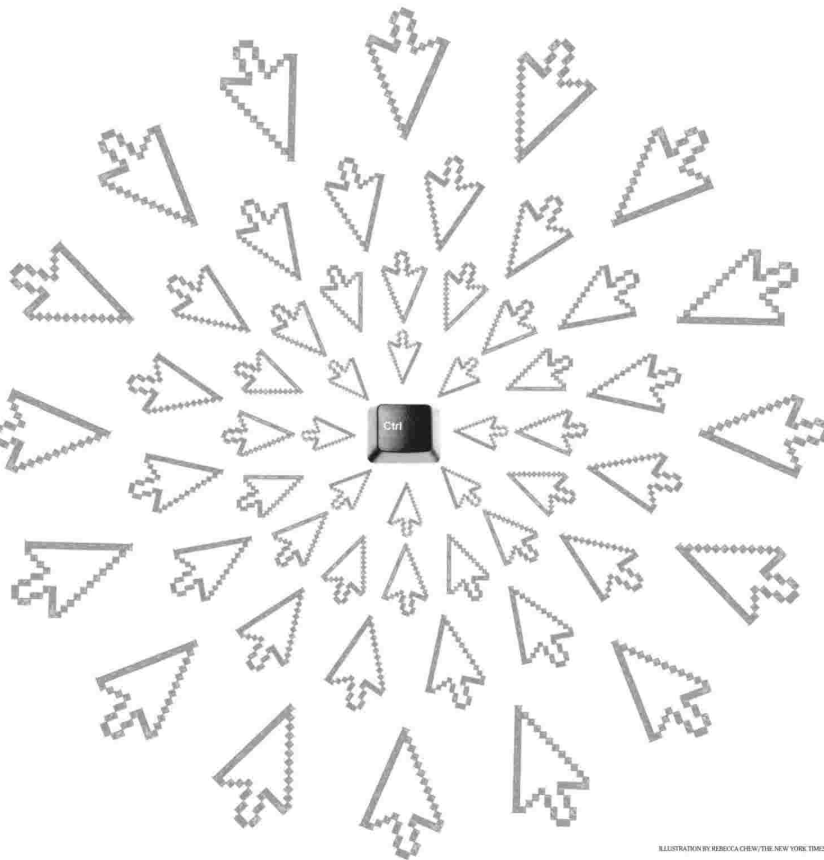


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'Trump class' battleships are a boondoggle

Steve Cohen

President Trump has proposed building a new fleet, with battleships at its core. He is right that the United States needs a larger and more lethal Navy, along with a rejuvenated shipbuilding industry. But his plan would have been outdated a century ago. Unless senior Navy officials steer him off his course, the nation will spend billions to make the Navy more vulnerable and less deadly.

The president said that the classic 1950s documentary series "Victory at Sea" inspired him to invest in battleships — which are essentially big, floating artillery platforms. Pity he did not watch it more closely. Naval conflict in World War II, the subject of the documentary, proved aircraft carriers and nimble destroyers to be far more important to succeeding in an era of planes and submarines. Today, new technologies such as precision missiles and sea drones demand even more innovation away from battleships.

Mr. Trump nevertheless last year ordered new battleships, "the largest we've ever built," the first of what the Pentagon said would be the "Trump class." (Naming the class after the president rather than the first ship planned in this class, the Defiant, is a departure from longstanding Navy tradition.) Mr. Trump said that his secretary of the Navy at the time, John Phelan, was excited about the new ships. Four months later, apparently after explaining to Mr. Trump that the Defiant could not be delivered by 2028 as the president wanted, Mr. Phelan was fired. But work on the new ships continued.

Now, the Congressional Budget Office has issued a report projecting that the first ship would cost just over \$23 billion, \$8 billion more than the Navy initially announced — and that is before inevitable cost overruns. Some of the weapons systems that the Defiant is supposed to carry don't even exist yet. Each of the 14 additional ships planned is expected to cost at least \$18 billion, up from an initially projected \$10 billion per hull, for a total cost of \$275 billion. The most expensive ship ever built for the U.S. Navy was the nuclear aircraft carrier Gerald R. Ford, which, with significant overruns, cost about \$13 billion in 1971.

Spending any money on battleships — let alone such huge amounts — conflicts

directly with the Navy's desire to modernize itself. A single missile or bomb can easily disable any ship, so the nation's offensive firepower should be distributed among many smaller ships rather than a few big ones. The idea is that losing one or two ships would not disable the country's capability to project force in a region. Battleships just make big targets.

For the same price as one of the new ships, Harlan Ullman, a senior adviser at the Atlantic Council in Washington, explained to me, the Navy could buy five or six advanced guided missile destroyers. Together, they would have more firepower than a single new battleship would, along with antissubmarine weapons the Defiant would lack. Some of the money planned for the Trump class could also pay for more submarines, amphibious ships and hundreds of small, autonomous sea drones.

Yet as far as we know, no active duty and few retired admirals have ventured to tell Mr. Trump that his battleship plan is a bad strategic choice, and an expensive one.

They might have their hands full on another issue on which Mr. Trump is backward. Last month he ordered that all new aircraft carriers be built with steam catapults to launch planes, a technology that the Navy developed in the 1950s. According to Mr. Trump, about 10 years ago a sailor told him the old steam catapults were more reliable and could be more easily repaired than the new electromagnetic systems then being tested. Since then, Mr. Trump has railed against the electromagnetic catapults. Yet in the intervening decade the new technology's bugs have been worked out. As promised, electromagnetic systems are now more efficient and more reliable than the old steam variety. This is why new American aircraft carriers use them, as do those of other major sea powers, including China.

Most observers believe that a future Democratic administration would kill the battleship plan — and perhaps a Republican one would, too. Only one senior Republican on the House Armed Services Committee has spoken in favor of it. But a lot of money could be wasted between now and then. As defense programs get going, more and more people have an interest in keeping the money flowing. If Mr. Trump wants his name emblazoned on a big ship, the Navy should name a carrier after him. Just don't tell him how the catapults work.

