



Onerous rules

The newly amended FCRA Rules point to a renewed attempt to stifle NGOs

Civil society organisations play a vital role in areas such as health, education, disaster relief, and civil liberties and rights, stepping in where the state falls short. Yet, the Indian state has treated NGOs with suspicion, using the Foreign Contribution (Regulation) Act (FCRA), 2010, to impose stringent restrictions on their functioning. Earlier this week, the FCRA Amendment Rules, 2026 were notified, which require all NGOs registered under the FCRA, 2010, to confine their work to activities specified for their category and to the States and Union Territories named in their registration. They must also disclose their social media handles, websites and publications and are barred from carrying "political content". The new rules impose stringent penalties for using funds for unapproved purposes and require NGOs to pay separate fees for each category of work and to each State or Union Territory in which they operate, replacing the earlier system of a single registration fee. These increase compliance costs and paperwork. While the government argues that such measures promote transparency, even-handedness and national security, the rules are clearly meant to stifle the work of NGOs. The operation of the FCRA regime has been far from transparent. As CPI(M) MP John Brittas recently complained, parliamentary questions on FCRA cancellations and non-renewals have been disallowed as "secret", even though more than 20,000 registrations have reportedly been revoked over the past decade on opaque grounds. Far from improving transparency, the new rules burden NGOs with greater barriers and commitments, raising concerns that the Centre intends to create a chilling effect.

In Noel Harper (2022), the Supreme Court upheld the stringent 2020 FCRA amendments, accepting the state's invocation of sovereignty and national security. Yet, in 2020, the Court had read down rules that would have classified the rights activism of civil society bodies, including protests and demonstrations as work "of a political nature", drawing a distinction between party politics and the everyday work of social and economic betterment. The new Rules seek to treat advocacy and "political content" as grounds for disqualification. In March 2026, the Centre had proposed amendments allowing a government-appointed authority to take over the assets of NGOs whose registrations were cancelled, surrendered, or not renewed. Following strong protests, particularly from minority institutions, it put the proposal on hold. Now, the newly notified rules seem another way of throttling NGOs that utilise foreign funding for civil society work. The Centre should withdraw the punitive provisions, particularly those on multiple fees and political content, and adopt fairer rules.

Broken accountability

Corruption at all levels takes a toll on lives at construction sites

In light of the Taratala warehouse collapse in Kolkata on June 24, the ability to erect a structure based on a reportedly flawed plan is reminiscent of West Bengal's infamous Syndicate Raj. As per the Kolkata Municipal Corporation, an empanelled architect and a structural engineer must certify building plans. The corruption ranges from local cartels, some backed by political heavyweights, allegedly forcing developers to buy subpar construction materials at premium prices to licensed surveyors allegedly delegating the task of signing off on designs not of their doing to unlicensed persons. Early reports of the warehouse collapse — which has now claimed 11 lives while several of the injured are critical — have already found that the contractor used corrugated tin sheets to support the much heavier load of the concrete roof cast — a shortcut cartels have been known to take to cut costs. Eyewitnesses described sudden shaking, a loud sound, and the rapid pancaking of floors; one account also reported visible shaking hours before the collapse following heavy rains. While West Bengal Chief Minister Suvenudh Adhikari has suspended all Trinamool Congress-era projects in and around Kolkata as part of a bid to eliminate corruption, migrant labourers will continue to bear the brunt of flawed construction approval and activities if the State does not rein in the informal subcontracting chain. This need is also informed by India expecting to have more migrant labourers with time as environmental degradation undermines many rural livelihoods.

Several structural failures such as this have displayed fragmented accountability, and given the tragic spate of similar 'accidents' around India over the last few years, the time has come to reckon with the fragmentation *per se*. At least some of these failures may have been the result of an anarchistic model of governance that has failed to keep up with the speed of modern construction and complexities in the private sector. An accountability gap thus arises due to land ownership, especially if it involves Centre-State uncertainties, as at Taratala, and/or due to legal systems catering to a paradigm in which the State was the primary builder. Persistent loopholes in existing licensing procedures may also allow the ultimate owners of capital to stay away from "dirty work" at the construction site, allow impugned engineers to claim ignorance of day-to-day lapses, and give way to jurisdictional ping-pong. At Taratala, reports indicated there were no records of who was on site when the structure collapsed, forcing authorities to rely on accounts from residents and family members, even as blame centred on the local contractor. While he is likely liable, he is only one rung of the ladder.

Keeping humanity at the centre of the AI revolution

At the peak of human history, the Artificial Intelligence (AI) revolution stands out as a transformative moment, harnessing the infinite potential of science and innovation in the service of humankind. The endless possibilities of AI in every sphere of human activity and its empowering potential to deal with the unprecedented challenges of our times, is a tribute to mankind's collective ingenuity that validates the boast of accomplishments which 'even the gods might be envious'. The automating of tedious tasks involving repetitive work and freeing time for leisure, expanding access to essential services, breakthroughs in medicine, ensuring longevity and better health care including cancer screening and prediction of terminal illnesses, robotic nursing of the sick, a more effective targeting of economic aid to the marginalised, enhanced accessibility of education and knowledge to all and its vast contribution to environmental sustainability in several ways including disaster management and weather forecasting are some of the crowning contributions of AI toward a more inclusive development agenda.

Technology and human values

Even so, questions about the future of human society and the 'destiny of intelligence' are most vigorously debated by philosophers, scientists, statesmen and the technology czars, some of whom have pleaded for a pause in the further development and deployment of AI that could hijack our idea of humanity. The claims of the AI protagonists about the 'amazing abundance' of goods and services and the caution against slowing down of scientific progress through regulation must contend with the compelling questions about the necessity of ethical guardrails warranted by humanitarian considerations and emotions embedded in the deepest recesses of our being through a cultural evolution spanning the millennia. The question of who we are, and whether we are ready for a new narrative of humanity in which functional efficiency and promised material abundance prevail over the yearnings of the human soul and the dignity of emotion, is an unavoidable and larger inquiry that has resisted the seduction of technological wonders. This is particularly important given that AI is able to replicate, and in some cases even outperform, cognitive skills, including the ability to understand human emotions and intuition.

Are we ready for an endless technological disruption and a 'global epidemic of stress' caused by a prolonged volatility in the job market



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and a predicted 'useless' class of millions caused by an unmanageable stress in coping with the effects of technological disruption? Whether we have new social and economic models that protect individual self-interest and ensure for all a life of belonging and emotional well-being are larger philosophical questions arising from a humanist perspective founded on the sacrosanctity of the values we carry as a badge of humanity.

Clearly, the fact that passionate proponents of AI have cautioned against 'summoning the devil without a kill switch', must awaken to the urgency of serious reflection on how to preserve 'the hidden realm of the mind from which emotions emerge, from which inspiration flows, from which our desires pulse — the subjective part of the human spirit that makes each of us ineluctably who we are'.

Data privacy vulnerabilities, proliferation of misinformation, electoral manipulations, the possibility of super intelligent weapons systems going rogue, AI-enabled phishing campaigns, and surveillance and censorship are some of the ominous portents that can cause social upheavals without effective global regulation.

Preserving the digital sovereignty of nation-states remains a challenge, given that control over data is intrinsically linked to national security and the strategic autonomy of nations. The establishment of a global regulatory regime that respects national sovereignty and ensures effective enforcement can no longer be postponed.

A moral compass

The world of AI that could rewrite the code of humanity, therefore, needs a moral vision that can harmonise technological advancement with the preconditions of a virtuous and happy society. Terry Eagleton's caution in relation to a sense of seductive self-assurance is eloquent and I quote: 'An inflated self-belief can earn its calamitous comeuppance, which caused the ancient Greeks to shudder and look fearfully to the skies'.

Spanish philosopher José Ortega y Gasset reminded us that 'we live at a time when man believes himself fabulously capable of creation, but he does not know what to create. Lord of all things, he is not Lord of himself. He feels lost amid his own abundance. With more means at his disposal, more knowledge, more technique than ever, it turns out that the world today goes the same way as the worst of worlds that have been; it simply drifts'.

The encyclical letter of His Holiness, Pope Leo

XIV on 'Safeguarding the Human Person in the Time of Artificial Intelligence', clinches the moral debate on the humanist dilemmas in relation to AI. Recognising that technology is not antagonistic to humanity, the Pope has stressed the duty to remain 'profoundly human' in an era of AI when 'human dignity is threatened by new forms of dehumanisation'.

Emphasising the need to establish standards of ethical discernment based on the dignity of the individual, His Holiness has warned against the 'illusion' of 'self-assertion' and cautioned against progress that exacerbates inequalities and is incapable of healing peoples' wounds. He has called for a rejection of the 'idolatry of profit that sacrifices the real, a uniformity that neutralizes differences and the pretense that a single language — even a digital one — can translate everything, including the mystery of the person into data and performance'. These assertions by the Pontiff are moral injunctions in a world that needed a reminder of the 'splendour and grandeur of humanity' beyond its creations and of the limitations of AI in terms of its 'affective, relational or spiritual capabilities'.

The moral code propounded by the Pope, a product of an encounter between lived experiences, spiritual consciousness and historical memory, asserts that humanity flourishes in the 'fragility and finitude' of the human person and in its limitations.

Ethical AI governance

Thus viewed in the framework of core human values anchored in the dignity of man, global leaders are expected to opt for a 'humanist centric' approach in the deployment and regulation of AI for the larger good of humanity with the individual at the centre of their decisions. Prime Minister Narendra Modi has stressed at both the VivaTech 2026 conference in Paris (June 2026) and the India-AI Impact Summit 2026 in New Delhi (February 2026) that such an approach would require a robust and enforceable regulatory framework, rather than voluntary and non-binding commitments, to govern the use of AI. Such a framework could democratise access to frontier AI and help build a shared, trustworthy AI ecosystem in an age that 'levels everything and reverses nothing'. How nations deal with this epochal challenge will define the quality of political leadership and our commitment to inclusive democracy anchored in equality and human dignity as the ultimate civilisational aspiration.

The views expressed are personal

India's shipbuilding ambitions can set sail with Korea

In April this year, South Korean President Lee Jae Myung met Prime Minister Narendra Modi in India, his first visit to India and the first by a Korean leader in eight years. The meeting was remarkable in many ways, as it revived high-level political interaction at the leaders' level, resulting in the expansion of partnership in strategic sectors. However, the visit was special for another reason: it paved the way for strong collaboration between India and South Korea in the shipbuilding industry, a strategic sector that India is seeking to revive.

Seoul plugs into India's shipbuilding drive
Mr. Lee's visit has given positive momentum to the slowly progressing India-South Korea shipbuilding partnership, as seen in the slew of memoranda of understanding (MoU) and agreements signed during his trip. While the big three of the South Korean shipbuilding industry — Samsung Heavy Industries (SHI), HD Korea Shipbuilding & Offshore Engineering, and Hanwha Ocean — had already announced their investment plans, partnerships, or interests in India, Mr. Lee's support reiterates the South Korean government's strategic commitment to shipbuilding collaboration with India. Last year, a subsidiary of Hyundai signed an MoU with Cochin Shipyard Limited and has since announced plans to invest \$4 billion in Thoothukudi, Tamil Nadu, to construct a green shipyard. Similarly, SHI has signed a partnership with Swan Defence and Heavy Industries to build ships in India. These developments showcase India's attractiveness as a shipbuilding destination for global giants. South Korea is also interested in developing a complementary supply chain that includes ancillary industries. For instance, the Korea Marine Equipment Association (KOMEA), which comprises 304 enterprises across ship design, shipbuilding, marine equipment, and ship repair, has opened an office in Mumbai. This is expected to pave the way for the development of a robust shipbuilding ecosystem in India. Such steps will help foster a shipbuilding cluster encompassing ancillary industries and other critical facilities



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required for scaling up the sector. Further, these partnerships are expected to provide the Indian shipbuilding industry with much-needed support, including design and engineering expertise as well as production know-how. This will help India develop human capital and adopt technology at scale, making its shipyards more competitive internationally. In addition, the various MoUs signed between India and South Korea — at both the government-to-government and business-to-business levels — on workforce development, maritime education, research, and innovation will further strengthen the shipbuilding ecosystem. Together, these efforts could help establish a holistic, cluster-led development model inspired by the success of the city of Ulsan in South Korea.

What has been accomplished in such a short time is commendable, but the task is far from complete. To emerge as a leading shipbuilding nation, India will have to pursue multiple objectives simultaneously. It must support the industry through proactive policy and fiscal measures while also responding effectively to external crises that could disrupt supply chains and affect demand. The sector will require sustained hand-holding until it becomes self-sufficient and capable of competing globally, particularly with established giants such as China.

Fill the gaps

There must be a focus on human capital development, policy and fiscal support, and bringing in ancillary industries. India's Maritime Vision 2030 and Maritime Amrit Kaal Vision 2047 clearly state the objective of being among the top 10 shipbuilding nations by 2030 and in the top five by 2047.

Complementing initiatives such as the Maritime Development Fund, Shipbuilding Development Scheme, and Shipbuilding Financial Assistance Policy make it clear that India is serious about attracting foreign investment in the shipping and shipbuilding sector.

However, policy and operational gaps persist.

To rectify these gaps, India will have to focus on implementing a series of reforms related to regulatory consistency and legal predictability and also providing access to low-cost and long-term capital. Steps such as the creation of the Sagarmala Finance Corporation Limited (SFL), India's first non-banking financial company for the maritime sector, are a positive and welcome development.

However, the greater challenge will be establishing a comprehensive industrial ecosystem for shipbuilding. To achieve this, India will need to move quickly on workforce development, supplier localisation, and the creation of dedicated maritime institutions. In addition, Indian academia and research institutions will have to play a larger role in this developmental partnership to support the country's shipbuilding ambitions.

India must continue to focus on three key priorities: providing sustained policy and fiscal support, developing the capacity to absorb transferred technologies, and formulating a sectoral strategy with clearly defined goals and targets. The in-principle approval of the greenfield project in Tamil Nadu is a welcome development, signalling that approval and implementation bottlenecks need not be insurmountable. To capitalise on this opportunity, however, State governments, alongside the central government, must ensure timely follow-through at every stage, facilitate the entry of foreign investors, and provide continuous support throughout the investment process.

A proven pathway

While India's shipbuilding ambitions are ambitious, they are not impractical. South Korea's shipbuilding journey, from a minor player to a global leader in just 15 years, beginning in the 1970s, demonstrates what is possible. India can replicate that success by focusing on three priorities: sustained policy and financial support, competitive shipbuilding and industrial capacity, and a skilled workforce.

LETTERS TO THE EDITOR

Passport in the spotlight

A matter long ignored is once again in the spotlight: proof of citizenship. The words, "We, The People of India," enshrined in the Preamble, lose much of their meaning if citizenship itself is uncertain. The idea of living in, serving, and contributing to the nation is what binds citizens together. Yet, many now face an unsettling question: can they conclusively prove

that they are citizens of India? Having lived, worked, and raised families, some still find themselves without a universally accepted document establishing their citizenship. The government's inability to clearly identify a single document that definitively establishes one's citizenship and connection to the nation is frustrating. **Aagrah Poudel,** Silguri, West Bengal

An official position attributed to the Ministry of External Affairs — that a passport is merely a travel document and not proof of citizenship — appears illogical. A non-citizen cannot be issued an Indian passport; only an Indian citizen can legally obtain one. An Indian passport is issued and validated by the Government of India. Since India does not permit dual citizenship, the claim that a

passport is only a travel document and not evidence of citizenship is difficult to reconcile with these facts. **Dave James,** Coimbatore

It is unclear whether the Government of India, led by the top leader, is using the Election Commission of India's Special Intensive Revision (SIR) of electoral rolls exercise to weed out duplicate/bogus voters or

selectively remove voters perceived as non-BJP supporters. Now, MEA officials have 'clarified' — perhaps after consulting a dictionary — that a passport is merely a travel document. If so, the Election Commission or the Home Ministry must clarify what documents conclusively establish citizenship. Until then, should all of us be treated as 'Resident Non-Indians'

(RNI)? If the real objective of the SIR exercise is to help the ruling party secure successive victories by pruning voters unlikely to support it, then the revised enrolment form should honestly include a column asking: "Whom did you vote for in the last election?" **N. Nagarajan,** Secunderabad

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

Should Indian seafarers stop serving on sanctioned ships?



Ajith Sukumaran
Retd. Additional Director General of Shipping

PARLEY

While merchant ships across the world have been manned by Indian seafarers, officers, engineers and crew for years, recent conflicts have suddenly brought Indian seafarers into focus. A recent flashpoint was when the U.S. attacked three ships allegedly carrying Iranian cargo, on the grounds that they were sanctioned vessels. Three Indian seafarers were killed in those attacks. More recently, when the British detained a Russian-linked vessel that was supposedly under Western sanctions in the English Channel, the Indian captain was arrested. This raises an important question: should Indian seafarers continue serving on these so-called sanctioned ships? Ajith Sukumaran and Biswanath Gupta discuss this question in a conversation moderated by M. Kalyanaraman. Edited excerpts:

Could you give us some background on Indian seafarers in general?

Ajith Sukumaran: Only recently has society started realising the importance of shipping, but unfortunately from a negative point of view. Whether it was the Titanic, the Exxon Valdez incident, or more recent maritime accidents, shipping has often been in the news for the wrong reasons. But the fact is that shipping carries around 90% of global trade by volume. It is the lifeline of modern society.

The Ever Given incident in 2021 showed this clearly. A 20,000-TEU container ship blocked the Suez Canal for six days, affecting around 20% of seaborne trade. Hundreds of ships were delayed, and loss to world trade was enormous.