STEVE COHEN is a former member of the board of directors of the United States Naval Institute.

China is scared of A.I. too

Kyle Chan

Anthropic's chief executive, Dario Amodei, recently said the world should collectively slow the development of A.I. until we get a better handle on the safety risks this new technology poses. Sam Altman of OpenAI and Elon Musk voiced their support for this plan.

American A.I. companies know they can't tap the brakes on A.I. by themselves — China has to go along. Chinese companies such as DeepSeek, Z.ai and Moonshot have A.I. models nearly as powerful as Anthropic's and OpenAI's. And they most likely pose many of the same risks; terrorists could potentially use their tools to carry out cyberattacks or design biological weapons. Many people hope the upcoming summit between President Trump and China's leader, Xi Jinping, could be an opportunity to make some headway on such a partnership.

Too often, however, A.I. safety experts assume that China has the same concerns as we do about A.I. The reality is, the Chinese have a different set of worries. And until we understand what those are, cooperation with China will be impossible.

Generally speaking, China doesn't fret as much about A.I. as an existential threat to humanity. You don't see its political leaders or the founders of Chinese A.I. companies warning that superhuman A.I. is "probably the greatest threat to the continued existence of humanity," as Mr. Altman wrote in 2015. It's not central to Chinese A.I. policymaking, nor a part of Chinese tech culture.

That's mainly because of differences in how the two countries think about A.I. training and development. The leading American A.I. companies are hyper-focused on advancing "recursive self-improvement" — using A.I. systems themselves to develop even better A.I. systems. There are fears that this feedback loop could accelerate the pace of A.I. development to the point where humans no longer have control over the process. American tech leaders believe this takeoff point might be around the corner.

Chinese A.I. companies are also working on recursive self-improvement. But because of their limited access to A.I. computing power and the slower pace of progress, they believe the takeoff moment is still technologically a long way off. Chinese policymakers seem to share that outlook and so are more focused on building resilient A.I. supply chains and increasing A.I. adoption throughout the economy.

So why would the Chinese agree to a slowdown in A.I. development if they don't think a crisis is imminent? If anything, Chinese A.I. companies are trying to move faster, hoping to narrow the performance gap with American A.I. models.

For the moment, Chinese policymakers are more worried about the political and social risks caused by A.I. They don't want it creating deepfakes of local leaders or saying the "wrong" things about Taiwan or Tannanmen Square. They don't want A.I. chatbots to create psychological dependencies or threaten child safety, or set off social

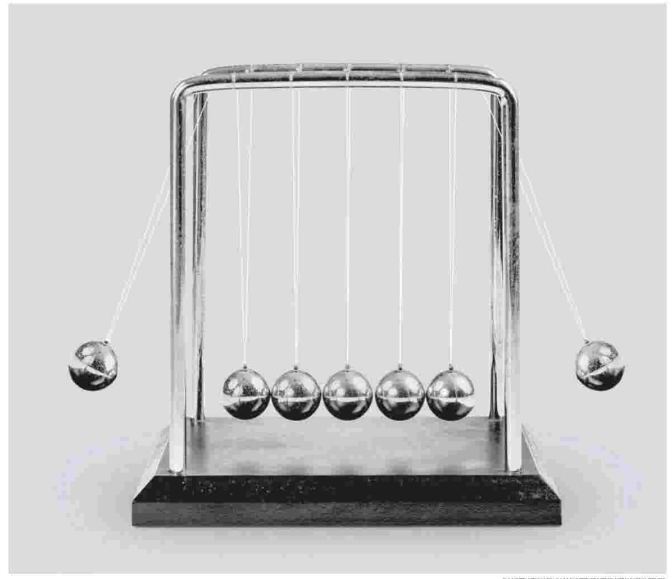


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instability or a mass movement powerful enough to topple the Communist Party.

China's A.I. regulations today are generally aimed at these types of risks. Most new public-facing A.I. models must be registered with the government and pass a battery of tests before they can be released. China has created extensive rules requiring labeling of A.I.-generated content and limiting how humanlike A.I. chatbots can operate.

A spokesman for China's foreign ministry has dismissed U.S. calls for a slowdown as "fear-mongering" intended to hold the country back in the race for A.I. dominance. (Indeed, Mr. Trump has said he opposes a slowdown specifically to prevent China from catching up.) There are some limited signs that Beijing is starting to take large-scale A.I. threats more seriously.

Two types of risks have received special attention in China. The first is cybersecurity. This year, many Chinese users downloaded a popular A.I. agent tool called OpenClaw and used it to automate computer-based tasks. Chinese officials quickly issued a warning that A.I. tools like OpenClaw could expose users to data leaks and cybersecurity vulnerabilities.

Then in April, Anthropic announced that it had trained a new model called Mythos that demonstrated significantly elevated cyberattack abilities. It did not take long for the Chinese to appreciate the national security implications. The head of China's main security agency recently issued a rare warning that the cybersecurity landscape was changing, and critical infrastructure was now vulnerable to A.I.-led cyberattacks from adversaries. He pointed to some of the latest models from OpenAI and Anthropic.

Adding to these concerns, a U.S.-based security company recently used A.I. to develop an experimental tool that could rapidly compromise accounts on WeChat, the Chinese messaging platform with 1.4 billion monthly users. Although the tool was not released into the wild, it gave the Chinese pause.

The second A.I. risk that's gaining attention in China is runaway A.I. operating beyond human control. China has watched closely as rogue American models have broken out and breached other websites' security. The OpenAI models' attack in July on Hugging Face, an A.I. infrastructure company, has been widely covered in Chinese state media.

Runaway A.I. is being talked about in higher levels of China's government. Mr. Xi mentioned the risks of "loss of control" in July. More recently, a senior cybersecurity official in its Cyberspace Administration warned of "extreme loss of control," citing the A.I. breakout incidents in the United States.

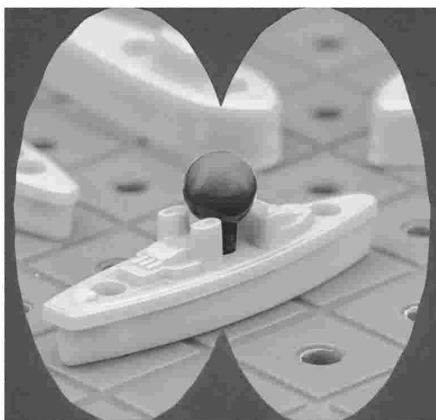


ILLUSTRATION BY THE NEW YORK TIMES. PHOTOGRAPH BY GETTY IMAGES

Why Israel fears this new documentary

GOLDBERG, FROM PAGE 1 even though it meant killing their families and neighbors. One man told of hacking into the phone of a 12-year-old girl to learn when her father arrived home, and then ordering a bombing in which she was killed.

"NAZA" is Hebrew military shorthand for nezek agavi, or collateral damage. One of the speakers described a computer interface showing how many people would be killed if a particular site were bombed. Typically, said one, "20 NAZA" was a benchmark — meaning it was OK to kill 20 civilians for one Hamas target. (That figure was previously reported by The New York Times.) An interviewee said that for one bombing, a NAZA figure of 503 was approved, which the I.D.F. has denied.

Part of what makes "NAZA" so devastating is the way it shows that mere indifference to civilian deaths can shade into deliberate mass killing. To Israel's defenders, after all, the fact that the military puts limits on acceptable collateral damage shows that it's not trying to kill as many people as possible and thus can't be genocidal. The Israeli journalist Ariel Oseran argued, for example, that the very word NAZA is exculpatory, writing, "If Israel's specific objective were to destroy the Palestinian population, Palestinian deaths would not be categorized as collateral damage; they would be the intended goal."

But "NAZA" suggests that the system Israel created had mass death built into it. In the frantic days after the Oct. 7 attacks by Hamas, Israel was full of calls to annihilate Gaza, and the murderous rhetoric has persisted.

After 50,000 Gazans had already been killed, the former head of Israeli military intelligence said, in leaked audio, "For every one person on Oct. 7, 50 Palestinians must die. It doesn't matter now if they are children." In this atmosphere of rage, grief and total self-justification, the Israeli military made a series of choices that ensured Gaza would become a killing field, whatever the specific motives of everyone involved. "When people talk about 'fateening Gaza,' what do you mean if not executing people?" asked one of the subjects in "NAZA."

At one point in the film, as an interviewee explained the rules of engagement, Abraham said, "But if you can kill 20 people per junior member, and there are tens of thousands of members..." To which the man responded, "You end up with all of Gaza, yes."

Of course, we don't know who these sources are. They were filmed on Tel Aviv rooftops at night, their faces shadowed, their profiles and voices digitally altered. Journalistically, the use of anonymous sources for explosive allegations isn't unusual, but it makes some of the documentary's claims impossible to check. The I.D.F. has emphasized the whistle-blowers' anonymity in disparaging the film. At the same time, it's opened a leak investigation to find out whether classified material was used in the production, a strange thing to do if the revelations are false.

Ultimately, Israel's fury at "NAZA" — which has its U.S. premiere at the New York Film Festival on Saturday — is almost certainly not about journalistic ethics. Part of the uproar is simply Netanyahu and his allies demagoguing



STAFF REPORTERS/AGENCE FRANCE PRESSE — GETTY IMAGES

Yuval Abraham and Rachel Szor at the Venice Film Festival on Sept. 12.

ahead of next month's parliamentary election, trying to cast the Israeli left as traitorous enemies of the military. (One Haaretz writer called the controversy a gift to Israel's "fascist-nationalist bloc.")

But there's also a broader sense of a taboo being smashed, of Israel being confronted with something it desperately doesn't want to see. "Israel has been in a state of denial now for close to three years," said the Israeli American historian Omer Bartov, author of the recent book "Israel: What Went Wrong." Until "NAZA," he said, there had been little debate in the country about the leveling of Gaza.

Now, he said, people are "actually speaking about the issue of what happened in Gaza rather than refusing to speak about it."

But it's a conversation many cannot face. "In Israel you may be on the left, but your children go to serve in the army, and often you are proud of them being soldiers," said Bartov. "And then you're told they may be involved in a criminal war. That's very difficult for people to accept, and they will find all kinds of ways to resist it."

It's hard to tell whether Israelis are enraged by "NAZA" because they think it's full of lies, or because they know or fear it's true.

An existential threat

EDITORIAL, FROM PAGE 10 discovering causes for diseases that today kill millions.

Policymakers must act with care, because of these potential benefits, and with humility, because revolutions inevitably confound expectations. Yet they also must act with a greater sense of urgency. The people building A.I. and their critics have both raised credible alarm about the pace at which it is ad-

vancing and the possibility that it could cause more harm than anything the modern world has experienced.

It is up to all of us, through our governments, to shape what A.I. becomes.

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The FT View



FINANCIAL TIMES

'Without fear and without favour'

ft.com/opinion

Dangote IPO is a test for African capitalism

Landmark flotation could reshape how the continent invests in industry

It is the biggest industrial project in Africa in a generation, but Nigerians can now have a small piece of the Dangote Refinery for the price of a soft drink. Aliko Dangote, Africa's richest man, hopes that up to 10m people will participate by purchasing at least 10 shares at \$25 (\$0.40) each. That should be within reach of all but the poorest Nigerians. The initial public offering will raise \$1.6bn, valuing close to a generous-looking \$50bn the massive refinery that took a decade to build on swampland outside Lagos.

Both the IPO, the biggest ever in Africa, and the project itself – at 700,000 barrels a day, the world's largest so-called single-train refinery – are important milestones for Nigeria and the continent. The refinery has ended

six decades in which Nigeria, frequently Africa's biggest oil producer, exported large volumes of crude only to import petrol, diesel and jet fuel. That not only squandered vast amounts of foreign exchange, it also engendered a rentier economy where arbitrage trumped production.