The Strait of Hormuz is equally important. It carries around 11-12% of global seaborne trade, but it is strategically significant because of energy transportation. Nearly 25% of fossil fuels and around 20% of LNG move through this route. For India, this is critical because more than 85% of our energy requirements are imported, and almost all of it comes via ships.

But we often talk only about ships and cargo. Ships do not move on their own. They are operated by people. Seafarers take these vessels through difficult and risky situations, and society needs to recognise their contribution. These are high-value and high-risk assets, and they need competent professionals.

Modern cargoes also involve huge risks. LNG carriers, for example, carry enormous energy potential, yet they may be operated by only around 20-21 seafarers. Indian seafarers have been among the most respected in international shipping. They have built a reputation for their discipline and technical competence. Globally,



Vessels at the Strait of Hormuz as seen from Oman on June 18. REUTERS

there are around 1.8 million seafarers. India has more than five lakh registered seafarers, of whom around 3.2 lakh are active. This means one in five seafarers in global shipping is Indian. The foreign exchange contribution from Indian seafarers is estimated at between \$6 billion and \$9 billion annually. Their importance to India is much greater than many people realise.

What is India's position on the sanctions imposed by countries such as the U.S., the U.K. and the European Union?

AS: There is a legal and a practical aspect. There are two broad categories of sanctions. One is UN sanctions, which are binding. The other is unilateral sanctions imposed by individual countries or groups such as the U.S., the U.K., the EU or the G-7. The challenge is that each country has its own list. It is not always easy to draw a line between sanctioned and non-sanctioned vessels. From the government's perspective, the issue is also practical. India has to protect its trade and its seafarers while dealing with international realities.

Should the government track these vessels and advise Indian seafarers not to join them?

AS: Whether India should impose a blanket ban is a political decision. Such a move would have consequences because India imports energy from different countries and employment is also important. The Directorate General of Shipping has issued guidelines that seafarers should be aware of the type of vessel they are joining and the risks involved. But every sanctioned vessel is not necessarily unsafe. If it is not operating in regions enforcing those sanctions, the situation changes. Therefore, it is not easy to identify every vessel and prohibit Indians from joining it.

What is the legal position on these sanctions



The Directorate General of Shipping has issued guidelines that seafarers should be aware of the type of vessel they are joining and the risks involved. But every sanctioned vessel is not necessarily unsafe

AJITH SUKUMARAN

and on the arrest of the captain in the U.K.?

Biswanath Gupta: There are two kinds of sanctions. UN Security Council sanctions passed under Chapter VII of the UN Charter are binding under international law. Unilateral sanctions are more contested. They are technically limited to the jurisdiction of the country imposing them, but powerful states often try to enforce them beyond their territory. In international law, this is highly contested – whether those sanctions are binding or non-binding. If a strong country is applying sanctions, they are binding by nature.

Regarding the Indian captain, international law raises the question of jurisdiction. India can question whether the British court has jurisdiction, especially if the incident occurred on the high seas. Another option is diplomatic protection. If an Indian citizen is affected by a violation of international law abroad, India can intervene. Regarding missile attacks on ships, the issue comes under the law of armed conflict in the United Nations Charter. Questions arise about necessity, proportionality and whether proper warnings were given. If sufficient warning was not given, India can take the issue to the international court.

International maritime law has always been important because many principles of international law developed through the law of the sea. Existing maritime frameworks can be useful in protecting seafarers.

Has India signed such maritime agreements?

BG: Yes, India is part of important international maritime frameworks. Since India has a large number of seafarers working globally, these agreements are significant. Some reports suggest that seafarers killed in conflict zones were pressured to enter dangerous areas with threats relating to wages, employment. These issues can be examined through international mechanisms.

What is the difference between dark fleet vessels and sanctioned vessels?

AS: Dark fleet vessels are identified through certain criteria. These may include fraudulent registration, false insurance documents, illegal

ship-to-ship transfers, or switching off identification systems. The case of the Indian captain arrested in the English Channel was different. The issue was related to the vessel's registry and whether it was considered stateless. The ship apparently had Cameroon registration but midway through the voyage, before entering the English Channel, the ship seems to have lost the registration. We don't know how that happened. A ship must have a proper flag state. So the legal cover was that the ship was stateless. But whether the master should be held responsible is a separate question, because a captain may not always know about administrative issues.

Given this situation, what should India do?

BG: India should focus on diplomatic engagement. International platforms such as UNCLOS [United Nations Convention on the Law of the Sea] provide a space where countries can negotiate and raise concerns. The International Labour Organization is also important because seafarer welfare and rights are discussed there.

But should the government tell Indian seafarers not to join these ships?

BG: That cannot be the approach for a country like India. Much of our trade happens through the sea, and shipping is also an important source of employment. These global platforms remain important for protecting our interests.

AS: Yes, it can be done. Recruitment in India happens through agencies licensed by the Directorate General of Shipping, and any directions issued by the DG Shipping are binding on them. The government could maintain a dynamic list of sanctioned or high-risk vessels and require recruitment agencies to exercise caution while placing seafarers on them.

In many cases, vulnerable seafarers – those struggling to find employment or facing certification and documentation issues – are being targeted by agents and drawn into risky jobs. These seafarers often become innocent scapegoats in larger geopolitical conflicts.

The government has already taken an important first step by requiring seafarers to be informed. But awareness alone is not enough. The vulnerability remains, and in such circumstances, I believe the government has a responsibility to step in.

To listen to the full interview
Scan the code or go to the link
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NOTEBOOK

A surgeon's paradoxical lesson for journalists to survive the news

Unlike others, journalists have a tough time getting away from the news – but there happens to be a seemingly precarious way to do it

Vasudevan Mukunth

In an episode of the TV show *Elementary*, a surgeon prepares to perform a surgery. After he dons his gloves and mask, with his students watching from the back, he plays some funny music from speakers. The students are pleasantly surprised. The surgeon turns around and tells them that they will need to learn to take performing surgeries easy. That they should not let 'it' get to them. What he means is that if a surgeon puts herself under pressure because a life is at stake, she could make more mistakes and further endanger that life.

The protagonist in the Tamil film *Doctor* stands for a similar idea, and it taught me something about remaining a journalist. Journalism done properly can exact a particular psychological toll. Just the developments pouring in from different parts of the world add to the ordinary unhappiness of the human condition. Investigative journalism, news analyses, and perceptive and knowledgeable commentary can exacerbate adverse thoughts, and make one feel helpless and one's work seem too small, even negligible, in the face of the world's profound challenges.

Some journalists who are on the ground reporting on trauma and grief often have it worse. We sometimes talk to our colleagues, friends, and family members about feeling despondent due to being journalists specifically.

Social media platforms' preference for noise, tolerance for bots, and embrace of artificial intelligence has only made matters worse.

Since graduating from journalism school and starting work, most of my batchmates have left the profession. They have done so for various reasons but one common refrain has been "the stress is not worth it". It does not mean that those who have stayed back have elected to live with stress. They have probably found a way to manage it, especially the specific variety that comes with being a journalist.

For instance, like the surgeon in *Elementary* who treats each surgery as just another task he has been trained to do, I treat many news developments as just more pieces of information I have learnt to respond to. Earthquake in Venezuela? Let us write an explainer. Climate talks failed? Think about who can write a news-analysis. Government approves drug without proper testing? Ask a medical researcher if she can write a commentary piece. Then move on.

In these instances, I have learnt to not take the information to heart. I do not think about what it means for the world, for society or for my beliefs. It is neither cause for despair nor source of hope. And it is only possible because there are others who care more so I do not have to (division of labour), freeing me up to efficiently collect, clean up, organise, and communicate knowledge. Sometimes, the problem is really that if you care too much, it could get in the way of you doing your job.

This psychological device also carries risks that we need to constantly beware and minimise.

One is that of reducing human tragedies to items on a checklist. Another is to not lose sight of the empathy required to narrate or edit a story with the requisite gravitas.

If I stop sensing the weight of the news, I could stop sensing the humanity of the people within. I also need to militate against the division of labour leading to a hollowed-out version of journalism that informs the head but ignores the heart. There is no free lunch.

But I have personally found this to be more maintainable than always feeling the weight in full. There are also those few topics where I really do care, perhaps even too much, like democratising scientific publishing.

The next time you meet a journalist, ask them how they are managing their stress. It is probably why they are still at it.

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PICTURE OF THE WEEK

A swirling vortex in the wild



Spinning top: A rare tornado-like funnel cloud formed amid a sudden downpour near Pudukottai and Vaagaikulam in Thoothukudi district, Tamil Nadu on June 21. The tornado ripped off the roof of a few structures in the mini theme park near the Vaagaikulam toll plaza. However, no fatalities were reported. PTI

FROM THE ARCHIVES *The Hindu*

FIFTY YEARS AGO JUNE 26, 1976

All crew of sunken ship rescued

Visakhapatnam, June 25: All the 28 crew members of the ill-fated Greek ship, "Elasta Piracus" that sank near the Andamans on June 20 were rescued to-day by the Eastern Naval Command after an intensive search.

They were noticed drifting towards the west coast of the Middle Andamans, 90 km north of Port Blair, by an Indian Air Force plane and the Shipping Corporation of India vessel, "Viswa Anand". Life boats were lowered by

the ship and the crew members rescued around noon.

A spokesman of the Eastern Naval Command here said the operations were carried out by the Naval-officer of Andaman Nicobar, under guidance from Vice Admiral Swaraj Parakash, Flag Officer Commanding in Chief, Eastern Naval Command.

The Greek ship, carrying 10,000 tonnes of milled scrap had left Paradeep Port on June 17. Water entered the ship on the night of June 19. An SOS was sent to the Vizag base on June 20 when search operations began by the Naval ships, IAF and merchant ships.

Samachar reports: "Viswa Anand" picked up the survivors from Rocky Island and proceeded to Port Blair.

A HUNDRED YEARS AGO JUNE 26, 1926

Cow's brain from cow's milk

The sittings of the International Vegetarian Union Congress were resumed at the Central Hall, Westminster.

Dr. Stavros Danoglou (Greece), dealing with the question, "What is true vegetarianism," said that during the twelve years he had practised in London he had advised abstinence from dairy produce to hundreds of patients. He would say, without any hesitation or fear of contradiction, that anyone who indulged in large quantities of cow's milk developed the brains and mentality of a cow, and was only a cow in human form.

Text & Context

THE HINDU

NEWS IN NUMBERS

Amount approved by ADB to boost bamboo industry in northeast

42.2 in \$ million. The Asian Development Bank has approved a USD 42.2 million small-expenditure financing facility to develop the bamboo industry in India's northeastern States. It will support community-based projects that enhance the usage of bamboo resources across Assam, Manipur, Meghalaya, Mizoram, Nagaland, and Tripura. PHI

Number of ships that sailed through Strait of Hormuz since June 23

57 Some 57 ships carrying an estimated 1,100 seafarers have transited the Strait of Hormuz since June 23 under a United Nations evacuation plan launched this week. These are the first numbers to be released by the U.N.'s International Maritime Organization for the initiative, which will enable hundreds of ships with some 11,000 seafarers to leave the Strait. REUTERS

IAS, DANICS officers transferred by Delhi government

60 In a major administrative reshuffle, the Delhi government has transferred 60 IAS and DANICS cadre officers, with immediate effect. According to the Services department orders issued on Wednesday, the additional chief secretary (ACS) of the Social Welfare Department will also handle the additional charge of the Women and Child Development department. PHI

Forest fire incidents across Maharashtra during 2023-24

5,100 More than 5,100 forest fire incidents were reported across Maharashtra during 2023-24, affecting 11,580,707 hectares of forest land, Forest Minister Ganesh Naik informed the State Legislative Assembly on Thursday. He was responding to questions raised by MLAs from Shiv Sena (UBT) and BJP over forest fires. PHI

Trees felled illegally in Maharashtra in the last five years

3.5 lakh. As many as 3.5 lakh trees were felled illegally in forest areas in Maharashtra in the last five years, Forest Minister Ganesh Naik informed the State Legislative Assembly on Thursday. The trees chopped illegally included 1.24 lakh teak trees, the Minister said, adding that it amounted to a loss of ₹30 crore to the State exchequer. PHI

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Revisiting India's ultrasound laws

Technological shifts and rising need for community-based cancer screening suggest that regulatory frameworks should adapt to distinguish between different use cases of ultrasound. An amendment to the PCPNDT Act could legalise community-based ultrasound using a high-frequency linear probe, as it will not impact sex determination

FULL CONTEXT

Parth Sharma
Senthil Kumar A.R.

Mrs. Janki (name changed), a 45-year-old woman, came to a health camp organised in rural Assam with a complaint of a painless breast lump. She had noticed the lump three months earlier and reported that it had gradually increased in size. On examination, the doctor suspected breast cancer and advised her to visit a cancer hospital located two hours away for further evaluation.

"But I have no pain. The hospital is so far away. There is nobody to come with me to the hospital," Mrs. Janki said. Despite repeated counselling, she refused to seek further care.

Three months later, Janki finally presented to the hospital. By then, she had developed a large, bleeding mass in her breast. She was diagnosed with advanced stage breast cancer and died six months later.

Technological advances, like portable ultrasound machines, have made it possible to bring cancer diagnostics, such as ultrasound imaging and ultrasound-guided biopsies, closer to people's homes. This machine could, perhaps, have given Mrs. Janki a diagnosis at her doorstep. However, India's Pre-Conception and Pre-Natal Diagnostic Techniques (PCPNDT) Act treats the movement of an ultrasound machine outside a registered facility as a serious offence, with penalties that can include a minimum of three months' non-bailable imprisonment.

Provisions of the PCPNDT Act
The PCPNDT Act was introduced in 1994 in response to a sharp decline in the child sex ratio in India, driven by a strong societal preference for male children and the growing misuse of technologies such as ultrasonography for prenatal sex determination, followed by selective abortion of female foetuses. Abortion of female foetuses became more evident from the 1980s, with the increasing availability of imaging technologies, raising serious ethical, demographic, and public health concerns. The legislation, therefore, aimed not only to prevent the misuse of medical technology but also to address the deeper issue of gender discrimination.

The law mandates registration of all genetic clinics, ultrasound centres, and laboratories and strictly prohibits the communication or disclosure of the sex of the foetus. It prescribes detailed record-keeping, monitoring mechanisms, and penalties to ensure compliance.

Under this Act, the purchase of an ultrasound machine is not a routine commercial transaction but a tightly-regulated process. A clinic or hospital must first be registered with the district government as a genetic clinic or imaging centre before acquiring a machine. Purchasing one without prior registration is illegal. Manufacturers or dealers are required to verify the buyer's credentials and obtain a written undertaking that the machine will not be used for sex determination. The sale must be documented with invoice details that match the registered centre, and the transaction is reported to the authorities for monitoring.

Once installed, the machine must remain at the approved location, its details must be recorded in official registers, and strict documentation,



Expanding access: Portable, handheld ultrasound devices can make it technically feasible to bring diagnostic services closer to patients' homes. GETTY IMAGES

including patient records for every scan, must be maintained.

Impact of PCPNDT Act

Following the introduction of the PCPNDT Act, the sex ratio at birth in India has shown a gradual improvement at the national level. While this improvement cannot be conclusively attributed to the introduction of the Act, several unintended consequences can be directly attributed to it.

Evidence suggests that families whose first child is a girl tend to have more children in an effort to have a son, compared to families with a firstborn boy. Following restrictions on prenatal sex selection, families experienced a 25% higher child mortality rate among firstborn girls relative to firstborn boys. This could be explained by the decline in parental investment in health, particularly among girls. Fertility also increased in these families, indicating a shift toward having more children when sex selection was not an option. Having a larger number of children also led to dilution of resources, likely reducing overall investment per child. Similar patterns were observed in education as gender disparities widened. These effects were more pronounced among poorer, rural households that were more affected by the restrictions, as they could not afford illegal services to abort the child.

Recent reports indicate that sex-selective practices continue despite decades of legal prohibition. In October 2025, authorities uncovered an illegal racket in Karnataka where organised networks were carrying out prenatal sex determination and facilitating abortions, often targeting vulnerable women from rural areas. Similar crackdowns across different States show that such activities are frequently conducted outside formal health systems, using portable ultrasound devices, informal providers, and covert arrangements to evade regulation.

The issue is not confined to India. Reports from the United Kingdom indicates that son preference may persist among some diaspora communities as well. Reports have also raised concerns that families of Indian origin may be engaging in sex-selective practices even in

settings with stricter oversight, highlighting the deep-rooted nature of gender bias that transcends national boundaries.

Taken together, these patterns underscore a critical limitation of legislative approaches. While laws such as the PCPNDT Act establish an essential regulatory framework, they are insufficient on their own to drive social change.

The case for reform

Available evidence suggests that the PCPNDT Act has not fully achieved its intended objectives and may, in some contexts, have had unintended adverse effects. Additionally, fear of legal repercussions and stringent regulatory requirements has had a chilling effect on service provision.

Moreover, the PCPNDT Act has not kept pace with advances in ultrasound technology. Portable, handheld ultrasound devices, often connected to smartphones or tablets, make it technically feasible to bring diagnostic services closer to patients' homes, which is particularly relevant for early cancer detection in underserved areas. However, the use of such devices at the community level is currently illegal in India.

Modern high-frequency probes used for applications such as cancer detection and the assessment of other superficial conditions cannot be used for foetal sex determination, yet remain subject to the same regulatory restrictions, limiting access to essential diagnostic care.

Recent developments in artificial intelligence (AI) further strengthen the case for a more nuanced regulatory approach. AI-enabled ultrasound systems can assist with image acquisition and interpretation, and in some configurations generate automated reports based on pattern recognition without requiring full image storage or display. Such technologies could enable safe, purpose-specific use of ultrasound for diagnostic applications while substantially reducing the risk of misuse for foetal sex determination.