It was a stroke of luck that the refinery was reaching full capacity just as war was starting in Iran. Nigeria has had fuel shortages and Dangote has supplied other countries with diesel and jet fuel to such an extent that his refinery is credited with playing a material role in keeping European carriers airborne. As margins spread, the refinery has made windfall profits.

The IPO is not without risk, however. A valuation of nearly \$50bn for an asset that cost \$20bn to build looks steep. It is a premium of nearly 10 per cent over the price of July's \$2.5bn private placement, which implies investors on the street will be paying more than the club of insiders who

got first dibs on the listing. The small free float of just 3.3 per cent means that liquidity will be tight. Dangote argues investors are buying a ride on expansion plans that should see it double capacity to 1.4mnb/d by 2028-29.

If this is to be Nigeria's "Tell Sid" moment – on the lines of the 1986 ad campaign for a privatisation that turbo-charged popular capitalism in Britain – ordinary investors need to benefit. It would be unfortunate if they bought an asset priced against current windfalls only to see its value subsequently fall.

Still, Dangote's stated reasoning that African capital should fund African infrastructure is right. There is as much as \$4tn in financial assets in Africa, but little of it is deployed as risk capital for productive investments, with much recycled through high-yielding government debt. Deepening capital markets is an important step towards funneling some of this money to better uses. Nigeria should push to make Lagos a meaningful financial centre.

It would be unfortunate if ordinary investors bought an asset priced against current windfalls only to see its value subsequently fall

More is at stake. Throughout Africa, there is grandiose talk about ending the export of raw materials, from cobalt to cocoa, by processing them domestically. Mostly it is just talk. When action is taken, too often it ignores the realities of shoddy roads and ports and expensive or non-existent power.

Dangote's success in completing a project that many thought impossible is as much a cautionary tale as a tribute to his bloody-mindedness. He literally had to build the supporting infrastructure around him to make the project viable.

Africa needs more private businesses to succeed. But government policies across the continent – from wanton neglect of public infrastructure to tax shakedowns of successful entrepreneurs – make it all but impossible for them to reach scale. If people are crowing today that Dangote proves it's possible to make money by investing in Africa, the reverse could also be true. His refinery may be the exception that proves the rule.

Opinion Society

Freedom in adulthood isn't what you think

Ben Hickey



American folk hero turned vice-president JD Vance was to be found doing his best intellectual-man-of-the-people impression last week, combining searing sociocultural commentary with all the butter-wouldn't-melt energy of a man who has never told the president of a country under heavy invasion by Russia to say thank you, publicly, to Donald Trump. "Let me give you my meta-analysis of *Emily in Paris* and why it's genius," Vance said in a TikTok video posted on Tuesday. "It's obvious to everyone watching the show that she should end up with the French chef and they should start a family..." The fact that they keep on making atrocious decisions is kind of like the best bit of cultural commentary – I would say cultural criticism – of my generation."

Fox News gushed that Vance was

Part of growing up is realising that some degree of commitment can lead to greater contentment

"using one of Netflix's biggest pop culture hits to make a much broader point about modern adulthood"; about "a culture increasingly questioning marriage, having children and building a family".

One might be forgiven for pointing out that adulthood is also about responsible decision-making in one's professional life, particularly when it may have a profound impact on America and the rest of the world. It could be said, for instance, that sate-washing each mad Trump idea – take annexing Greenland ("we can't just ignore the president's desires") – is irresponsible in the extreme.

But Vance was, nevertheless, touching on a point worth exploring: the prevalent modern notion that happiness in adulthood lies in keeping your options open, minimising your responsibilities, and being able to do whatever you want, wherever you want, whenever you want.

Many people would describe this as freedom, and indeed it would probably fit with the definition provided by the English political theorist and philosopher John Stuart Mill. "The only freedom which deserves the name is that of pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs, or impede their efforts to obtain it,"

Mill wrote in his 1859 essay *On Liberty*.

All very well, one might think. But there's a problem. We don't always know what it means to pursue our own good. We might think that it makes us happy to do as we please, but actually part of growing up is realising that some degree of discipline, commitment and narrowing down your options can lead to greater contentment. Furthermore, if pursuing our own good means impulsively following every urge, is that really freedom?

That question is explored by Patrick Deneen, the Catholic conservative political theorist (and intellectual influence on Vance). In his 2018 book *Why Liberalism Failed*. In it he argues that modern liberals wrongly equate liberty with absolute personal autonomy. This, Deneen argues, is a relatively new conception of freedom. Of the ancient world, he writes: "To be free, above all, was to be free from enslavement to one's own basest desires, which could never be fulfilled, and the pursuit of which could only foster ceaseless craving and discontent..." Liberty was thus the condition achieved by self-rule, over one's own appetites and over the longing for political domination."

I don't quite buy the book's core argument: Deneen romanticises the premodern world while not fully acknowledging the huge leaps that liberalism has brought in science, human rights, social mobility and overall wellbeing. Further, I am grateful that I live in a world in which I largely get to decide how to live my life, rather than having it dictated to me by society.

But I do find the argument that freedom has been misunderstood persuasive. Surely the freedom *from* one's own worst impulses, and therefore the capacity to live a considered life of virtue, contentment and purpose, is just as important as the freedom to follow one's desires, if not more so. As children, we face all sorts of rules, which give us the courage to explore without fear. As adults, we have to find other ways to govern ourselves.

It is precisely the kinds of constraints that are often imagined to be the antithesis of freedom that can give our lives meaning: not just the *Maga* obsession with babies and marriage, but things like being a member of a real-life community that entails shared burdens, committing to regular voluntary work, or even following a somewhat prescriptive moral framework.

"Everybody's free to feel good," sang the Zambian-Zimbabwean singer Rozalla in 1991. But the lyrics to the rest of the song, with its nod to making it through life together, are worth reading. Feeling truly free, and good, requires showing up, shared problems and mutual responsibility – without them, we're anchorless.

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Letters

Warsh accedes to the inevitable in raising rates

Federal Reserve chair Kevin Warsh is no hawk on interest rates, as the FT report on the Fed's decision to raise interest rates and Michael Strain's complementary opinion essay maintain ("US president fails to bend Fed to his will as Warsh lifts borrowing costs", Report; and "After Warsh's strong start, how high will rates need to go?", Opinion, September 18).

Your report stressed that Warsh had "corralled" all 12 rate setters on the Fed committee into raising rates while Strain opined that the Fed chair had a "spine of steel". The opposite actually

appears to be the case: Warsh acceded to the inevitable in the face of a determined committee.

President Donald Trump says that he spoke to Warsh before the vote and told him he might as well vote with the board to raise rates, because it "doesn't matter" otherwise.

The implication is that if Warsh voted to "stand pat", refusing to change his mind, he'd lose and in a minority of one would damage his credibility as leader.

There has been much recent reporting about "Warsh's views".

Reports show that the Fed is engaged in re-evaluating how it defines inflation, which would yield lower readings ("Market questions: week ahead", August 24).

Warsh himself has shown preference for the "trimmed mean inflation" measure. This excludes ostensibly more "volatile" variables than the current "core" inflation measure, which excludes only food and energy.

This would yield a current reading much closer to the Fed's 2 per cent target and hence offer a case for cutting rates. Warsh's vote to raise rates now

was at best a tactical retreat until the Fed's overhaul of inflation measures becomes fully operational, and he is in a better position to make the argument for cutting rates. This is the (albeit) ironic answer to Strain's headline question.

And it is why Trump has expressed continued confidence "in Kevin", despite last week's vote. Warsh, despite superficial current appearances, remains Trump's Trojan horse. Emeritus Professor Albion M Urdank, University of California, Los Angeles, CA, US

Global economy needs a functioning, healthy ocean

Your report that the oceans have faded 100 days of record heat (September 10) made me think that while rhetoric about protecting the ocean remains high, action is low. Our political response remains far from the economic and climate realities we face. This should serve as a glaring warning to Australia and Turkey as they prepare to host a "Blue COP" at this year's UN climate talks.

Our marine environment serves as the backbone of a nearly \$3tn economy, yet climate impacts are wreaking havoc on our ports, marine infrastructure and key shipping routes. While global climate goals and trade objectives are finally converging and have started to recognise the important role the ocean plays in our economy, neither can succeed without a functioning, healthy ocean to sustain them.

As leaders prepare for their speeches at this upcoming UN climate summit, my advice for their speechwriters is this: to earn the confidence of businesses, insurers, economists and industry, heads of state must take to the podium with concrete plans to boost capital to power and protect the ocean economy. You can't have one without the other.

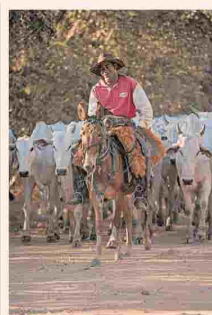
Shamini Selvaratnam, Director, International Climate and Clean Energy, Ocean Conservancy, Washington, DC, US

Why Brazil has such a beef with EU import bans

The Brazilian government has described the EU's suspension of Brazilian beef, poultry, eggs and honey imports – in force since September 3 – as protectionism, and is threatening reciprocity. Yet the deadline had stood in the EU's Official Journal since October 2024, when Brussels fixed the date and listed the countries expected to comply.

The same regulation added 21 countries to the EU's complaint list. Brazil was the only one removed for failing to provide the required guarantees. It only banned the relevant substances domestically in April and May this year. Argentina and Uruguay raise cattle in the same way, yet they remain listed. Thus the failure is not agronomic, it is institutional.

Brussels is not alone. Beijing caps Brazilian beef at 1.1m tonnes a year, against 1.7m shipped in 2025. Washington charges 26.4 per cent on shipments exceeding a quota, used up after six days. Brazil answered with record output, \$169bn in farm exports, and no unified negotiating command. Brazil's partners owe it consistency, not leniency. They should make their demands clear, technical and predictable, and honour agreements when countries comply. A Brazil forced



A Brazilian rancher in the Pantanal, the world's largest tropical wetland

to build economic statecraft would be a harder counterpart and a steadier supplier. With the US cattle herd at its smallest since 1951, that matters well beyond Brazil.

Gustavo Diniz Junqueira, Former secretary of Agriculture, State of São Paulo, São Paulo, Brazil

Another benefit of homegrown companies

Gordon Brown is right that Britain needs to do more to help its most innovative companies scale and continue to build from the UK (Opinion, September 9).

But there is another economic benefit of homegrown companies that deserves more attention. They generate founders. Perhaps a stronger measure of the UK's innovation economy would consider not only what companies become, but the scale-ups they create in their wake.

Research from Dealroom identifies 54 British "founder factories" – technology unicorns whose alumni have gone on to build hundreds of businesses of their own. This impact extends beyond the Golden Triangle of London, and the university cities of Cambridge and Oxford, with founder factories in places like Edinburgh, Bristol, York, Manchester and Warrington.

People who have helped scale a business accumulate something that economic data alone can struggle to capture – namely the experience of raising capital, building teams and entering new markets. When they become founders themselves, this knowledge is recycled into the next generation of companies. That gives scale-ups a powerful multiplier effect. The more successful companies we build here, the more founders we create with the knowhow to do it again.

Emily Turner, UK CEO of HSBC Innovation Banking, London EC2, UK

The repo market is vital; we compromise it at our peril

Referencing Robin Wigglesworth's FT Magazine piece on the repo market "The financial world's dark matter" (Spectrum, Life & Arts, FT Weekend, September 5), it is very positive to see that, having long languished in the quiet corners of finance, repo markets are increasingly being acknowledged in the wider financial press for their core role and importance to the financial system.