Recent research has also demonstrated the potential of AI in improving access to reliable ultrasonography. In a pilot study,

portable ultrasound scans performed by individuals with minimal training were combined with AI to identify suspicious breast lesions with high accuracy, correctly flagging all confirmed cancer cases. This suggests that AI-assisted ultrasound could enable frontline health workers to assess patients with breast lumps, refer those with suspicious findings for further evaluation, and reassure those with benign conditions.

For countries such as India, where access to specialist radiologists and diagnostic imaging remains uneven, especially in rural areas where nearly 70% of the population resides, such innovations could substantially improve the timely assessment and treatment of symptomatic patients. Earlier diagnosis and referral have the potential to reduce breast cancer mortality while expanding access to care in rural and underserved areas. This contrasts with many Western countries, where breast cancer control strategies rely more heavily on mammographic screening programmes that detect tumours before symptoms appear but require considerably greater resources and infrastructure.

Serving a greater need

These technological shifts and the rising need for community-based cancer screening in view of the high cancer burden in India suggest that regulatory frameworks need to adapt to distinguish between different use cases of ultrasound. An amendment to the Act could make community-based ultrasound using a high-frequency linear probe legal, as it will not impact sex determination. Additionally, the Act should incorporate provisions addressing emerging technologies, including AI-enabled and safeguarded USG imaging systems designed to prevent the determination or disclosure of foetal sex, irrespective of intent.

(Dr. Parth Sharma is a community physician working in the department of preventive oncology and public health at Cachar Cancer Hospital and Research Centre. Dr. Senthil Kumar A.R. is a consultant radiologist and former director of the department of radiology, Aberdeen Royal Infirmary, U.K. Views are personal.)

THE GIST

▼ The PCPNDT Act was introduced in 1994 to curb prenatal sex determination and the selective abortion of female foetuses in response to a declining child sex ratio.

▼ The law has not kept pace with advances in ultrasound technology, including portable handheld devices that can bring diagnostic services closer to patients' homes.

▼ For countries such as India, where access to specialist radiologists and diagnostic imaging remains uneven, such innovation could aid early cancer detection, particularly in underserved areas.

IN THE LIMELIGHT

A tribute to R.D. Burman: the pluralist who redefined film music

Fondly known as Pancham, the eminent musician and composer brought together Indian musical traditions and Western rhythms in a distinctive style. His versatile body of work remains beloved by listeners

Rajendran Narayanan
Kalyan Sundareswaran

In 1965, acoustic music orthodoxy was shaken at the Newport Folk Festival as Bob Dylan turned electric. On the other side of the Atlantic, in 1967, the Beatles released 'Sgt. Pepper's Lonely Hearts Club Band', which created the very idea of a concept album in popular western music. Sandwiched between these seismic shifts, far away from the western shores, was a chubby, bespectacled goofy looking young man who churned the imagination of Hindi film music with the soundtrack of Nasir Hussain's *Teesri Manzil* (1966). Rahul Dev Burman or Pancham as he was fondly called, burst on the scene with eight tracks for the film that gave new meaning to the word 'revolutionary'. The title track of *Teesri Manzil*, a film reminiscent of Raymond Chandler or Dashiell Hammett style of film noir, became a long-standing template with which to score thrillers and mysteries.

Pancham died 32 years ago which is about the same span as his musical career. He debuted as an independent composer with *Chhote Nawab* in 1961 and continued until his death in January 1994. The second half of the 1980s was arguably the nadir for Hindi film music. Most films had a jamboree of garish clamour masquerading as music and the occasional melodic respite was largely due to Pancham. *Saagar* in 1985 had tunes spanning Goan overtones to sensuality induced by bass, flute, and tabla. Pancham aficionados would insist on the 1985 film, *Siraganor*, as one of the more underrated masterpieces. Around the same period, Pancham's collaboration with Gulzar on albums like *Jhajaaz* and *Dil Dhadki Hai* (a private album) in 1987 housed a staggering range from the merry to the melancholic, rendered impeccably by Asha Bhosle. Despite such creative overtures, the period through till the early 90s saw Pancham grapple with spells of inactivity, surrender to mediocrity, plummet into intense self-doubt and wage a lonely battle with cardiac ailments. It was from this abyss of neglect and crippling despair that he conjured his final act: '1942. A Love Story'.

Death froze Pancham at exactly the right mythological moment, just when he had rediscovered his creative mojo and was on the cusp of vindication. He did not live to see the response to his last album. In death, he became the forever wounded, maverick genius who had been abandoned, and for which mass reparations were in order.

Posthumous admiration
The posthumous Pancham has perhaps had a fuller afterlife. This reclamation could be attributed to various causes. To begin with, there was a collective guilt around having driven a redoubtable artist to depression and possibly death. This lent an emotional gravity to his fandom which went beyond quotidian admiration for his craft. As India opened its economic floodgates to the world in the 1990s, satellite televisions, FM radio and a burgeoning night life created new spaces and Pancham became the soundtrack for these avenues. Soon, remixes became a booming industry. In its formative years, this industry fed on Pancham's creative capital, reincarnating him to newer



R.D. Burman debuted as an independent composer with *Chhote Nawab* in 1961 and continued until his death in January 1994. THE HINDU ARCHIVES

listeners. Subsequently, the internet opened up an abundance of resources and made community-building easier. Fan clubs emerged, some with imaginative names like 'Burmaniacs, RDent Fan(atic)s or Panchams'. These also opened him to investigation with a mathematical precision and a forensic zeal. Some critics have 'cancelled' him on grounds of plagiarism, sparking ruminations and debates on the very concept of originality in music and the porosity of its boundaries. Despite limitations of using contemporary parameters to evaluate historic actions, ethical concerns and artistic integrity surrounding some of the allegations remain. Arguably, it would have been prudent of Pancham to offer formal credit to some of his tracks.

However, musical traditions have evolved through a healthy mix of borrowing and conservation across generations and geographies. Assessing a three decade panoramic legacy that far transcends a minuscule fraction of infractions requires a measure of proportion. After all, who owns the copyright of the refrains of *Raga Jhinjhoti* or the tempo of *Jhajaaz*? Pancham's own demonstration in a televised interview of how S.D. Burman's '*Thandi Hawayen*' seamlessly moulds into Roshan's '*Rahe na rahe hum*' and eventually his own '*Saagar Kinaare*' is a case in point. '*Tera Mujhse Hai Pehle*' from the film *Aa Gale Lag Jaa*, said to be inspired by Elvis Presley's '*The Yellow Rose of Texas*', is itself a cover of a century-old American folk song. And yet, it was Pancham's Hindi reinterpretation that became an anthem of love and longing, achieving a cult status as far away as Algeria where it came to be known as '*Janitou*' after a central refrain of the song, '*Jaane Tu Yaa Jaane Na*'.

A distinct musical signature
Perched at the intersection of melodic depth and sonic innovation, he belonged as much to the golden era pantheon of

melodists like Naushad, Madan Mohan, Jaidev or Roshan as he did to the later coterie of tech-fuelled orchestrators like Bappi Lahiri. Importantly, he had to step out of the shadows of his father, the giant S.D. Burman, and create his own musical signature. This conscious defying of privilege needed conviction and courage. Neither could traditionalists disown him for being noisy nor could the modernists shun him for being bland.

His tunes, for most part, were eminently hummable even without any sonic embellishments. '*Jis Gali Mein Tera Ghar*', rendered by Mukesh, from the 1970 superhit film *Kati Patang*, is a balm melody which uses instruments such as the echolette, the vibraphone and the transciord to evoke the physical ripple of oars. In the Lata Mangeshkar gem, *Dilbar Dil se Pyare*, from the versatile album *Caravan* (1971), Pancham starts by striking wood on the brass lining of the timpani while using the rabab to give it the steamy gypsy-like texture.

His wanderlust made him a 'rooted cosmopolitan' as he seamlessly fused linear western with cyclical Indian rhythms. The sprightly Kishore Kumar solo '*Saamne Yeh Kunn Aaya*' from *Jawani Diwani* (1972) exemplifies this. Calypso-Latino in its essence, it contained the *Pedal Matka*, a custom-made instrument where the opening of an earthen pot is covered tightly with stretched leather connected to a foot pedal. This allowed the player to manually adjust the pitch and tension while drumming. While highly celebrated for his miraculous breath control adding rhythmic hefts in songs like '*Duniya Mein logan ko*', he unfortunately remains underappreciated for his extraordinary background music.

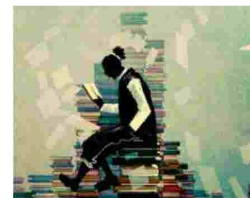
A central feature of Pancham's music is how he incorporated a diversity of emotions and musical genres. His compositions drift from the serious '*Yun neend se woh jaane chaman*' to the comical '*EK chatur naar*', from the philosophical

'Tujhse Naaraz Nahin' to the absurd '*Aa Ee Masterji ki aayi chitthi*', from the waltz-like sacred '*Elahi tu sun le*' to the raunchy '*Aao Na Gale lagao na*', from the wistful '*Kaah pe rahte hain*' to the playful '*Kal kya hoga Kisko pata*', from the sinus-soaked Bhopinder singing the minimalist '*Ek Hi Khwaab*' to the elaborate medley in *Hum Kisi se Kam Nahin*. Contrary to perceptions about his predominant western tendencies, his understanding of the subcontinental musical ethos presents a vivid tapestry; from a *Raga Khamaaj* based classical '*Jiya na laage mora*' to qawwalis ('*Pal do pal ka saath hamaara*'), from the Bihag infused '*Piya Bawari*' to the Bhatiyali inspired '*Majhi re majhi ramaiya majhi*'.

An ambassador of pluralism

At a time when India is caving inward towards jingoistic nationalism, Pancham reminds us how to be an ambassador of pluralism. His alchemical ability to blend Indian traditions with Big Band Jazz, the Brazilian Bossa Nova, and Afro-blues liberated him from any narrow musical citizenship. His music continues to be a consummate antidote to jingoism. By democratising world music, he made global sounds accessible to every Indian at the turn of a radio knob. He broke rules not to transgress but to trailblaze. He enriched music in the breach of norms rather than their observance. Beyond its exuberance and spunk, we have many lessons to learn from Pancham - a free-spiritedness, a sense of curiosity, generosity, and a celebratory vein of secularism.

Happy 87th Pancham! As we celebrate your birthday this 27th of June, we hope to remember not just your music but for what it stood for. May your eternal resolve of pluralism prevail. May there be more fans than fanatics. (Rajendran Narayanan is a social scientist affiliated with LibTech India. Kalyan Sundareswaran is an IT professional with Infosys. Views expressed are personal.)



FROM THE ARCHIVES

Know your English

S. Upendran

What is the meaning of "have the blues"? (A. B. Sankaran, Vizag)
The "blues" is a kind of music; it is usually slow and sad. This type of music was first made popular by the Blacks who lived in the Southern states of America - the states where slavery was common. I understand that the original blues songs were about the lives of slaves. Nowadays, in most blues songs the singer sings about how terrible his life is or how unlucky he has been in love - not very different from our Indian film songs! When you say that you have the blues, it means that you are in a sad or depressed mood. It is also possible for one to "get the blues". Here are a few examples.

Rahul has had the blues ever since his wife walked out on him.
A wet day like today always gives me the blues.

Shanthi gets the blues whenever she watches "Love Story".
Another expression, which means more or less the same thing, is "feeling blue". If you feel blue, you feel sad.

Rainy days always make me feel blue.
I don't know why, but I am feeling blue this morning.

Which of the following sentences is correct? "Neither Mohan nor Geetha is going home", or, "Neither Mohan nor Geetha are going home". (S. Janaki, Hospet)

Careful users of the language prefer the use of the singular verb "is". In writing, you would be better off using "is". In speech, however, it is quite common to hear even native speakers use the plural "are". There is a tendency to use the plural verb in speech. This however is not considered to be grammatically correct. The verb that you use will depend on the noun which precedes it. Here are a few examples:

Neither the father nor his children were willing to go home.

Neither the children nor the father was willing to go home.

What is the difference between "biannual" and "biennial"? (E. Shyama Sundar, Madanapalle, Andhra Pradesh)

An event that is held "annually" takes place once a year. The word "bi", pronounced "by", means "two". So an event which is held "biannually" is one that is held twice a year. Here is an example.

The Chairman decided to make the Board Meeting a biannual event.

In this case, the Board will meet twice a year - perhaps every six months.

A "biennial" event, on the other hand, is one that takes place once in two years. The Chairman decided to make the Board Meeting a biennial event.

In this case, the Board will meet once every two years.

How is the word "creche" pronounced? (P. Laxman, Secunderabad)

The first "e", which has an accent mark on it, sounds like the "e" in "set", "get" and "bet"; the second "e" remains silent. It is also possible to pronounce the first "e" like the "e" in "day", "bay", and "say". The final "ch" sounds like the "sh" in "ship", "sheet", and "shoot". A "creche" is a place where babies are looked after while the parents are away at work. Published in *The Hindu* on February 6, 2001

Word of the day

Fallacy: a misconception resulting from incorrect reasoning

Synonyms: false belief

Usage: It is a fallacy to believe that money guarantees happiness.

Pronunciation: newsth.live/fallacy

International Phonetic Alphabet: /fæl.ə.sɪ/

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

THE DAILY QUIZ

On June 22, Sir Keir Starmer announced his resignation as the U.K's Prime Minister. Here's a quiz on the premiers of England

Joan Sony Cherian

QUESTION 1

Who is the only British Prime Minister who was assassinated?

QUESTION 2

This statesman's tenure as Prime Minister was overshadowed by his military prowess. He famously defeated a French Emperor in this war in 1815. Name the Prime Minister, the Emperor and the famous war.

QUESTION 3

This Prime Minister started out as journalist, specifically a war correspondent for the

Morning Post. Name him.

QUESTION 4

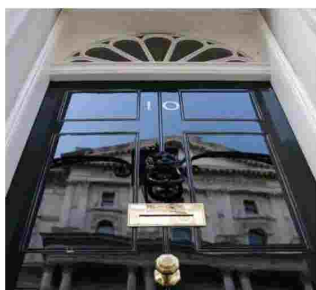
This Prime Minister had the shortest run in Westminster, serving just 44 days. Name the Prime Minister.

QUESTION 5

The Second World War broke out with Nazi Germany invading Poland. Roughly a year back, this British Prime Minister, after talks with Hitler, had declared that "I believe it is peace for our time". Needless to say, he did not last long in office. Name him.

QUESTION 6

Which Prime Minister introduced the Indian Independence Act 1947 in the House of Commons?



Visual question: This is one of the most famous addresses in the world. Name it. PUBLIC DOMAIN

Questions and answers to the previous day's daily quiz:

1. A reimagining of James Bond from the studio behind the Hitman series. **Ans: 007 First Light**
 2. The latest instalment of the long-running survival-horror franchise. You play as dual protagonists. **Ans: Resident Evil 9/Requiem**
 3. This new IP from Capcom follows an astronaut and an Android youngling as they shoot, hack and fight their way through AI-driven robotic threats. **Ans: Pragmata**
 4. A mountain-climbing simulator that combines stunning landscapes and engaging survival mechanics. **Ans: Cairn**
 5. From the makers of Returnal, this third-person roguelite shooter is set on a shape-shifting planet. **Ans: Sirois**
 6. ... is a 90s' coming-of-age narrative adventure game that chronicles the last day of summer of three high-school friends. **Ans: Mixtape**
 7. This 2-D adventure game evokes retro nostalgia with its pixel-art aesthetic. **Ans: Mina the Hollower**
- Visual: Identify the open-world video game title from the promotional still. **Ans: Grand Theft Auto VI**
Early birds: K.N. Viswanathan | Tom Alan Faith | Pulkit Sathe | Dodo Jayaditya | Prem Nath Tivari

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

The Indian EXPRESS

FOUNDED BY -
RAMNATH GOENKA
IN 1932

BECAUSE THE TRUTH INVOLVES US ALL

Silicon Valley to Seoul, watch AI exuberance

THE LAST few days have seen stock markets across the world wobble as concerns over the AI cycle weigh heavily on investors. On Tuesday, Asian markets fell sharply, led by South Korea's Kospi, which plunged by nearly 10 per cent. Japan's Nikkei 225 was down 3.5 per cent and Nasdaq, too, witnessed weakness, falling by almost 4 per cent since last week. Questions are increasingly being raised over monetisation of capital spending by tech firms and the high valuations they command. As per Goldman Sachs, the AI hyperscalers are expected to spend more than \$5 trillion on technology and data centres by 2030. Parallels are now being drawn with the dotcom bubble. Then, as now, investor exuberance had dramatically driven up share prices of tech firms. And when the bubble burst, it took time to fully recover.

Despite these concerns, capital has been flowing to companies linked to the AI cycle in all parts of the world. In Korea, for instance, SK Hynix and Samsung have seen euphoric investor interest. As per reports, the two now account for a sizeable share of the South Korean market. In Japan, companies like Advantest, Tokyo Electron and Kiocia have all seen their shares surge. In the US, AI behemoths — Anthropic and OpenAI — have begun the process to launch their initial public offerings. These will follow SpaceX's recent mega IPO, pulling in even more capital. Investor exuberance is, however, likely to run up against a macro reality. In the past, asset bubbles have tended to be pricked by central banks raising interest rates. And with inflation edging upwards in the US — CPI rose to 4.2 per cent in May — it raises the possibility of the Federal Reserve tightening policy in the months ahead.