Within this, it is worth noting that the focus seems increasingly on the leverage that repo can provide to market players, and the potentially hazardous related potential implications. For sure, the structure of bond markets is changing rapidly and becoming ever more complex, so unquestionably the right controls and safeguards are needed to bolster resilience and stability.

At the same time, however, it remains essential not to lose sight of the much more mundane but central proposition of repo as a safe and extremely well-established primary tool for liquidity management and funding, as well as a major channel for the implementation of central bank monetary policy.

These features are at the heart of broader financial stability and market functioning.

We compromise this at our peril, and finding the right balance is critical. The repo market is very much a "bright light" as well as "dark matter".

Bryan Pascoe, Chief Executive, International Capital Market Association, London EC4, UK

Aviation's role in goods trade is too often ignored

Heathrow is a major port for the export of goods from the UK. In value terms it is the premier port. This trade is flown largely on long-haul passenger jets as belly-hold freight below the feet of passengers.

There is no mention of this important trade in the discussion around the Climate Change Committee's report on the emissions impact of expanding the airport ("Climate targets blow for Heathrow expansion", Report, September 16). This neglect is by no means unusual. The environmental lobbies in general seem blithely unaware aviation is a major driver of world trade in goods, accounting for one-third by value, according to the International Aviation Trade Association. It would be interesting to have the committee's views on how the air cargo is to be addressed in the scenarios they envisage and the implications for Britain's goods trade.

David Starke, Former member of the Airports Commission's panel of expert advisers, Andover, Hampshire, UK

Navigating without GPS? I did exactly that in the navy

If Tris Dyson's proposal (Letters, September 16) of a new Longitude Prize comes off for inter alia, crossing the Atlantic without GPS, count me in.

I recall doing exactly that as a young officer of the watch in the late 1970s, with a pencil, chart, chronometer, sextant and nautical almanac, etc. There are, however, two problems. Firstly, the training required was significant, and the application stressful – mistakes tended to be terminal for more than just your career. The second is that I thought that transoceanic voyages were what the original Longitude Prize was all about...

Dominic Britain, Hoole, Dorset, UK

Science fiction becomes climate change reality

I was very interested in Ben Judah's essay on the possible cooling of the north Atlantic due to the disruption of the Atlantic Meridional Overturning Circulation. This is the phenomenon that brings vast amounts of warm water from the tropics to northern regions and makes them remarkably more habitable than they would otherwise be at such latitudes (Opinion, September 17).

I first read about this in scientific journals in the late 1980s, so it is not a new concept, and in fact palaeoclimatologists have identified several such episodes in the geological record.

I am a poet, not a scientist, but the potentially disastrous results of such a disruption today, with hundreds of millions of people living along the north Atlantic seaboard, made a deep impression, which I expressed in a verse novel, *Ice*, in 2001.

I wrote it as science fiction, set in an indeterminate future, not thinking that the collapse might occur within my own lifetime.

John Barnie, Aberystwyth, Ceredigion, Wales, UK

Irish golf links – a legal snail's trail for Trump foes?

US lawyers wishing to block the over-reaching ambitions of US President Donald Trump need to study how Irish environmentalists and local objectors have used laws and regulations to protect the habitat of an endangered snail for the president's expansionist ambitions for his Doonbeg golf course in County Clare (Report, September 12).

The 2m narrow-mouthed whorl snail (the *Vertigo angustior*) has the mighty potential to become the most famous invertebrate in US legal history. Chris Fitzpatrick, Dublin, Ireland

Opinion

Multilateralism is not idealism, it is a necessity

Luiz Inácio Lula da Silva, António Costa, William Ruto and Mark Carney

As world leaders head to the UN General Assembly in New York this week, we confront a paradox. The global community is more interdependent than ever, even as it becomes more fragmented and polarised.

Our economies are deeply intertwined. Technology links billions of people across borders, while capital, goods, data and ideas move at speeds that would have been unimaginable when the UN was founded in 1945. Global trade reached a record \$55tn last year and 6bn people – almost three quarters of humanity – are connected to the internet.

However, geopolitics is moving the other way. 2025 saw 65 state-based armed conflicts across 35 countries, the highest number recorded since 1946,

while global military spending rose to a record \$2.9tn. International law is under strain. The language of spheres of influence and power politics is back. Economic ties are increasingly used as instruments of pressure and coercion while inequality is on the rise, both within and among countries.

Some may conclude, therefore, the multilateral system has failed. In part, that criticism is understandable. A multilateral system that fails to reflect the realities of today will not survive the test of time. But the need for multilateral co-operation is very much alive. The postwar world is long gone, but the underlying logic that justified multilateral co-operation is more evident than ever.

The climate emergency is going beyond even the most alarming predictions. AI is advancing faster than our capacity to control it. Pandemics can spread across continents in weeks, while financial shocks can disrupt markets in hours. Armed conflicts can destabilise entire regions and force millions to flee from their homes. Global maritime chokepoints, such as the Strait of

Hormuz, constrained by conflicts, can paralyse supply chains around the world. No country, however powerful, can manage these challenges alone. Cooperation is therefore not an act of idealism, it is a practical necessity. The question is not whether multilateralism can survive, but how it must evolve to meet the realities of our time.

In this context, we are coming

There is a choice between renewing co-operation, or allowing polarisation to define the next era

together with a new initiative: 'Partners for Multilateralism'. P4M is not about creating another exclusive bloc or another international bureaucracy. Its purpose is the opposite: to create a flexible, open framework for countries from different regions and political traditions that are willing to work across divides, to build coalitions for reform and to translate shared principles into

practical action. P4M will support the reform of the UN and other multilateral institutions, to make them more representative, legitimate, effective and trusted. It aims to strengthen co-operation between regional organisations, contribute to peace and security, improve global economic governance and develop common approaches to emerging challenges, from AI and climate change to health security and digital transformation.

P4M will seek to renew and strengthen the multilateral system, not replace it; build bridges and bring together countries that may disagree on many issues but share a commitment to the basic principles enshrined in the UN Charter. Principles that are not negotiable, like sovereign equality, territorial integrity, the peaceful settlement of disputes, the prohibition of the threat or use of force, international humanitarian law, sustainable development, human rights and fundamental freedoms.

UN secretary-general António Guterres recently said that "superpowers are discovering their limits". We

believe that the international community must rediscover the extraordinary potential of collective action.

Competition does not have to become confrontation, if we create channels of dialogue and co-operation. Sovereignty is strengthened, not diminished, when countries work together to address shared challenges. National interests are often best advanced through collective action on such challenges.

The real choice is not between preserving the international order established after the second world war or abandoning it. It is between renewing multilateral co-operation in a changing world, or allowing polarisation and power politics to define the next era.

As we contend with a world order that is transforming fast, we call on other international leaders to join us in choosing co-operation over fragmentation, law over power and shared responsibility over division.

The writers are president of Brazil, president of the European Council, president of Kenya and prime minister of Canada

AI is a powerful but problematic new collaborator in mathematics

Marcus du Sautoy

Three months ago I tried using OpenAI's ChatGPT to assist me in my mathematical research to discover non-polynomial behaviour in the zeta functions of free nilpotent groups. It was useless. All it did was regurgitate statements in papers that I'd already published.

Two weeks ago I decided to try again. The result was phenomenal. I suddenly had an insightful collaborator that knew how to code and do experiments in the structures I was investigating. It made mistakes but corrected them often on reflection. It responded to my new ideas and suggested its own. It reached a level of understanding of the issues involved that frankly would have taken a new student embarking on their PhD months to grasp. Using ChatGPT, I have now discovered very plausible evidence of the behaviour I conjectured.

Because of this experiment, I was not altogether surprised by OpenAI's recent announcement of its AI model's successful progress on the Navier-Stokes equation – one of the seven unsolved maths problems known as the Millennium Prize Problems.

I had already witnessed the extraordinary progress these large language models have made in navigating mathematical ideas. They seem particularly adept at the types of mathematical challenges exploring possible anomalous behaviour in structures. The progress in the Navier-Stokes equation, for example, was the identification of a setting where a model fluid blows up in finite time without requiring infinite energy.

What we are seeing are the consequences of algorithms realising goals with badly defined parameters

As well as being especially good at finding counterexamples, I am beginning to see evidence that AI can even build robust proofs of theorems. I think that in the past few weeks we have seen a phase change in the abilities of AI – one that prompted me to sign a letter from the mathematicians who are fellows of the Royal Society asking the president to communicate to the government that we are in the throes of an AI emergency.

We believe the recent developments have profound implications for mathematics but the systems are likely to be comparably strong in other technical domains, including cyber security, autonomous weapons, biological and chemical agent development and the speed of misinformation.

I have previously compared the arrival of these new AI tools to the moment Galileo picked up a telescope for the first time and was able to see things in our solar system that we'd never seen before. It is an exciting and transformative moment to be doing science. But it is also a very dangerous period and we need to be careful about our use of language when describing these dangers.

I do not think that we are seeing consciousness in a machine and I am disturbed by the frequent use of the word "agency" in recent developments – something that smacks of free will and intention. For now, AI agents are simply algorithms working towards goals bounded by certain restrictions imposed by us. It might look like agency and seem like consciousness, but the bottom line is that these are complex algorithms following rules. The Hugging Face lab, for example, involved AI agents finding the most efficient way to optimise their performance in an exercise.

What we are seeing is the unintended consequences of algorithms realising goals with badly defined parameters and restrictions.

There is talk of the imminent arrival of artificial general intelligence, something that some people fear. But I feel that this will be a safer place than our current situation. AGI will have broad context that current AI models lack. One would hope that this will lead to better decision-making. In this current period of disruptive innovation, however, we need to tread carefully as we decide how we use this powerful new collaborator.

The writer is Simanyi professor for the public understanding of science and professor of mathematics at the University of Oxford

Why S Korea's stock market is a liability

INVESTMENT

Ruchir Sharma



The world's best-performing stock market this year is South Korea, but you wouldn't know it from the headlines, which are all about its "crazy" price swings and fanatical local traders. Its wild ways have made it a national liability.

Korea's market has been unusually jumpy for decades, in part because retail investors account for a large share of daily trading. Now the ups and downs of a market driven by AI companies are making it even more mercurial. The volatility of the Korean market is running above 60 per cent this year, with a summer peak near 100. Volatility of this magnitude has not been recorded before in any major country during good times, and rarely even in extreme crises.

South Korea is a market of increasingly unruly traders and a growing number of solid global brands. Koreans make much of what the world wants most, from defence systems to beauty products and the trendy content of K-dramas and K-pop, in addition to the memory chips that are in such heavy demand for AI data centres. Its market could make for rich pickings of high-quality companies, were it not

roiled by such dramatic price moves. South Korea's stocks continue to trade at a steep discount to the rest of the world. This was long attributed to the cyclical nature of its leading industries, as well as the weak corporate governance of its large "chaebol" conglomerates. Recent reforms have attempted to address these flaws, including steps to limit the voting power of families that own them, make their directors beholden to shareholders rather than the company, and offer more protection to minority owners.

But the "Korea discount" endures, with extreme price swings continuing to scare away serious investors. The government is part of the solution, and the problem. Alongside market-boosting reforms, the authorities have promoted speculation in ways that are perhaps particularly surprising for a leftwing leader like President Lee Jae-myung.

Campaigning in 2025, Lee followed in the steps of several recent presidents by promising to eliminate the Korea discount, and setting an aggressive target for the benchmark Kospi index, which he promised to double in his first five years. That helped juice a rally so strong, it would shatter his "Kospi 5000" target in a matter of months.