Indian markets have not been part of this AI play. Foreign capital has, in fact, been exiting the country. In 2025, foreign portfolio investors took out \$18.9 billion from the stock markets, and so far this year, outflows have been just shy of \$30 billion. Alongside, net FDI flows dwindled to \$1 billion in 2024-25 and \$7.7 billion in 2025-26. Along with high crude prices, this put pressure on the rupee. In recent weeks, however, oil prices have softened considerably, and measures have been taken to boost capital flows and help stabilise the currency. But more needs to be done. Steps should be taken to improve the country's attractiveness as an investment destination, for both domestic and foreign investors.

In West Bengal, keep egg on the menu

THE FIRST budget of the Suvendu Adhikari government in West Bengal has drawn attention for two contrasting decisions on school nutrition. On the one hand, it has substantially increased the per-child allocation for mid-day meals, raising the material cost from Rs 6.78 to Rs 10, signalling a welcome recognition that better nutrition requires greater public investment. Yet the decision to hand the running of mid-day meals in the Kolkata Municipal Corporation area to the religious organisation ISKCON effectively excludes one of the staples from the menu — eggs. The defence by CM Adhikari — "You will get good food to eat. You will get pure food, nothing to worry about" — and by state education minister Dipu Biswas — "There is no logic behind the idea that children must consume eggs, especially to fulfil their nutritional needs" — only exacerbates concerns. By imposing a vegetarian ideal in a culturally varied state, the move depletes the menu of one of the country's most important welfare programmes.

The nutritional case for retaining eggs is compelling. The National Family Health Survey-6, released last month, shows that although stunting among children under five years has declined, nearly 20 per cent of over 10 children continue to be affected. West Bengal has long grappled with significant levels of child undernutrition and anaemia among both children and women. Eggs remain one of the most effective, economical and familiar sources of protein. The proposed substitutes — paneer, soyabean, rajma and pulses — undoubtedly have nutritional value, but ensuring their availability and acceptance at scale is far more complex.

Food in India has long been bound up in questions of caste, religion, and social power. In the weeks before the watershed assembly elections in April, the BJP went to great lengths to reassure voters that Bengal's culinary traditions would remain untouched under its stewardship. The removal of eggs from mid-day meals in schools — a template followed in several BJP-ruled states — sits uneasily alongside those assurances, particularly in a state where 98 per cent of people consume non-vegetarian food. The Adhikari government must reconsider its decision.

Meetings about meetings, and managers

IT IS difficult, even for the most seasoned managers — whether in government or the private sector — to come up with ways to inspire their subordinates through the drudgery that makes most careers. Take the following sentence: "A career is a bridge, and sometimes it needs a civil engineer." Does it carry hidden wisdom or is it trite? Clearly, the problem of being inspirational is exercising a figure no less exalted than India's top bureaucrat. In a two-page note accompanied by 10 pages of guidelines on how to conduct meetings set to all secretaries to the Government of India, Cabinet Secretary T V Somanathan has asked stalwarts of India's steel frame a vexing question: Are they gaining "30 years' experience or one year's experience repeated 30 times"?

Much of Somanathan's advice resonates beyond the government, to anyone who has ever attended an unending series of meetings in a day. This broad swathe of white-collar workers can attest to the fact that, more often than not, the preparation for the meeting to discuss progress on the work promised at the last meeting ends up becoming the work itself. And the ability to make a presentation with a plethora of graphs is more significant for career advancement than the quality of the work the PPT purports to showcase.

The cabinet secretary's caution against meetings that "tend to start late, be overstretched and directionless, and often lead to no tangible 'takeaways'" is well taken. But perhaps, it misses a deeper point. The meeting is for the manager. The purpose of the meeting, more often than not, is to justify that role. In such a context, what's the difference between "30 years of experience" and "a year's experience repeated 30 times"?

My absence is not silence. I will return through the strength of the people

JUNE 23 is deeply intertwined with the Bengali nation's long struggle for its rights. On this day in 1949, the Bangladesh Awami League (AL) was founded through a struggle against exploitation and deprivation to advance the people's demands, uphold human dignity, and secure democratic rights. This week marked 77 years of that journey.

AL's sacrifices, leadership, and struggle are woven into every milestone of our nation: the 1952 Language Movement, the 1954 United Front elections, the Six-point Movement of 1966, the 1969 Mass Uprising, the 1970 elections, the historic March 7 speech of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman, the Great War of Liberation, and the establishment of an independent, sovereign Bangladesh. Bangabandhu dreamt of independence for the Bengali nation. He organised the people for that dream, and under his leadership, Bangladesh achieved freedom. He even gave our country its name, "Bangladesh". Thus, the history of Bangladesh is the history of the Awami League.

After independence, Bangabandhu dedicated himself to rebuilding a war-torn country. He envisioned a hunger-free, poverty-free, secular, democratic, and dignified "Sonar Bangla" (Golden Bengal). However, the assassination of the Father of the Nation and his family on August 15, 1975 was an assault on the spirit of Bangladesh's independence, democracy, the constitution, and the very identity of the Bengalis. For a long time thereafter, attempts were made to drag Bangladesh backwards — through military rule, conspiracies, coups, the distortion of history and the rehabilitation of fundamentalist forces. Yet, the AL never stopped. Imprisonment, disappearances, killings, tor-

ture, fabricated cases, and bans could not steer it away from the people.

During the League's tenure in office, Bangladesh became self-sufficient in food, poverty decreased, we moved toward 100 per cent electrification, and new horizons of infrastructure development were opened. Bangladesh became a safe haven for its people, freed from the grasp of terrorism and militancy. However, today, Bangladesh is in deep crisis once again. The path of hatred, division, vengeance, mob violence, the use of the judiciary as a political weapon, fabricated cases, and state repression initiated by the unelected and unconstitutional interim government led by Muhammad Yunus continues under the current BNP government. It was formed through the force of an election held on February 12, which kept the country's largest political party and the organisation that led the struggle for independence away from the ballot. The polls did not reflect the people's mandate.

Today, the illegal ban on the activities of the Awami League remains in place. Leaders and activists are being charged with false cases. Through house raids, arrests, torture, harassment of families, seizure of property, and intimidation, attempts are being made to silence the AL. Even peaceful tributes on our founding anniversary, the hoisting of flags, or the expression of political views are being treated as crimes. It must be stated clearly: Paying respect to Bangabandhu is not a crime. Saying "Joy Bangla" is not a crime. Loving the Awami League is not a crime. Speaking of voting rights and democracy is not a crime.

Law enforcement agencies, administration, and responsible offi-



SHEIKH HASINA WAZED

cial of the state must remember that they are not a party force. Arresting innocent people under political directives, filing false cases, suppressing peaceful political activities, and criminalising citizens for their political identity is an abuse of power. No government is permanent; no power is permanent; the people are permanent. Therefore, the obstruction of people's democratic rights must end.

I know that the leaders and activists of the AL are going through a difficult time. Some are in prison, some are homeless due to false cases, some are injured, some are crippled, and many have lost loved ones. Yet they have not bowed their heads. I feel their pain. My absence is not silence. Even though I am away, I am with the people of Bangladesh. The struggle to restore democracy in Bangladesh continues through diplomatic, political, and legal channels, and by building international public opinion. The AL's activities may be banned, but it cannot be erased from the hearts of the people.

In its 77-year journey, the AL has been attacked many times, and has faced conspiracies many times. But every time, it has stood up with the strength of the people. It will do so again. Inshallah. The people's rights will be restored. The political rights of the AL will be recovered. Democracy will be restored. The rule of law will be established. Bangladesh will move forward on the path of the spirit of the liberation war.

In its 77-year journey, the Awami League has been attacked many times, and has faced conspiracies many times. But every time, it has stood up with the strength of the people. It will do so again. Inshallah

During this time, we must remain united and stand by the people. We must deepen our connection with the people in every village, every neighbourhood, every ward, and every union. We must stand by the oppressed. We must be

uncompromising on the issues of security and dignity for the minority communities, women, children, labourers, the poor, and the marginalised. The politics of the Awami League is not the politics of revenge; it is the politics of establishing human rights, security, and dignity.

In 1981, I returned to the country with a commitment to restore democracy. I have lost almost everyone in my family — my parents and my brothers — but I have never abandoned the people of Bangladesh. I will return to the struggle to establish the rights of the people of Bangladesh. I will return with the commitment to restore democracy, the rule of law, the people's voting rights, and the spirit of the liberation war. I will return through the strength of the people.

On our founding anniversary, I pay my respects to Bangabandhu; the four national leaders; the 3 million martyrs and 200,000 oppressed mothers and sisters of the Great Liberation War; the martyrs of August 15; the Awami League leaders and activists who were martyred in the struggle for democracy; and all my fellow fighters who have been killed, injured, crippled, imprisoned, or displaced in the recent wave of repression.

The Bangladesh Awami League was with the people, is with the people, and will remain with the people. Through the strength of the people, it will rise again, restore democracy, lead Bangladesh back onto the path of the spirit of the liberation war, and build the prosperous "Sonar Bangla" dream of the Father of the Nation.

The writer is the president of the Awami League and former prime minister of Bangladesh, from 1996 to 2001 and 2009 to 2024. A longer version of this article is available on indianexpress.com

A Nalanda model for the 21st century



SYED ATA HASNAIN

THE GREAT contests of the 21st century are unlikely to be decided solely on battlefields, in factories or through financial markets. Nations today are competing for intellectual advantage — the ability to generate ideas, attract talent, shape narratives and influence the ethical direction of technology and governance. Knowledge is becoming national power.

History shows that every era has had a defining source of strategic advantage. Territorial conquest shaped the age of empire. The Industrial Revolution transformed Britain, Germany and later the US. The Information Revolution rewarded societies that mastered computing, telecommunications and digital systems. The world is now entering the age of cognitive power. This extends far beyond AI. Cognitive power includes scientific research, climate knowledge, disaster management, biotechnology, cyber capability, strategic communication, conflict studies, diplomacy and the ability to shape international norms. The present era is distinguished by the unprecedented strategic value attached to knowledge, research and intellectual capital.

The US understood this transformation earlier than most. Its advantage lay not merely in great universities but in linking academia, industry, government funding, military research and immigration into a single innovation ecosystem. Institutions like MIT, Stanford and Harvard became strategic assets connected directly to aerospace, semiconductors, biotechnology and digital innovation.

Equally important was academic freedom. Universities retained sufficient autonomy to encourage experimentation and dissent, allowing talent from around the world to become strategic capital. Innovation rarely flourishes in climates of intimidation. This lesson has universal relevance. India adapted impressively during the Information Revolution. Yet its role remained concentrated more in software services than in foundational research. The next leap, therefore, cannot merely be technological. India must move from being a digital economy to becoming a knowledge civilisation.

Nations that invest solely in coding and

automation without nurturing ethics, humanities, law and strategic thought may achieve efficiency without intellectual depth. History reminds us that technological breakthroughs acquire real significance only when accompanied by the ideas and doctrines that give their purpose.

Knowledge power is increasingly central to national resilience and security. Nations that anticipate crises, shape narratives and build resilience will enjoy geopolitical advantage. India's CDRI is a welcome step. Future conflicts will require strategic thinkers and diplomats as much as technologists.

Encouragingly, India is beginning to recognise the relationship between knowledge ecosystems and long-term strategic development. Economic modernisation can no longer rely only on infrastructure and industrial expansion. Future competitiveness will depend equally upon research, innovation and higher education.

In this context, Nalanda in Bihar acquires renewed relevance. More than a millennium ago, it functioned as a transnational intellectual network attracting scholars from across Asia. It represented pluralism, interdisciplinary learning and openness to ideas — qualities increasingly important in a world seeking to balance technological advancement with ethical reflection. Properly nurtured, modern Nalanda could emerge as a centre for Asian cooperation in culture, sustainability, strategic studies and global governance.

The strategic reality of the 21st century is becoming increasingly clear. Military strength will continue to matter, but military capability itself will increasingly depend upon research ecosystems, innovation cultures and intellectual capital.

Nations unable to generate original knowledge will become dependent on others not only for technology, but also for strategic narratives and policy frameworks. The emerging age of cognitive power offers India an opportunity to become once again a civilisation that produces ideas, institutions and knowledge systems sought by the world.

The writer is Governor, Bihar and former commander of the Indian Army's Srinagar-based Chinar Corps

Global South is becoming another India-China arena



ANUSHKA SAXENA

ON JUNE 22, NSA Ajit Dvaid met Chinese Foreign Minister Wang Yi on the sidelines of the 16th BRICS NSA meeting in New Delhi. The divergences in worldviews were hard to miss. Delhi spoke of "stable, predictable and constructive bilateral relations" and "normalisation" since G20, Beijing, by contrast, scaled the same meeting up to a "Global South" moment. Wang declared that "the Global South, including China and India, is collectively rising", and that the two countries must "accelerate the modernisation process of the Global South" together. Five days earlier, that exact vocabulary had been packaged into China's new White Paper on global governance.

The White Paper articulates three approaches to the Global South. First is its revalidation of an idea that a Global South that excludes China is a pseudo-proposition. Second is its emphasis on China's "win-win" and "harmonious" approach to the perceived grouping. Third is its usurpation of Delhi's preferred metaphor on acting as a bridge between the "Global North" and the "Global South". Only, the White Paper frames it as China seeking to "synergise" North-South cooperation.

China has viewed India and the West as promoters of exclusive blocs that undermine its Global South identity. The White Paper's most prominent thesis formalises that proposition — "China will always be a member of the Global South." It contends that the monopolisation of international affairs by "a small number of countries" is no longer acceptable to Beijing, and so it will emerge as the force promoting inclusion and accessibility for the economies of this perceived grouping. India's decision to conduct three "Voice of Global South Summits" without China's participation has irked Beijing the most. It was right before the second summit that *Global Times* popularised the idea that such a summit without China was a pseudo-proposition.

Through the White Paper, Beijing attempts to set itself apart in its approach to the Global South by calling for "win-win cooperation", pitting it against the West's, or even India's, "opportunism". The example Chinese analysts like retired PLA officer Zhou Bo have cited is Delhi wrangling with Colombo to halt the docking of Chinese vessels at Sri Lanka's ports. Zhou argued in 2024 that while India "forced" Sri Lanka's government to ban Chinese ships, China welcomed it into BRICS and the SCO. In his conception, that India is an equal in BRICS, or that it acted in its national interest when dealing with Colombo, are unacceptable realities. Zhou also advanced the framing that India and China should function as "Global South anchors", not power competitors. That has now travelled from a retired PLA officer's op-ed to Wang Yi's talking points. The precedent, however, as evident from Sri Lanka's debt restructuring around Hambantota or the suspension of the BRI-financed CPEC's signature projects under fiscal stress in Pakistan, does not reflect the conduct of the magnanimous actor that China presents itself as. Delhi's goal should hence be not to compete with Beijing's rhetoric word-for-word, but to showcase its empirical record in Global South fora.

The writer is staff research analyst, geostategy programme, Takshashila Institution

40 YEARS AGO June 26, 1986



Laldenga to head coalition

MIZO NATIONAL FRONT (MNF) chief Laldenga will head an "interim administrative arrangement" in Mizoram in coalition with the Congress-I, according to an understanding reached between the two parties. Laldenga told ENS that the 30-member assembly will not be dissolved and the present CM, Lal-thihlals, will become deputy C.M. The MNF chief would not give more details.

India asks Sri Lanka for restraint

INDIA HAS expressed concern over the recent incidents of violence and terrorism in

Sri Lanka urged all sides to exercise maximum restraint

An External Affairs Ministry spokesman said that the Government of India had noted with deep concern and deplored the recent incidents of violence and terrorism which had resulted in the deaths of several innocent citizens — men, women and children. "We condemn such acts of violence and terrorism against civilians," the spokesman said, reading out a statement.

All Karnataka ministers resign

AS EXPECTED, all the ministers handed in their resignations to Chief Minister Ramakrishna Hegde at an emergency meeting of

Acting Babbar Khalsa chief held

ONE PERSON was killed, three people injured and more than 600 people, including acting Babbar Khalsa chief, Avtar Singh, arrested during the past 24 hours in Punjab.

DIS/AGREE
THE BEST OF BOTH SIDES

A weekly column, which offers not this-versus-that, but the best of both sides, to inform the debate

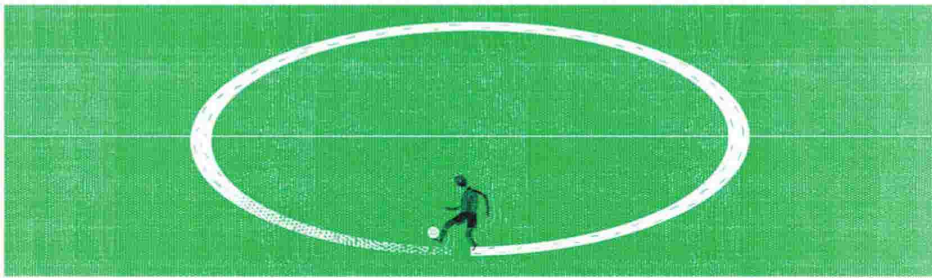


ILLUSTRATION: C.R. SASKIKUMAR

Smaller nations are scripting upsets at World Cup. Why can't India make it to football's biggest stage?

Football dream requires a kick



SANJOY SEN

AS I watched Uzbekistan competing against Portugal at the 2026 FIFA World Cup, my memory drifted back to those chilly days in Tashkent. It was 2008. I was working with the Indian U-16 team as one of the coaches. We had qualified for the AFC U-16 Championship after beating Saudi Arabia and drawing against Iraq in the qualifiers. Today, two of the nations we faced in that tournament are at the World Cup. India is not.

Our opponents were South Korea, Syria and Indonesia. We lost the first two games but went on to defeat Indonesia. Had we come up against the hosts, Uzbekistan, we would have fancied our chances. Only five years earlier, the senior team had beaten them 2-0. There was no overwhelming gulf between them and us. As I reminisce about that tournament today, it feels like folklore. One that is difficult to believe.

I am often asked: Why can a nation of 1.4 billion not qualify for the World Cup? Why can we not produce an Abdulkodir Khusanov? For me, the answer begins at our grassroots. Our most glaring drawback is our faulty foundation. We have been taught to think of football as a skyscraper — you cannot reach the higher floors, like the World Cup, if you do not have a strong base. Which we certainly do not.

In Tashkent, we saw how a footballing structure was thriving in schools. Schools played an integral role in talent development and young players had a clear pathway. Nearly two decades later, that system has only become stronger. Meanwhile, we are still debating structures that should have been established years ago.

Those in charge must be held responsible for the lack of long-term vision. Take the 2017 U-17 World Cup. Many players from that tournament are at the World Cup now. Japan's Keito Nakamura and Takefusa Kubo, among the best players at this World Cup, were in the same tournament as us. Many of our boys from that batch have either faded away or failed to develop their skills.

I have seen the Japanese model from close quarters. I went to Japan for one of the modules of my AFC Pro Licence course and had the opportunity to visit academies of J-League clubs. What struck me most was not their facilities, impressive as they were. It was their unwavering commitment to school football. Every nation that is progressing in Asia

has recognised the same truth: Youth development cannot begin at 15. It begins at five. We use the phrase constantly, but what are we actually doing to ensure the betterment of our kids? At the school level, how many institutions genuinely encourage children to pursue football?

We also have a habit of announcing ambitious targets without creating a roadmap to achieve them. Japan offers a fascinating contrast. During my visit, coaches spoke about Mission 2050 — being a World Cup title contender by 2050. They are working towards it. Five-year-olds are being nurtured and monitored with that target in mind.

Many of us hoped things would change with the arrival of the Indian Super League in 2014. Among its founding principles were clear objectives: Clubs should develop their own infrastructure and maintain dedicated developmental squads. How many teams have been able to build their own grounds? Even Mohun Bagan, my former club, and East Bengal, the two pillars of Indian football, train on borrowed land from the Army, after more than a century of existence.

Our players must also be held accountable. Having worked with many of the current Indian players, I can tell you, without naming anyone, that we lack hunger. There is a sense of contentment and no urge to test limits in overseas leagues because it will not be as lucrative as the ISL. Ask yourself a simple question: If Khusanov had never left Uzbekistan for France, would he have become the player he is today?

We also hear frequent complaints about infrastructure and facilities. Some of those criticisms are valid. But can they fully explain our performances? Does DR Congo possess world-class infrastructure? Does Cape Verde? What they possess are players willing to test themselves in demanding environments abroad. Their development has been accelerated by exposure to higher standards. Our players are reluctant to leave their comfort zones.

There is one question that always follows: Will we ever get there? I choose to remain optimistic. The number of participating nations has been increased to 48, and further expansion seems inevitable. If we put a long-term plan in place and are diligent in following it, can a country of our size not find 11 players good enough to be at the World Cup?

But we have to be patient. Japan, despite all its progress, does not expect to become a World Cup contender until 2050. That is realism. So if anyone tells you it will be at the World Cup in 2034, he is either selling you a dream or living in a fool's paradise.

The writer coached Mohun Bagan to the 2014-15 I-League title and was part of the India U-16 coaching staff at the 2008 AFC U-16 Championship in Tashkent

Search for shortcuts is an own goal



MIHIR VASAVA

THE WORLD has descended on the United States. Mexico and Canada. Underdogs are writing improbable stories. New football nations are daring to dream. And old guards are guarding their territory. Back home, however, Indian football spent last week talking about something else entirely.

The All India Football Federation proposed changing its name to the Football Federation of Bharat. It also approved the playing of the national anthem and 'Vande Mataram' before official matches. The timing was impossible to ignore. These decisions arrived with AIFC elections looming and the political currents around Indian football growing stronger.

There is nothing inherently wrong with symbolism. Nations have always wrapped sport in identity. The problem is that symbolism has become the loudest conversation in Indian football at a moment when the sport desperately needs discussion about performance. While administrators debate names and songs, the national team has quietly slipped into irrelevance.

This World Cup has once again shown that football's traditional hierarchy is not fixed. Countries with smaller populations, smaller economies and fewer resources have found ways to compete. Some are built on smart scouting. Others on long-term youth development. Others on clear footballing philosophies that survive changes in coaches and administrators. The common thread is that they all built something.

India, by contrast, often appears to be rebuilding from scratch every few years. The most worrying aspect is that the conversation around Indian football has become increasingly detached from what happens on the pitch. There should be outrage about the national team's decline. There should be debates about why India continues to struggle against opponents it once expected to beat. There should be scrutiny of talent development pathways.

Instead, Indian football has spent much of the past year dealing with administrative uncertainty. The Indian Super League, supposedly the flagship project that would transform the sport, has lurched from one crisis to another. Investors have walked away. Hundreds of players are facing an uncertain future. The credibility of the entire ecosystem has been damaged.

India has spent a decade celebrating frivolous things. Hosting the U-17 World Cup, for instance. Eighteen players from that edition are now leading their national teams at the ongoing World Cup, from Eng-

land's Marc Guehi to Japan's Takefusa Kubo and Spain's Ferran Torres. India's best-trained batch, however, has slipped into oblivion. It begs a question: Is our country's system good enough to produce elite footballers? The answer is perhaps most visible in the national team's search for solutions.

Over the past year, much of the discussion has revolved around Overseas Citizens of India and players of Indian origin abroad. The logic is understandable. If the domestic pipeline is not producing enough quality, perhaps help can come from elsewhere. Yet even supporters of the OCI route admit that it is, at best, a short-term patch. India's citizenship rules currently prevent OCI holders from representing the national team unless they acquire Indian citizenship. All of a sudden, the pretence of developing players has fallen, and the AIFC seems to have put all its eggs in the OCI basket.

The larger question is more uncomfortable. Why is a country of 1.4 billion people looking overseas for answers?

The obsession with OCI players risks becoming a distraction from a more fundamental problem. Scouting and talent identification within India remain woefully inadequate. Every major football nation has networks stretching into villages, schools and local leagues. India still relies heavily on a narrow professional ecosystem concentrated in a handful of states and academies.

Those who should be deciding policies are consumed by governance battles. Meanwhile, the rest of the world moves on. Countries once considered minnows now produce players in Europe's top leagues. Smaller football federations have embraced data, analytics and sophisticated scouting. Others have built coherent identities that survive election cycles and administrative changes.

India still searches for shortcuts. Perhaps that is why the scenes from this World Cup feel so distant. The tournament is filled with nations that spent years making sensible decisions before enjoying their moment on the global stage.

India wants the moment without completing the journey. And if you are expecting a happy ending here, you will not find one. Not yet. Not while symbolism substitutes for substance, or while the national conversation is about names rather than footballers.

The World Cup dream is not impossible. But it is becoming increasingly unrealistic. Unless Indian football takes drastic steps to fix its structures, strengthen its leagues, widen its scouting network and prioritise development over optics, qualification will remain what it has always been: A dream discussed every four years and forgotten for the next four.

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PM Modi needs a Kamaraj Plan. Will he bite the bullet?



A SURYA PRAKASH

AS NARENDRA MODI marches on in his third term in office, attains the distinction of becoming the longest continuously serving elected prime minister of the country and is showered with well-deserved encomiums for the phenomenal achievements on various fronts, he is also confronted with questions about the quality of the men and women in his Council of Ministers and the sense of fatigue that has set in, both in the government and in the Bharatiya Janata Party (BJP).

Be it the social sector, infrastructure, economy, defence, transport, foreign policy, or digitalisation, PM Modi's record over the last 12 years is outstanding, but the credit, barring exceptions, has gone entirely to him. How competent or otherwise are the 71 members of PM Modi's Council of Ministers? It appears as if the burden of delivering on promises is entirely on his shoulders. Similarly, while the BJP claims to be the biggest political party in the democratic world (40 million registered primary members), has anyone heard of its general secretaries or other face-bearers travelling across the country and galvanising party cadres?

The party apparatus is a pale shadow of what it was two or three decades ago, when it had active general secretaries like Arun Jaitley, Pramod Mahajan, and Modi himself, who kept tabs on the goings-on in the states and were dispatched on trouble-shooting expeditions. For example, what has become of the party in Karnataka, or what is the rating of the chief ministers of Madhya Pradesh, Rajasthan, or of the BJP in these states? How well is the party organised to face the political battle in Uttar Pradesh, Uttarakhand, Punjab, Gujarat, Himachal Pradesh, Goa, and Manipur, which go to the polls next year?

This brings us to the issue at hand — a figure — both in the government and the party. Whenever there is a charismatic head of government like Indira Gandhi or Modi, many in the council of ministers begin to believe that they just need to implement orders from the PMO and "be seen" by the leader. Several of them are leaders in their own right and have long political and administrative experience, but over time, they get used to the perks that go with their offices and just go with the flow. Many of them need to be shaken out of their slumber and given new tasks to galvanise the party, where the KPAs are clearly laid out. But will PM Modi do it?

Few within the Union government indeed have energy levels that can match Modi, and this is true of the party apparatus as well. So, what should be done? The Prime Minister must undertake a major operation to bring fresh blood into the government and move heavy weights from the government to the party apparatus. Thus strengthening both the government and the party. In other words, Modi must execute a BJP version of the Kamaraj Plan.

What was the Kamaraj Plan? K Kamaraj, chief minister of the then Madras State, suggested in mid-1963, when the fortunes of the Congress party were sagging, that top

leaders of the party must exit the government and work for the party. He presented his plan to the Congress Working Committee (CWC) and said leading Congressmen who were in government "should voluntarily relinquish their ministerial posts and offer themselves for full-time organisational work". The working committee adopted his proposal, and it was passed by the AICC on August 10.

Kamaraj set the ball rolling by offering his resignation as chief minister. Soon, other chief ministers and Union ministers offered their resignations. The prime minister had the unenviable task of deciding whom to let go and whom to retain, which he eventually did. Jawaharlal Nehru took a fortnight to decide and informed the CWC that he had accepted the resignations of six Union ministers — Morarji Desai (Finance), Jagjivan Ram (Transport and Communications), Lal Bahadur Shastri (Home), S K Patil (Food and Agriculture), B Gopal Reddy (Information & Broadcasting) and K L Shrivallabha (Education) — and six chief ministers: K Kamaraj (Madras), Biju Patnaik (Orissa), Ghulam Mohammad Bakshi (recognised as "prime minister" at the time) (Jammu and Kashmir), Binodanand Jha (Bihar), Chandra Bhanu Gupta (Uttar Pradesh) and A Mandloi (Madhya Pradesh). Several of them were assigned party work, and Kamaraj was appointed president of the Indian National Congress. S Gopal, Nehru's biographer, described the exercise as "an effective way of political spring-cleaning".

While accepting the AICC diktat on the Kamaraj Plan, Nehru said that the AICC resolution was a correct one even though it was unusual and rather unique. The decision was based principally on making it clear that Congress does not approve of people being attracted by the office and the power that it brings. "While all of us in the Congress should be devoted to the service of our people, the desire for office or power vitiates the desire for service".

Since the BJP has been in power continuously at the Centre and in most states over the last 12 years, one can substitute Congress with the BJP in the above paragraph to effect a major overhaul and come face to face with reality. This observation of Nehru is worth considering because many within the BJP believe that a certain level of arrogance has crept in among ministers and chief ministers, who are now caricatures of the humble *karyakarta* they were when they were out of office.

Another observation of Nehru is significant in the context of the current debate within the government and the BJP at the Centre. Nehru said, "The action should be big enough to be important and striking. That means top personalities who are now in high offices must retire and devote themselves to organisational and/or other forms of service to the people".

This is a key requirement for prominent party leaders because long years in office make many of them averse to the dust and grime that goes with building the party at the grassroots.

Despite his stern exterior, Modi does not let go of those he has worked with for long years. He keeps them engaged. As a result, most ministers have had a long innings in government, and the party is bereft of heavyweights. Given this temperament, the million-rupee question is, will PM Modi bite the bullet?

The writer is member, Prime Ministers' Museum and Library Society

LETTERS TO THE EDITOR

Hormuz chokehold

THE STRAIT OF Hormuz situation deserves more serious domestic attention than it is currently receiving ("No going back to the pre-war Strait", *IE*, June 25). India's dependence on energy imports, including crude, LNG and LPG, through a single volatile corridor is a structural vulnerability, not a temporary inconvenience. Diversifying supply routes, accelerating renewable energy adoption, and building strategic petroleum reserves are no longer optional long-term goals. They are immediate policy necessities. The Narendra Modi government must treat energy security as an infrastructure priority because price shocks resulting from disrupted Gulf supplies will hurt the most vulnerable citizens.

A Mylswami, Coimbatore

IT GOES without saying that turning the clock back to the pre-war era of the Strait of Hormuz could be a herculean task, if not impossible ("No going back to the pre-war Strait", *IE*, June 25). The regime led by the Islamic Revolutionary Guard Corps would never part with its "money-milking cow" after having "tasted blood" by charging tolls on vessels transiting the Strait of Hormuz, which remains

under its control. Since one-fifth of the world's energy supply passes through it, the editorial's analysis that the world will shift to more viable energy sources simply cannot be overstated. Moreover, its prescription of certain dos and don'ts for India, also merits due consideration.

S K Gupta, via email

The point of politics

SHASHI THAROOR'S diagnosis about defecting politicians is accurate ("Ideology, defection, and the death of purpose in politics", *IE*, June 25). When defection carries no reputational cost and party membership becomes purely transactional, voters lose meaningful choice. The anti-defection law needs sharper teeth, with faster adjudication and real consequences. More importantly, political parties must start rebuilding internal democracy so that ideological identity means something beyond electoral arithmetic. Politics without conviction eventually produces governance without direction. The people of India deserve better representatives in Parliament who actually stand for something, not simply whoever offered the most convenient arrangement.

Swathi Senthilkumar, Coimbatore



RANJIT LAL

BIRDERS IN Mumbai are puzzled over why thousands of migratory waders that flock to the city's coastline have not yet left for their vast breeding grounds that stretch from the Himalayas through Tibet, China, Mongolia and beyond, including up to the Arctic Circle. The journey is perilous and often takes weeks, and the birds are known to set off by March. By now, they ought to have counted and been in the thick of bringing up families, not hanging around all dressed to kill in the Mumbai wetlands.

What might be the reason, then, for the delay? Is it the prolonged summer? Is it something to do with wind patterns? Is climate change? Or, are we simply reading and

The birds are winging it

thinking too much into and about the issue? Now that the rains have broken, we have to wait and see what happens. Normally, day length (photoperiodism) and the availability of food provide the triggers for departures. But if they leave too late, it'll give their chicks less time to be ready for the great winter migration, from their icy homelands bereft of insects to the warm climates down south. Unless, of course, the onset of late winters in the northern latitudes due to global warming and climate change allows them to stay on longer than they normally would.

The bottom line seems to be that we really don't know. We are told we don't have enough data, that there haven't been enough long-term studies to arrive at any conclusion. Besides, who really knows what goes on in those little bird brains?

Here in Delhi, birders have been going round the bend trying to figure out why an

oriental pied hornbill has shanghaied the babies of two grey hornbill families and is feeding the chicks — and aggressively driving away the legit biological parents — from the hollows. She is not a bona fide bird, bitz of the capital (and you wouldn't need an avian SIR to tell you that), so what is she doing here in the first place?

There is, in fact, so much we don't know about the way nature works, a trillion puzzles and unanswered questions, in spite of the enormous body of work and inquiry done towards solving some of these mysteries. We still don't know exactly how migratory birds find their way to and fro from their breeding grounds to their winter homestays and back. We don't know how a mango tree produces its luscious fruit. We may have figured out the ingredients — what the flesh and juice are made of — but even synthesised the recipe in our labs, but even

the heck does a mere tree, standing in the mud, do this? How does it know how to package it all in a safe, sustainable container? Can we acquire all the ingredients from the mud, and with the help of air, sunlight and water only, replicate the recipe?

Sadly, there is only one thing we are excellent at: Destroying as much of nature as we can by gouging the earth, poisoning the air, fouling the water, damming rivers, mining in the mountains and felling the forests (in spite of knowing how valuable they are). It will be interesting to see when the Millennium City swades will be up and off and when they return this winter. Perhaps they are just taking a gap year, which again will leave us scratching our heads. Well, even you does, so why not then?

Is an author, environmentalist and birdwatcher

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

LEGAL

'100%' tag on label, disclaimers on the back: Why CCPA fined 2 companies

Vineet Bhalla
New Delhi, June 25

FROM JUICES to breads, the "100%" label is a near-ubiquitous marketing tool meant to assure consumers of a product's unadulterated quality.

In two orders this month, however, the Central Consumer Protection Authority (CCPA) imposed a penalty of Rs 1 lakh each on two major food and beverage companies — Mrs. Bectors Food Specialities Ltd and Stora Foods and Beverages Pvt Ltd — for running misleading advertisements and engaging in unfair trade practices by prominently using "100%" claims on their packaging and promotional materials.