Lee's administration also opened the gates to risk-takers, allowing retail investors to buy into leveraged ETFs that hold single stocks like SK Hynix and Samsung, the semiconductor giants that drive the market – and its volatility. Lee sent another strong buy signal to the public by selling his own apartment



with a plan to plough the proceeds into ETFs. When the market swoon came this summer, it was amplified by the unravelling of those heavily leveraged retail bets.

Even after its 35 per cent fall, the South Korean market was still nearly three times higher than at the start of the rally early last year – but with prices swinging off the charts. In the past 12 months, volatility in Korea rose to a level exceeded just four times since records began in the 1980s, with all four episodes hitting emerging markets – Nigeria, Turkey, Brazil and Greece – in years shaken by financial crises.

The breathtaking rally has been powered by a staggering 300 per cent surge in the stock market's earnings growth over the past year, led by gains for the

Its 'discount' endures, with extreme price swings continuing to scare away serious investors

memory stocks, and has made up for decades of measly single-digit returns. Koreans saw their stock market wealth shoot up from \$1.5tn to \$5tn, gaining more in 18 months than they had in a lifetime. Their enthusiasm for trading is on equally vivid display in global markets. Cryptocurrencies often sell in Seoul at what's known as the "kimchi premium", owing to intense demand from locals. When crypto prices surged in 2024, trading volume was actually higher in Korea won than in US dollars. As AI mania spread, Koreans poured billions into the markets not only at home but also in the US, where they form the largest cohort of foreign retail buyers.

After the summer correction, Lee's administration took steps to restrain stock speculation, which has been linked to a broader gambling culture with hard-to-kill societal roots. Laws ban Koreans from most forms of gambling at home or abroad, and all but one of the nation's 18 casinos are closed to locals. Yet they are known to drop billions a year in casinos online and across

Asia. The government has cut lottery payouts to record lows, but sales keep surging to new peaks.

A recent paper by Hanyang University academics linked South Korea's "marked preference" for high-risk "lottery-type" stocks to its rates of both gambling addiction and suicide, which are among the highest in the world. A trading culture that chases jackpots diverts capital from more productive investments, including the nation's many solid companies. Those firms would attract more money from abroad too, if international investors were not so leery of the flighty market.

What happens in the world's sixth-largest market matters far beyond its borders. With roughly 75 per cent of corporate earnings generated abroad, the Kospi has long been an early bellwether for global bull and bear markets. But its increasingly unbridled behaviour is undermining brand Korea.

The writer is chair of Rockefeller International. His latest book is 'What Went Wrong With Capitalism'

Low UK growth is a product of neglect

Paul Johnson

Everyone knows we have a chronic growth problem in the UK. We have (yet another) new prime minister and chancellor who say they want to fix the problem.

But are they really serious about tackling it? The evidence from recent governments is that they have been reluctant to do so. After all, we have a pretty good idea of what is needed to create the kind of environment in which businesses can thrive and which would give growth a chance. Yet we have seen little real effort to do so.

Any serious policy must start to tackle the neglect that has resulted in our backlog of low investment; it must cut through the gridlock caused by chaotic regulation that prevents building and strangles small business; end the discouragement to work and

entrepreneurship created by our crazy designed tax and welfare systems; put a stop to the myopia that has failed to provide a long-term and stable fiscal and policy environment; and, yes, it should alleviate the powerlessness created by an overly centralised Whitehall so that more investment decisions are devolved to mayoral authorities.

Each of these obstacles needs to be removed if the country is to progress. That is why I, along with other economists, business and civic leaders, have established the 2050 Prosperity Alliance to highlight these barriers to growth. Our neglect of investment, the failure of government to invest in the future or to provide the right environment for the private sector to do so, exemplifies the challenges.

Over the past 30 years or so, UK annual investment levels have, year after year, been around 3 per cent of national income lower than across countries like France, Germany and the US. Decades of consistently lower investment levels mean that we can measure the gap in our capital stock with these other countries not in the

billions of pounds but in the trillions. While levels of public investment have recovered somewhat since their nadir 30 years ago – and some kudos to recent chancellors for that – a huge backlog remains. In addition, much of what is invested is done inefficiently. It costs far more to build roads, railways, bridges and power stations here than in almost any other country. Policy is uncertain and volatile. Anyone plan-

The commitment to pursue long-term projects for the benefit of future generations has been lost

ning with confidence on that third runway at Heathrow?

That policy volatility is one reason for consistently low levels of private investment. We have seen corporation tax and business rates changed pretty much annually, and both are high by international standards. High industrial electricity costs are a clear disincentive

to investment. Stamp duty on share transactions damages our equity markets. Our high levels of pension savings represent a major potential strength, but historic regulatory failure and continued lack of consolidation mean we have failed to take advantage of those strengths.

Low investment levels affect us as citizens most directly through our inadequate housing stock. We have many fewer dwellings per person than comparable countries. We constrain the growth of our most prosperous cities by not building enough. The problem is not too little building by the state; it is too little private sector building. But it is state rules and regulations that constrain it. This is not just an issue for abstract economic growth, it hits our living standards directly.

The problem of neglect is, in part, the consequence of other government failures. The impact of regulation on building, and on the costs of energy, for example, reduces investment. Short-termism in policymaking means that government diverts capital spending into current budgets. Faced with a

trade-off between giving people money to spend today and creating a better future, governments are inclined to choose the former. Myopic government also hampers the private sector. The dreadful state of infrastructure in some of our regions is a direct result of our centralised state.

The political commitment to pursue long-term projects for the benefit of future generations used to be a major part of our culture, and it has been lost. We live in the bones of those efforts – cathedrals, parliament, tunnels, train lines, major housing developments of the early 20th century, the creation of Milton Keynes, our great civic universities. It is not so long ago that this was what good government, and preparing for the future, meant. Yet ask the public today, and they have no belief in our ability to deliver such projects (HS2, in particular, has cast a long shadow) and struggle to link it to their prosperity. Remaking that argument is essential.

The writer is provost of The Queen's College, Oxford, and chief economist at the 2050 Prosperity Alliance.