The CCPA invoked Section 2(28) of the Consumer Protection Act, 2019, which defines a "misleading advertisement" as one that falsely describes a product, gives a false guarantee or deliberately conceals important information. It also relied on Section 2(47), which defines an "unfair trade practice" as making false representations about the standard, quality or composition of goods. The regulatory backdrop for these orders was set by the Food Safety and Standards Authority of India (FSSAI). In an advisory in May last year, the food regulator noted a trend of brands using the "100%" term. The FSSAI had said the term is not defined in its advertising regulations and that its use "is likely to convey a false sense of absolute purity or superiority...".

'100% Atta Bread'

This false sense of purity was the focal point in the case against Mrs. Bectors, the makers of English Oven bread. The CCPA took suo motu cognisance of advertisements for the company's "100% Atta Bread" and "100% Whole Wheat Bread". The company admitted that the actual wheat flour (atta) content was only 87%. But it said the "100%" was meant to convey that wheat flour "the sole grain source" used, without any refined flour (maida). The company also relied on FSSAI labelling regulations, which state that for a bread to be classified as "Whole Wheat Bread", it must contain a minimum of 75% whole wheat flour. The CCPA, however, said that the FSSAI regulations cannot be "elevated into a justification for making an unqualified and absolute claim such as '100% Atta Bread'". It observed that a consumer would reasonably construe the label to mean the product is entirely composed of atta.

MERE TECHNICAL COMPLIANCE IS NOT ENOUGH

- Both companies attempted to use technical compliance with food safety standards as a defence against the application of Consumer Protection Act.
- But the CCPA held that compliance with technical standards does not offer a "safe harbor" for deceptive advertising.
- It said the enactment of the 2019 Act has shifted the principle of 'buyer beware' to 'seller beware'.

The CCPA applied similar reasoning was applied in the case against Stora. In this, the CCPA investigated the company's "100% Tender Coconut Water" and various "100% Juice" variants. The consumer watchdog found that Stora's coconut water was reconstituted from a 96% coconut water concentrate. Likewise, its "100% Juice" variants consisted predominantly of water, with fruit pulp or concentrate ranging between 4% and 16%.

'100% Tender Coconut Water'

Storia contended that the FSSAI permits the reconstitution of juices from concentrates. The company said that because its manufacturing process was legally compliant and because it had included a disclaimer on the back of the pack stating the product was "reconstituted", the front-of-pack "100%" claim was valid.

The CCPA, however, drew a distinction between a permitted manufacturing process and deceptive marketing. It ruled that while FSSAI allows reconstitution, it does not grant a manufacturer the right to present a diluted, reconstituted product as undiluted natural product. The watchdog said fine-print disclaimers on the back of the pack don't make up for misleading claims on the front.

GLOBAL

Behind Venezuela's quake devastation: Rare 'seismic doublet', vulnerable location

Anagha Jayakumar
New Delhi, June 25

THE TWIN earthquakes near Venezuela's capital Caracas are feared to have killed tens of thousands. The first quake, with a magnitude of 7.2, hit about 160 km west of Caracas late on Wednesday night. Just 39 seconds later, it was followed by a magnitude 7.5 quake. The US Geological Survey (USGS) described the disaster as a "seismic doublet". The second quake was the largest to strike Venezuela or off its coast since 1900, according to the USGS.

The agency's preliminary death toll estimate ranged from 10,000 to 100,000. Officials warned this could become one of the country's deadliest natural disasters.

feeling the tremors. Associated Press also reported that buildings were evacuated in Manaus, Belem and Macapa in Brazil's Amazon region. Venezuela President Delcy Rodriguez said the worst-affected areas included Caracas and the north-central states of Miranda, La Guaira, Aragua, Carabobo and Falcón. Despite the widespread damage, Venezuela's oil infrastructure did not appear to be affected, according to Reuters.

Why was it called a doublet?

Given that both earthquakes occurred within a short time and distance from each other, the USGS classified the event as a doublet. In a typical sequence, the larger quake is followed by a series of smaller aftershocks. Doublets, however, are generally defined as earthquakes of similar magnitude that originate from distinct but closely related ruptures and occur in quick succession.

What caused the earthquakes?

Venezuela sits in one of the most seismically active regions in northern South America, along the boundary between the Caribbean and South American tectonic

What is a fault?

WHAT HAPPENED IN VENEZUELA?



STRIKE-SLIP FAULT: Two blocks slide past one another

A fault is a fracture or zone of fractures between two blocks of rock. When these blocks move rapidly, they cause quakes.

Some other types of faults

Normal fault:

The block above the fault moves downward relative to the block below.

Reverse fault:

Upper block, above the fault plane, moves up and over the lower block.

plates. These two plates can slide horizontally past each other along faults, in a phenomenon called a strike-slip fault, causing earthquakes.

The country has witnessed about a thousand earthquakes of magnitude 4.0 and higher over the past decade. According to the USGS, Wednesday night's second, stronger earthquake re-

sulted from shallow strike-slip faulting near the boundary between the two plates. The USGS classified the magnitude 7.2 earthquake as a foreshock, or a smaller earthquake that occurs before a larger one, and the magnitude 7.5 event as the main shock, the largest earthquake in a sequence. The agency said the sequence "likely indicates a complex rupture interaction pro-

POLICY

If passport is not proof of citizenship, what is



DEEPTIMAN TIWARY

THE MINISTRY of External Affairs (MEA) Wednesday clarified that a passport is primarily a travel document and not a standalone proof of citizenship. The statement, made on Passport Seva Divas, triggered confusion. For most Indians, the passport is the most authoritative document issued by the state — carrying the Republic's name, accepted across the world and issued only after verification by government authorities.

The MEA's clarification, however, reflects a longstanding position: a passport is issued because the government is satisfied a person is an Indian citizen, but it does not create citizenship, nor is it conclusive proof of citizenship if challenged in law.

Citizenship a legal status

Articles 11 of the Constitution and the Citizenship Act, 1955, define who is an Indian citizen. Significantly, neither identifies any single document as proof of citizenship.

Instead, citizenship is treated as a legal status arising from facts such as birth, parentage, domicile, or naturalisation. Documents serve as evidence of those facts. For a person born in India, citizenship depends on when they were born and, in certain cases, the citizenship status of their parents. For someone naturalised, it depends on compliance with statutory conditions.

This distinction is reflected in an answer given by the Ministry of Home Affairs in Parliament in February 2020. Asked whether Aadhaar, passport, voter ID, PAN card or birth certificate constitute valid proof of citizenship, the government said: "Acquisition of Indian Citizenship is governed by the Citizenship Act, 1955 and rules made thereunder. Citizenship of India can be acquired by birth or descent or registration or naturalisation or incorporation of territory. The eligibility criteria for acquisition and determination of citizenship is as per the provisions of the Citizenship Act, 1955."

Notably, it did not identify any of the documents as citizenship documents. Yet, under the Citizenship Rules, 2003, those seeking Indian citizenship under certain provisions produce a copy of their parents'

WHO IS AN INDIAN CITIZEN?

Under the Citizenship Act of 1955, there are four ways to obtain citizenship:

- Citizenship by birth:** For birthright citizenship, those born in India between 1950 and 1987 are citizens.
 - For those born between 1987 and 2003, citizenship is accorded only if either parent is a citizen of India at the time of their birth.
 - For those born after 2003, citizenship is accorded if only if either parent is a citizen at the time of their birth and the other is not an illegal immigrant.
- Citizenship by descent:** A person born outside India and who has at least one Indian parent will be granted citizenship, provided that the birth is registered within one year with the Indian consulate in the jurisdiction.
- Citizenship by registration:** This is for persons related to an Indian citizen through marriage or ancestry.



Citizenship by naturalisation:

Naturalisation certificate can be granted to a person who isn't an illegal immigrant and has lived in India for 12 months continuously before applying.

- In the 14 years before the 12-month period, the person must have lived in India for at least 11 years. This is relaxed for some categories.

- Citizenship is treated as a legal status arising from facts such as birth, parentage, domicile or naturalisation.
- Documents serve as evidence of those facts. A passport is issued because the government is satisfied a person is a citizen. It does not create citizenship.

Waiver clause:

If the Centre believes the applicant has rendered distinguished service to science, philosophy, art, literature, world peace or human progress, it may waive all or any of the conditions in the Act. This is how the Dalai Lama or Adnan Sami, the Pakistani singer, got Indian citizenship.

— BY APURVA VISHWANATH

Eligibility for passport

Section 20 of the Act empowers the Centre to issue a passport or travel document even to non-Indian citizen if it considers such issuance necessary in public interest.

MEA sources said the provision is used in special cases. "Largely, cases where an Indian origin person becomes stateless due to geo-political developments, or someone stateless in India and must travel abroad," an official said. Historically, Tibetan refugees and Sri Lankan Tamils in India have been issued special travel documents when visiting other countries, sources said. In 2023, the Madras High Court asked the Centre to grant a passport to a Sri Lankan Tamil Refugee under Section 20 of the Passport Act.

What courts have held

During hearings on the Special Intensive Revision (SIR) of electoral rolls in Bihar last year, a Supreme Court bench of Justice Surya Kant and Justice Jyotsna Bagchi observed: "We would like you to clarify... we have repeatedly passed orders that the list illustratively indicates 11 documents... if you use those 11, apart from passport and birth certificates, none are conclusive proof of citizenship."

The observation appeared to place pas-

Common principle

In the UK and US, too, passports are issued because the state has determined that a person is a citizen; they do not themselves create citizenship.

The difference is that both countries have more robust civil registration systems and, for naturalised citizens, formal citizenship certificates.

The difference is that both countries have more robust civil registration systems and, for naturalised citizens, formal citizenship certificates.

ports and birth certificates in a higher evidentiary category than other documents accepted by the Election Commission for voter verification. Yet, in cases dealing directly with citizenship disputes, courts have often looked beyond passports.

In 2013, the Bombay High Court refused relief to four persons accused of being illegal immigrants despite their producing passports (which were later terminated), Aadhaar cards and birth certificates.

In the 2005 *Sarbananda Sonowal v Union of India* judgment, the Supreme Court underscored that the burden of proving citizenship rests on the person claiming it. "There is good and sound reason for placing the burden of proof upon the person concerned who asserts to be a citizen of a particular country," the court said.

In *State of Andhra Pradesh v Abdul Khader* (1962), the SC treated a passport as evidence of nationality but examined constitutional criteria such as birth, domicile and migration history for citizenship.

The bigger problem

Unlike many countries, India does not issue a universal citizenship certificate for all citizens. Certificates of citizenship are for a limited category of people — those who acquire citizenship through registration or

Articles 5 to 11 of the Constitution and the Citizenship Act, 1955 define who is an Indian citizen. Neither identifies any single document as citizenship proof

naturalisation under Sections 5 and 6 of the Citizenship Act. But the overwhelming majority of Indians are citizens by birth.

India's civil registration system evolved unevenly, and universal birth registration is a relatively recent phenomenon. For millions of older Indians, citizenship has traditionally been inferred from a combination of records — electoral rolls, school certificates, land records, birth certificates, passports and other government documents — rather than through a single definitive credential.

The closest India came to creating such a document was through the National Register of Citizens (NRC). The legal architecture was put in place under the Vajpayee government through the Citizenship Rules, 2003. The rules envisaged a National Register of Indian Citizens, along with local and state-level registers, and contemplated the issuance of identity cards linked to citizenship. The idea resurfaced during the UPA years in a tussle between the Home Ministry and the UIDAI over whether identity verification should precede citizenship verification.

In a conversation with *The Indian Express*, former Union Home Secretary R K Singh recalled that senior Home Ministry officials repeatedly argued that Aadhaar could not serve as proof of citizenship. "At that time, we said it would be a large number of infiltrators to get documents. The PM held a meeting on this. Nandan Nilekani was there. We put our point. It was very clear it cannot be a proof of citizenship. Nilekani agreed that his verification was peripheral."

"As far as passport is concerned, its verification levels are stronger. But passport was not designed to be a document of citizenship. It was always imagined as a travel document. The idea of NRC was tied to providing a proof of citizenship," he added.

However, the NRC was never rolled out nationwide. The exercise became politically contentious and was eventually overtaken by the controversy surrounding the Citizenship (Amendment) Act and fears of a nationwide citizenship verification exercise.

The only large-scale implementation occurred in Assam between 2015 and 2019, where applicants had to establish links to legacy records predating March 24, 1971. Nearly 19 lakh people were left out of the final list, many because of documentary inconsistencies, spelling variations, missing records and difficulties in proving family linkages.

TECH

In Kunal Shah appointment, a signal of WhatsApp's India ambitions

Pratyush Deep & Soumyarendra Barik
New Delhi, June 25

META'S APPOINTMENT of CRED founder Kunal Shah as WhatsApp global CEO and its \$900-million (around Rs 8,500 crore) investment in the fintech app offer clues about its long-term ambitions in its largest market — India.

The choice of an Indian entrepreneur to lead WhatsApp is significant, and in some ways logical. India accounts for 500 million, or a sixth, of WhatsApp's three billion monthly global active users. This is WhatsApp's largest user base in any country.

Shah's appointment comes at a time when WhatsApp is struggling to convert this massive user base into a sustainable revenue engine. Unlike Meta's other flagship platforms, Instagram and Facebook, WhatsApp remains relatively unmonetised. Efforts to unlock new revenue streams have delivered limited results. WhatsApp Pay, for instance, has struggled to gain traction despite India witnessing explosive growth in digital payments over the past few years.

Shah, whose entrepreneurial journey is rooted in fintech, is seen by industry players as likely playing a key role in addressing this challenge. His understanding of consumer behaviour, payments and data-driven business models could help Meta identify ways to monetise WhatsApp's user base in India.

A shift to a 'superapp'?

Shah's appointment has also fuelled speculation that WhatsApp could increasingly move towards a premiumisation strategy — an area that has become central to Shah's thinking in recent years. His own entrepreneurial journey, from FreeCharge to CRED, illustrates a clear evolution in his strategy.

While FreeCharge was aimed at achieving scale through mass-market penetration, CRED focuses on affluent and credit-worthy consumers. The transition highlights Shah's shift towards building products for the premium segment.

A senior Meta group employee in the US indicated that Shah also "shares Meta CEO Mark Zuckerberg's vision around building

A founder-led approach

Shah's appointment reflects a recent pattern of Meta appointing founders in key leadership positions.

Last year, Meta appointed Alexander Wang, founder CEO at Scale AI, as its chief AI officer while investing \$14.3 billion in Scale AI.

Meta acquired a 49% stake in NFG, the \$1.1 billion AI venture fund run by Nat Friedman and Daniel Gosh, last year and hired both to join its leadership team.

a superapp". It is learned that Meta wanted him to do it earlier as he led WhatsApp in India, but it finally led to a global role. This may be why Shah emphasised "global" in his LinkedIn post announcing his WhatsApp appointment, the employee pointed out.

Superapps are all-encompassing digital platforms that combine a wide variety of services — messaging, payments, ride-hailing, shopping and food delivery — and thus eliminate the need to download multiple standalone apps.

In India, the leading contenders in the superapp race are Tata Group's Tata Neu, Reliance's Jio Platforms, Paytm, PhonePe and Adani One, among others.

While the superapp model has achieved significant success in China and some South East Asian countries, it has struggled to gain similar traction in India. A key reason is the maturity and saturation of India's digital ecosystem, where consumers already have access to a wide range of specialised apps for shopping, travel, payments, food delivery, and other services.

However, WhatsApp may be better pos-

sitioned than its rivals to make the superapp model work in India. With its huge user base in India and deep integration into daily life, the platform enjoys a level of reach and familiarity unmatched by most competitors. Meta has already rolled out elements of the superapp concept in several markets and has long viewed India — its largest user base globally — as a key market for expanding the platform's capabilities beyond messaging.

The company is aiming to replicate, at least in part, the success of China's WeChat, which has evolved into an all-in-one platform for communication, payments, commerce and a range of everyday services.

There are notable similarities between CRED and WhatsApp. Both offer services that are largely free to users, while deriving value from the data, engagement and ecosystems built around those users.

While Shah has maintained that Meta will not gain access to CRED user data as part of the investment, the partnership is nevertheless likely to deepen Meta's understanding of India's digitally active and financially attractive consumer segments.

What do we know about the quakes?

The first earthquake struck about 24 km from San Felipe in Yaracuy state. The second hit near Morón in neighbouring Carabobo state, about 168 km west of Caracas, according to the USGS.

The shocks from the disaster were felt as far away as neighbouring Colombia, with residents in the capital, Bogotá, reporting

same magnitude and happen in close proximity to each other," he said.

"Doublets can also be especially destructive because they prolong the strong ground shaking. A 2016 study in *Nature Geoscience* analysing Pakistan's 1997 Hama earthquake found that a second major shock, which struck 19 seconds after the first, doubled both the duration of ground shaking and the area affected by the strongest shaking. Thus, buildings weakened by the first quake immediately, increasing the risk of collapse and complicating rescue efforts.

Have doublets occurred in the past?

● **IN 2023**, a doublet quake struck Turkey and Syria, measuring at magnitudes of 7.8 and 7.7. These happened just 95 km and nine hours apart, affecting 14 million people and causing widespread damage.

● **IN 2021**, a major doublet-like event occurred when quakes of magnitudes 8.6 and 8.2 struck the Indian Ocean, near Malaysia.

● **IN 1988**, a "triple" — a series of three earthquakes just half an hour apart from each other — occurred in Australia.

— WITH INPUTS FROM AMITABH SINHA

FPI INVESTMENT IN FULLY ACCESSIBLE ROUTE BONDS HAS BEEN \$2.2 BILLION IN JUNE

Govt, RBI's bond measures pull 8 months of FPI money in 2 weeks

Siddharth Upasani
New Delhi, June 25

THE MEASURES announced by the government and the Reserve Bank of India (RBI) on June 5 to attract foreign capital into Indian sovereign bonds have started to work as hoped — debt falling under the Fully Accessible Route (FAR) category has seen inflows to the tune of \$2.2 billion in the subsequent two weeks, almost equal to the money that had come in the previous eight months combined.

Data from the National Securities Depository Ltd (NSDL) showed that Foreign Portfolio Investors (FPIs) have net bought FAR bonds on all but one day since capital gains taxes on government bonds were done away with and the pool of securities in this category expanded. This has led to net inflows in these bonds in June rising to \$2.2 billion — the highest in 15 months.

In March 2025, FPIs had invested \$3.34 billion in FAR bonds — a category of government bonds that foreigners can invest in without any curbs.

According to Radhika Rao, Senior Economist at DBS Bank, foreign investors have "turned constructive" on rupee debt. "Sentiment has been supported

in part by expectations that Indian government bonds could be considered for inclusion in Bloomberg's global bond indices," Rao said Wednesday.

Cooling bond yields, triggers ahead

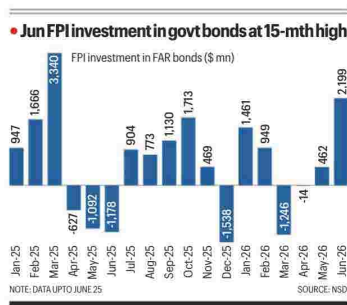
The removal of long- and short-term capital gains as well as the withholding tax on investment by foreign investors in government bonds was aimed at spurring their inclusion in the Bloomberg Global Aggregate Bond Index, which economists predict could pull in anywhere between \$20 billion to \$30 billion of passive foreign funds over a period of 10 months post inclusion.

Several global funds track the weight a certain country has in these bond indices and invest accordingly.

In January, Bloomberg Index Services Ltd (BISL) had deferred the inclusion of Indian government bonds into its flagship global index, saying it will provide another update by mid-2026.

Over the last couple of years, Indian government debt has been added to bond indices of JP Morgan, Bloomberg's Emerging Market Local Currency Index and that of FTSE Russell.

On Thursday, yield on the benchmark 10-year Indian gov-



ernment bond was 6.77% in secondary market, 22 basis points (bps) lower than on June 4.

One basis point is one-hundredth of a percentage point. Bond yields move opposite to their prices. So, a fall in yields means prices have risen, which is profitable for bond holders.

The decline in bond yields has also been aided by comments by RBI Governor Sanjay Malhotra, who in an interview this week argued against expectations of interest rate hikes.

While foreign investors are now putting more money into

government bonds, they continue to dump stock, with net share sales increasing to \$5.55 billion so far this month from \$3.45 billion in May.

Consequently, net FPI investment in Indian shares and debt across all categories has still seen an outflow of \$862 million so far in June, as per NSDL data. As a result, the Indian rupee is trading not too far from its June 5 level of 94.94 per dollar, having closed at 94.40 on Thursday.

FULL REPORT ON WWW.INDIANEXPRESS.COM

RBI's G-sec holding rises to 13-year high

Christina Titus & Kishor Kadam
Mumbai, June 25

THE RBI'S holdings of Indian government securities rose to a multi-year high after aggressive bond purchases. As per the data it released this week, RBI's bond holdings rose to 17.6% of outstanding issuance at the end of March from 14.5% as of December-end.

"The RBI had to undertake large-scale G-sec purchases through OMO operations to inject durable liquidity into the banking system, which resulted in RBI holdings reaching multi-year highs," said Manoj Prasad, VP, Aret Capital. It had bought bonds worth Rs 3.5 lakh crore via open market operations and Rs 90,000 crore through secondary market purchases in March quarter. In FY26, they purchased a record Rs 8.56 lakh crore, accounting for over 80% of net borrowing. As of March-end, outstanding bond issuance was at Rs 125,677 lakh crore. FE

RBI'S NEW FRAUD COMPENSATION MECHANISM

Relief to digital fraud victims: How losses up to Rs 50K can be recovered

Akash Mandal
Mumbai, June 25

VICTIMS OF digital transaction fraud can breathe easy. Under the Reserve Bank of India's (RBI) revised compensation mechanism, victims of digital payment fraud involving amounts up to Rs 50,000 can recover a major portion of the money lost to fraud. Notified by the central bank on Wednesday, and effective January 1, 2027, the new system is another measure to limit customer liability and safeguard customers in such situations.

The new framework, under which the RBI has offered to compensate a substantial portion, comes at a time when bank frauds, especially digital transaction frauds, have become a growing concern for it. In FY26, while the reported fraud cases more than halved to 10,114, the amount involved rose 46% to Rs 48,021 crore.

What has changed?

The central bank has attempted to make the new compensation guidelines strongly pro-consumer. The RBI will contribute the major part of the compensation under the new framework.

Under the new mechanism, victims are eligible for compensation of up to 85% of their losses, up to Rs 25,000, thereby reducing the hit they take from such frauds. A bona fide victim who lodged a complaint involving gross loss of up to Rs 50,000 in the account of a fraudulent electronic banking transaction (EBT) will be compensated 85% of the net loss amount or Rs 25,000, whichever is less, once during the lifetime. The RBI's new framework reads, "For a complaint involving a loss of less than Rs 29,412 via fraudulent EBT, the customer will re-



New framework comes as digital transaction frauds have become a key concern for RBI.

ceive 85% of the amount as compensation. Victims are eligible for such compensation only if they lodge a complaint regarding the fraud within five calendar days. The loss must also be established in accordance with the internal processes set out in the victim's bank's policy.

Who pays the compensation?

The RBI states that victim's bank must compensate them entirely for any fraud arising from the bank's negligence. Negligence in this case includes failing to ensure proper safety and security mechanisms for EBTs, failing to send mandatory alerts for EBTs above Rs 50,000, failing to provide 24x7 channels for customer complaints, system malfunctions, security breaches, and falling to act diligently on customer complaints. The framework specifies that banks must resolve customer complaints regarding fraudulent EBTs within 45 calendar days for domestic fraudulent EBTs, and within 60 days for cross-border fraudulent EBTs. In the case of a fraud of less than Rs 29,412, where the customer is to be paid 85% of the amount lost in compensation, 65% of the cost

will be borne by the RBI, 10% by the victim's bank, and the remaining 10% by the bank where the fraudulent amount ends up in case of domestic fraudulent EBTs. In case of cross-border fraudulent EBTs, the victim's bank's contribution will rise to 20%. For fraud complaints involving amounts between Rs 29,412 and Rs 50,000, where the victim will be compensated Rs 25,000, the RBI will contribute Rs 19,118 (76.5%), while the victim's bank and the beneficiary bank will contribute Rs 2,941 each (around 12%) in case of domestic EBT frauds. In case of cross-border cases, the victim's bank will contribute Rs 5,882 towards the compensation. "In cases where there is more than one beneficiary bank, the applicable compensation to be borne by each bank shall be in the proportion of the amount credited to their respective account(s)," the framework clarified.

Thus, if the amount lost under fraud is Rs 40,000, and the amount recovered from the fraud is Rs 15,000, the victim would be eligible for compensation of Rs 21,250 (85%), with the RBI contributing Rs 16,250 and the victim's and the beneficiary banks contributing Rs 2,500 each. In case none of the lost amount is recovered, the victim will be paid compensation of Rs 25,000, with the involved parties contributing in the proportion stated above. Once the fraudulent amount has been deducted, victims should report the fraud to both their bank in question and the National Cyber Crime Reporting Portal or the National Cyber Crime Helpline. "On receipt of a complaint regarding any fraudulent EBT from a customer, a bank shall take prompt steps to prevent further unauthorised EBTs in the customer's account(s) under advice to him/her." FULL REPORT ON WWW.INDIANEXPRESS.COM

DAY AFTER NEGOTIATIONS ENDED IN DELHI

For a trade deal, US has to ensure competitive edge for India: Goyal

'US has to find appropriate tools, legal backing for it'

Ravi Dutta Mishra
New Delhi, June 25

A DAY after a visiting US delegation, led by United States Trade Representative (USTR) James Grier, concluded negotiations on a bilateral trade deal with India, Union Commerce and Industry Minister Piyush Goyal said Thursday that the agreement will be signed the day the US ensures a competitive edge for India over countries such as Vietnam, Thailand, the Philippines, Indonesia, Malaysia and China.

Responding to a question on the status of the deal at the India Global Forum in London, Goyal said, "The India-US deal was done on February 6th. It was confirmed by both the US and India. There were International Emergency Economic Powers Act (IEEPA) tariffs when we finalised the trade deal. We had negotiated the deal based on bringing down the 50% (tariff) to 18%. The whole deal was centred around that competitive advantage that we got with 18% over our neighbours and competing countries... lower than ASEAN countries other than Singapore."

"With the US Supreme Court striking down the IEEPA tariffs,



Union Commerce and Industry Minister Piyush Goyal during the India Global Forum (IGF) UK-India Week, in London, on Thursday.

and now with the 10%, which expires on July 24, we have to have some reason to be able to enter into force that agreement which we have agreed upon," he said.

"And until the framework of getting into the competitive advantage can be finalised, we cannot enter into a US deal. That is broadly the discussion on how the US will find the appropriate tools and legal backing to give us the competitive advantage over our competition. The day this happens, the deal is on," Goyal said.

Meanwhile, the EU Thursday became one of the largest trading partners to enforce the US deal after the US Supreme Court in February this year ruled tariffs under the IEEPA illegal. Several US deals automatically became unenforceable by partner countries as reciprocal tariffs were no longer in effect.

The US is working on a new tariff structure under Section 301 of the US Trade Act of 1974.

Under the US-EU deal, the EU is expected to eliminate tariffs on all US industrial goods and to provide preferential market access for a wide range of American seafood and agricultural goods including tree nuts, dairy products, fresh and processed fruits and vegetables, processed foods, plantings, soybean oil, and pork and bison meat.

The US, in turn, committed to apply the higher of either the US Most Favoured Nation (MFN) tariff rate or a tariff rate of 15%, comprising the MFN tariff and a reciprocal tariff, on originating goods of the EU.

But on June 18, the US opened a fresh Section 301 investigation on Germany, the EU's largest economy.

HORMUZ REOPENING EASES TAIL RISK, BUT COSTS STAY ELEVATED

The reopening of Strait of Hormuz lowers immediate tail risk for Asia-Pacific, but supply normalisation will be slower, costlier & more fragmented, S&P Global Ratings said in a report.

South Asia faces second-order risks

- India is the world's largest urea importer and relies heavily on Gulf suppliers
- Bangladesh and others depend on imported fertilisers and gas-liquid nitrogen production
- Alternative supply from North Africa, Russia, China or Europe could help, but would be slower and costlier

Fragility remains despite easing prices

- Brent crude retreated to below \$80. LNG Japan Korea Marker is near \$15 per mmbtu after Iran-US MoU
- S&P said lower prices do not mean physical markets have healed
- Shipping, insurance, port and operational constraints could delay a return to pre-conflict flows



"A Hormuz reopening reduces immediate tail risk, but Asia-Pacific still faces slower, costlier, and more fragmented operating conditions."

SUNJIN TIAN, HEAD OF ASIA-PACIFIC CREDIT RESEARCH, S&P GLOBAL RATINGS

SOURCE: S&P GLOBAL RATINGS REPORT 'HORMUZ REOPENING, FRAGILITY REMAINS' (PTI)

Govt raises LPG supplies to industry on better availability

New Delhi: India has increased supplies of liquefied petroleum gas (LPG) to non-household users and removed caps on supplies to various commercial sectors after increased availability, the government said in a statement issued Thursday.

"The restoration follows the recent improvement in the LPG supply situation," the government said. India has decided to

restore 50% LPG supplies to commercial and industrial customers whose allocation had been suspended. The country has also decided to increase the supply of propane, butane, and other molecules for petrochemical production, the government said.

Before the conflict, India was buying 90% of its LPG imports from Middle Eastern producers. REUTERS

State borrowings must focus on asset creation: FM

Kanchipuram, Tamil Nadu: Union Finance Minister Nirmala Sitharaman Thursday emphasised that state governments must channel their borrowed funds into long-term capital expenditure, such as schools and hospitals, rather than relying heavily on revenue expenditure like cash distributions when financial resources are tight.

Addressing the media, she underscored that taking loans to create public infrastructure yields a positive economic impact and generates employment for the next 50 to 60 years.

"Borrowing is not the issue, but what you do with the borrowed money matters. Are you creating assets? Is it bringing education, industries, or increasing employment? That should be the focus," she said, noting that states are permitted to borrow up to 3% of their gross state domestic product. PTI

RBI governor engages export bodies on FEMA

Press Trust of India
Mumbai, June 25

RESERVE BANK OF INDIA (RBI) Governor Sanjay Malhotra on Thursday met representatives of export organisations and discussed matters related to Foreign Exchange Management Act (FEMA).

In his address, the governor highlighted significant contribution of exporters to India's economic transformation and commended their resilience amid an uncertain global trade environment and evolving geopolitical challenges. He underscored the importance of such engagements in understanding stakeholder concerns and facilitating informed policy formulation.

The meeting was attended by representatives of various Ex-

port Federations, Export Promotion Councils, Export Committee of Confederation of Indian Industry and Foreign Exchange Dealers' Association of India. "The discussions during the meeting covered matters related to Foreign Exchange Management Act, 1999, including export-related issues, export credit, Letters of Credit, and other procedural aspects," RBI said. Participants shared their suggestions and feedback on policy and operational matters affecting the sector. The RBI also said it would examine the suggestions and feedback to further support and encourage the export sector. The meeting was attended by deputy governors Swaminathan J, Poonam Gupta and Rohit Jain and other senior officers of the central bank.

ACCORDING TO COMPANY LEADERS AND ANALYSTS, RESTORING BUSINESS CONFIDENCE IN DUBAI WILL TAKE TIME AND MAY REQUIRE MORE INCENTIVES

Dubai moves to contain economic fallout from Iran strikes

Reuters
Dubai, June 25

DAYS AFTER Iran began striking targets across the United Arab Emirates (UAE) in March, Dubai's top officials gathered hundreds of business leaders to discuss how the Gulf tourism and financial hub could limit the economic damage.

The meeting, unusual for its size and timing and reported here for the first time, helped spur measures including a central bank liquidity package, said five people present, who declined to be named because it was private.

Attendees were asked three questions: What should we do to get tourists back? What should we do to get investors back? And how can we support your business? Two of the people said, adding that the crown prince of Dubai had circulated between talking asking business leaders for their input.

Dubai has since pledged 2.5 billion dirhams (\$681 million) in support, focused mainly on sectors such as tourism and retail, which have been hit hardest by the conflict.

Peace agreement

While a preliminary US-Iran peace deal is easing the immediate strains, restoring business confidence in Dubai will take time and may require more incentives, six company leaders and analysts told Reuters.

"Investors want signals on how authorities will respond if tensions return, not just how they managed the last shock," said Neil Quilliam, associate fellow at UK-based think tank Chatham House, almost four months after the war began.

As shelter alerts locked down the UAE, the March 10 meeting was an early signal of authorities' determination to prevent capital flight or an exodus of



Dubai has pledged 2.5 billion dirhams (\$681 million) to support sectors such as tourism and retail.

businesses and investors. Hosted by Halal Saeed Al-Marrisi, director general of Dubai's Department of Economy and Tourism, the meeting was also attended by Dubai Crown Prince Sheikh Hamdan bin Mohammed bin Rashid Al-Maktoum.

Those present at the newly renovated Meydan hotel included real-estate magnate Hussein Sajwani, Emirates airline president Tim Clark and representatives of Rothschild and UBS. The UAE's military and big family-owned companies were also represented.

Government officials told business leaders there would be financial and financial support and that teams were working tirelessly on supply chains, the sources said. Several investor clubs arranged through banks including JPMorgan and Citigroup followed, another three people said. Rothschild, JPMorgan, Citigroup and UBS declined to comment. DAMAC and Emirates did not respond to requests for comment.

"Dubai-it" Big billboards appeared along the city's roads last week with just the words "Dubai-it", a new term coined by the government in what it says is a nod to Dubai's history of getting big things done fast and a sign of what is to come. With oil generating less than 2% of its GDP, Dubai sought international companies, Wall Street and Chinese banks, hedge funds

and the wealthy. Its convenient time zone, proximity to the Gulf's sovereign wealth funds and favourable tax regime have drawn capital and jobs.

For Iran, that made it a target that could unsettle international finance, adding to pressure on Washington.

HSBC analysts have cut their 2026 Gulf growth forecast by 5 percentage points since the conflict began and now expect the region to contract for the first time since the covid-19 pandemic. Non-oil growth in Dubai and Abu Dhabi could fall 8 percentage points or more year-on-year, they said.

While restaurant tables are filling again and flights have largely resumed, hotel occupancy has plummeted. Trade flows are also shifting, with cargo increasingly moving through Oman and Saudi Arabia to avoid the Strait of Hormuz, bypassing Dubai.

BRIEFLY

May telecom subscriber base grows to 134 cr

New Delhi: Telecom subscriber base grew to 134.3 crore in May, led by net additions on the Bharti Airtel and Reliance Jio networks, said the TTI data released on Thursday. Airtel led the growth in subscriber base with net addition of 29.8 lakh subscribers over the month of April. PTI

'Key infra projects log Rs 5.4 lakh cr cost overrun'

New Delhi: Infrastructure projects worth above Rs 150 crore logged a cumulative cost overrun of about Rs 5.4 lakh crore, said Ministry of Statistics and Programme Implementation's report for May. The cumulative expenditure incurred on projects was at Rs 21.82 lakh crore, accounting for approximately 51.34% of revised project cost. PTI

MARKETS

Sensex	77,100.47	NIFTY	24,056.00	Gold	₹1,39,873	US Dollar	₹94.40
	109.25		24.35	Silver	₹2,16,541	Oil	₹70.71
	0.14%		0.14%				

NOTE: GOLD, SILVER RATES AS PER INDIA BULLION AND JEWELLERS ASSOCIATION DATA. GOLD PER 10G, SILVER PER 1KG. CRUDE OIL (INDIAN BASKET) AS OF JUNE 24, 2026

Look east

West Bengal budget promises break from the past

It would not be far from the truth to say that the BJP's win in West Bengal is the 'jewel in its crown'. However, with this landmark win comes the huge challenge of reversing decades of stagnation in a State whose industrial potential and social capital is well acknowledged. When State Finance Minister Swapan Dasgupta presented the budget early this week, he must have been aware of the need to address these expectations.



Any effort to turn around West Bengal, a State less backward in its social indices than its northern neighbours but distinctly poor nevertheless, would have to be based on skilled job creation in industry and services — and that is what the budget tries to do. The challenge is to acquire land without fuss in a densely populated State. A transformative budget for West Bengal would inevitably need to be three-pronged: industry and infrastructure; education; and social uplift. An effort to repair the State's broken finances is also in evidence.

A budget size of ₹4.38 lakh crore, sharply up from the FY26 allocation of ₹3.89 lakh crore, suggests intent to leave a mark. At the same time, the fiscal deficit is expected to be 2.9 per cent of GSDP in FY27, against 3.4 per cent in FY25. The debt stock as a percentage of GSDP is expected to come down from an all-India high of 38.3 per cent to 37.9 per cent. The focus is, therefore, on beefing up the revenue side, with generous help from the Centre. A 223 per cent increase in grants-in-aid to ₹71,393 crore, from ₹22,069 crore, would provide the State government with the comfort to pursue projects with a gestation period. This amounts to over 50 per cent of the State's own tax revenues, projected at ₹1.3 lakh crore. The State's own revenues are also projected to rise 18 per cent over revised estimates for FY26. Yet, interest payments account for about 18 per cent of revenue receipts, as a result of which capital expenditure is budgeted to rise by just 4 per cent.

As for the infra push, the key projects penned down in the Budget include the setting up of a new airport in Kalyani, near Kolkata; the development of three more airports at Purulia, Balurghat and Malda and the expansion of Cooch Behar airport. In a break from the past, the budget promises investment incentives amounting to ₹5,000 crore. In another booster for industry, which has chosen to shift base elsewhere over the last two decades or so, the new government will 're-examine' the Urban Land (Ceiling and Regulation) Act. However, the plan to create new airports in smaller towns should be accompanied by feasibility studies. Initiatives to set up a semi-conductor plant in Durgapur and an IT park in Siliguri are to be welcomed. Social schemes, such as Annapoorna Yojana (₹36,000 crore) and VB-G RAM-G (₹14,000 crore) cannot be grudging, more so in straitened times. In fact, the targeting steps should not lead to exclusion of bona fide beneficiaries. This is an ambitious budget for a State that has often seen hopes being belied.

POCKET

RAVIKANTH



"As my next slide shows, we will be energy independent by..."



Skewed investment and distorted competition

INVISIBLE DRAG. Rising concentration in key sectors is weakening India's growth engine. Capital is deployed to protect margins rather than expand output



AMITABH RANJAN VIKAS SINGH

India is investing enough for 8 per cent growth and getting 6 per cent because competition no longer forces capital to create output. ICOR (Incremental Capital Output Ratio), the amount of capital needed to generate one unit of output, has risen from 3-4 in the mid-2000s to 5-6 today, cutting the growth yield of each rupee of investment by roughly a third.

Consumption holds at 60 per cent of GDP and capacity utilisation in manufacturing sits at 75 per cent levels that historically trigger capex cycles. Yet private investment remains stuck near 30 per cent of GDP. If demand were weak, utilisation would be low and consumption soft. Neither is true. The missing variable is market structure. In concentrated sectors, firms do not respond to incremental demand by building capacity; they absorb it through pricing. Investment no longer scales with demand. At a 30 per cent investment rate, an ICOR of 3.5 supports 8-9 per cent growth; an ICOR of 5.5 supports 5-6 per cent. India's realised growth of 6-7 per cent sits between these outcomes because capital is deployed defensively — protecting margins rather than expanding output.

Across India's foundational sectors, competition no longer expands supply; it manages scarcity. In steel, post-IBC consolidation has created a handful of "national champions" who control 60 per cent of capacity. Instead of "flooding the zone" to lower costs for MSMEs, incumbents use capital to acquire rivals or chase high-margin exports. Cement shows the same substitution: during upcycles, prices rise 8-12 per cent while volumes grow only 4-6 per cent. This gap feeds the GDP deflator; pricing power replaces volume expansion, and the

ICOR rises as more capital is required for each unit of real output.

THE EFFICIENCY OF SCARCITY Aviation and telecom now mirror this structure. With two dominant carriers controlling 90 per cent of the sky, fares leap 20-30 per cent during demand spikes while aircraft orders are phased to protect yields rather than pre-empt demand. In telecom, the incentive to overbuild has vanished; capacity expansion now trails consumption instead of shaping it. Healthcare completes the pincer: hospital chains have pivoted to ARPOB (Revenue per Occupied Bed), deploying capital into high-margin robotics rather than expanding bed counts.

Across telecom, cement and aviation, firms do not build capacity to win demand — they price scarcity to protect margins. In every instance, profits recover faster than capacity expands. Capital is being used to build moats, not bridges. These moats do more than protect margins; they raise the drawbridge against the next generation of competitors.

Entry is where this becomes structural. Manufacturing firm entry rates have dropped below 5 per cent annually, down from 8-10 per cent during the 2004-08 expansion. Incumbents control distribution, logistics priority, and vendor credit. A new firm faces higher working capital needs and limited market access from the outset. It does not scale slowly; it exits early. Fewer entrants mean fewer independent investment decisions, raising ICOR further.

FIRMS DON'T SCALE — THEY EXIT Credit amplifies this constraint. MSMEs borrow at rates 200-400 basis points higher than large firms and wait 60-90 days to collect receivables. Formalisation has tightened the pincer: firms now pay GST on invoices raised rather than cash collected, effectively forcing them to interest-free-finance the state for 10 per cent of their turnover while they wait for buyers to settle. This

locks up to a third of annual turnover as working capital. Delayed payments by large buyers shift financing upstream and trap roughly ₹2-3 lakh crore within supply chains at any point. That is capital that could fund expansion but instead finances delay. Lower firm survival reduces job creation, narrows consumption, and weakens the next round of investment.

Large firms in concentrated sectors add output without adding jobs. India needs roughly 8-10 million jobs annually. When entry is blocked and incumbents automate, employment elasticity falls, narrowing the income base that sustains demand.

GLOBAL, DOMESTIC MARKETS The issue is not concentration alone but where firms compete. In the US, firms operate in globally contestable markets, with capex and R&D at 6-10 per cent of revenue. High margins fund expansion. In India, incumbents deploy far lower expansion intensity because the contest is domestic. High margins fund balance sheet repair, not capacity. Global contestability converts concentration into expansion; domestic insulation converts it into rent extraction.

Germany's Mittelstand success because of financing and market access. Regional banks provide long-term credit, and export linkages anchor demand. Nearly 60 per cent of jobs sit in these firms, accounting for roughly a third of turnover. Fragmentation without credit and export integration will not lower ICOR.

The missing link is not capital but fair competition. Until market power stops crowding out enterprise, India will continue financing a notion of growth it never quite achieves

Commission of India relies on slow processes and behavioural remedies. Sector regulators prioritise tariff stability. Public procurement rewards scale and past contracts, raising entry barriers.

GROWTH FAILS THE MATH Enforcing 30-day payments could release ₹2-3 lakh crore of working capital, while opening logistics and tightening merger thresholds would lower entry barriers. But these changes redistribute margins, and incumbents will resist them.

Capital intensity does raise ICOR. A semiconductor plant will always yield less immediate output than a software firm, and stronger balance sheets do reduce reckless capex. But this does not explain why consumer sectors with short investment cycles — cement, aviation, telecom — consistently price before they build. That is not prudence. It is market power.

The trade-off is immediate. Margins will compress and some capex may pause. But the alternative is arithmetic. At an ICOR of 5.5, India needs an investment rate near 38 per cent of GDP to sustain 7 per cent growth; it is at 30 per cent. Higher ICOR reduces job creation, weakens jobs depress consumption, and weak demand suppresses investment.

That loop is the cost of letting market power replace output — India will grow, but below what its investment has already paid for.

The paradox is stark. We move money in seconds, collect taxes in advance and invest at a rate fit for 8 per cent growth, only to settle for 6 per cent. The missing link is not capital but fair competition. Until market power stops crowding out enterprise, India will continue financing a notion of growth it never quite achieves.

An alumnus of NESA, Washington DC and IIT (ISM) Dhanbad, Ranjan is associated with Indian Institute of Management, New Delhi as Registrar. Singh is an economist, columnist and public policy commentator

Preparing rural India for an uncertain monsoon

District-level institutional capacity will be put to test. Timely action on availability of seeds, water and crop advice, is needed

PVS Suryakumar

Meteorological agencies have warned of El Niño conditions and increased probability of deficient rainfall in several regions, particularly during the critical August-September period when standing kharif crops are most vulnerable. Such forecasts inevitably trigger concerns about agricultural output, food prices, rural incomes and economic growth. Agriculture may account for a smaller share of GDP today, but a significant proportion of India's population, livelihoods and economic activity continues to depend directly or indirectly on agriculture and the monsoon.

El Niño, a periodic warming of surface waters in the equatorial Pacific, influences weather systems across large parts of the world. While El Niño increases the risk of a weaker monsoon, its impact varies across years and regions. Weather forecasts matter. But preparedness matters no less. Recent reviews by the Agriculture Minister have highlighted an important but less understood aspect of Indian agriculture — the district-level contingency plans designed to respond to weather uncertainty. These encompass moisture conservation, seed preparedness, alternative crop strategies and coordinated action across institutions. For many outside the agricultural



MONSOON. If delayed, farmers will need to go for alternative crop strategies

system, these may appear to be routine administrative responses. In reality, they are part of a much larger preparedness framework that India has been building over several decades through the efforts of agricultural scientists, meteorologists, research institutions and State governments. District-specific contingency plans address delayed monsoons, droughts, dry spells and other weather aberrations. Their purpose is to help farmers adapt to a changed reality.

FACILITATING MEASURES What does such preparedness actually involve? First, seed preparedness. If the onset of the monsoon is delayed or rains become erratic, farmers may need access to short-duration varieties or alternative crops better suited to a shortened growing season. Recommendations alone are insufficient; the required seed must

reach the village at the right time. Equally important is affordability. Smallholders often exhaust their limited savings on the first round of failed sowing and may not have the resources to purchase fresh seed without timely support. Second, advisory support. Beyond rainfall forecasts, farmers require practical guidance. Should sowing be delayed? Should crop choice be altered? Should fertilizer application schedules be modified? How should scarce moisture be conserved for critical crop stages?

Third, moisture/water management. Every millimetre of rainfall assumes value. Mulching, small farm ponds, desilting tanks, and protective irrigation become critical. These simple investments often prove invaluable during difficult times. Fourth, efficient use of available fertilizers and timely agronomic practices become crucial during moisture stress.

Fifth, fodder availability, drinking water arrangements and veterinary support for livestock become integral components of drought preparedness. Livestock often provides a critical buffer for rural households when crops fail or incomes decline. Above all, there is the question of institutional coordination and timely action.

Contingency planning, in reality, is a chain of practical decisions: whether an alternative seed reaches a village in time; whether a farmer receives timely advice on sowing; whether a farm pond or

village tank provides one protective irrigation; whether fodder and credit are available; whether procurement, storage and markets are ready to support any shift in cropping patterns and, if not, what corrective action is required. Its effectiveness is ultimately measured not by the document prepared but by the quality and timeliness of actions taken across thousands of villages.

This is why the discussion around district contingency plans deserves wider public attention. India's agricultural resilience today is stronger than it was a generation ago, not because the monsoon has become more reliable, but because knowledge, institutions and contingency systems have steadily evolved. Agricultural resilience is built not in the year of crisis but in the years preceding it. Yet even the best-designed plans can be undermined by failures in execution.

As the kharif season progresses, public attention will understandably remain focused on rainfall figures and reservoir levels. Equally important, though less visible, will be the preparedness measures unfolding across districts and villages. The coming months may test not only the monsoon, but also the institutional memory that India's agriculture has accumulated over decades — and the ability to translate that learning into timely action.

The writer is former Deputy Managing Director, NABARD. Views are personal

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

MSME growth

"Apniye MSMEs: Time to step up" (June 25). MSMEs occupy a pivotal position in driving our economy, primarily due to their capacity and potential for providing employment and powering export growth. However, an estimated 85 per cent of more than 64 million units still depend on informal credit channels, often borrowing at exorbitant interest rates. Further, their clients, often big businesses, inordinately delay payments for the goods supplied by the MSMEs pushing them into bigger

India's tech ascendancy

debt and increasing their woes. These two issues need the immediate attention of the authorities to formulate suitable policies to ameliorate the situation. Seller financing stressed in the article could bring substantial relief to the MSMEs. Solving these issues will also help MSMEs to scale greater heights in terms of scale of business and competitiveness in the domestic as well as global markets. **Kosaraju Chandramouli** Hyderabad

Deposit insurance

with a global technology giant underpins the growing trajectory of India's intellectual and managerial capital. **N Sadhasiva Reddy** Bengaluru

cooperative banks for lapses and failure.

Presently, bank deposits in all commercial banks, RRBs and cooperative banks are insured with a maximum coverage of ₹5 lakh per depositor per bank through DICGC. In recent years, RBI has been cancelling licences of a number of cooperative banks for lapses and failure. This adds to the concerns of depositors, especially senior citizens who depend largely on interest income for their livelihoods. It is estimated that senior citizens' total term deposits amounts to ₹34 lakh crore, with roughly 74 million term deposit accounts held by them. The existing coverage, therefore, will definitely be inadequate and requires to be enhanced substantially. **C Ganesan** Chennai

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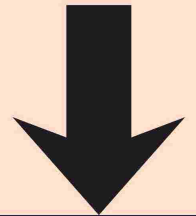
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Stabilising supply chains

Customs overhaul will play a key role here

Gangadhar Panda
Prabhat Agrawal

Recent geopolitical dynamics, especially the closing of the Strait of Hormuz, have pushed customs efficiency from a backend administrative function to a frontline instrument of economic resilience. The government responded with calibrated policy interventions — an inter-ministerial task force to monitor supply risks and support exporters, duty rationalisation across sensitive sectors, including critical petrochemical products, extension of RoDTEP benefits, greater flexibility for SEZ units to sell in the domestic market, and higher import duties on gold, silver, and platinum to curb non-essential imports and support the rupee.



LOGISTICS. Streamlined system

AI-driven route optimisation, shipment consolidation, and improved fleet utilisation. However, the most significant opportunity lies in accelerating the transition to multimodal logistics, especially for long haul. According to NCAER, road freight costs ₹3.78 per tonne-kilometre compared to ₹1.96 by rail and ₹2.30 by inland waterways, a gap that widens decisively beyond 600 km. Despite this advantage, road transport continues to dominate India's freight movement due to inadequate last-mile connectivity, inconsistent rail transit times, and underdeveloped inland waterway infrastructure.

Accelerating dedicated freight corridors, incentivising inland waterway transport, and integrating multimodal solutions into public procurement can unlock significant economy-wide efficiencies are urgently needed.

Technology adoption within warehouses also offers meaningful cost reductions. Automation improves inventory accuracy and efficiency, while predictive forecasting and Just-in-Time systems minimise excess stock and emergency shipments.

Another area requiring greater attention of policy makers is reverse logistics. While India has made strides in forward supply chains, returns management remains fragmented and costly. A structured policy framework that standardises return processes, clarifies GST treatment of returned goods, and encourages technology adoption could significantly improve supply chain efficiency, particularly for e-commerce, consumer goods, and manufacturing sectors, where return rates can be significant.

India's competitiveness will depend on a modern trade ecosystem supported by responsive tariff policies, seamless digital compliance, multimodal logistics networks, and predictable customs procedures.

Beyond customs, substantial savings can be achieved through operational efficiencies such as

Panda is former IAS officer; Agrawal works in government affairs, tax policy, and ease of doing business reforms

AI is redrawing the entry gate

JOBS IMPACT. Employment is rising, but younger workers are no longer keeping pace, and that is a troubling signal



PAYAL SETH

The debate on artificial intelligence and employment is increasingly framed in extremes: between predictions of widespread job loss and claims of negligible impact. In practice, labour markets rarely adjust in such abrupt ways. Technological change works more subtly, through shifts in hiring patterns, changes in task allocation, and gradual reallocation across workers.

It is at these margins that the earliest effects of AI are now beginning to appear.

Recent evidence from the US titled *Canaries in the Coal Mine?*, based on high-frequency payroll data, points to a striking pattern. Employment among early-career workers (particularly those aged 22-25) has declined in occupations most exposed to generative AI, even as employment for more experienced workers has continued to grow.

In some cases, employment for this group has fallen by 6 per cent to 20 per cent since late 2022, while older cohorts have seen steady gains. The implication is not one of aggregate job loss, but of weakening in entry-level hiring.

The question is whether a similar shift is underway in India.

To examine this, we analyse monthly net payroll data from the monthly Employees' Provident Fund (EPFO) payroll data (HF1 series), covering April 2020-21 to July 2025-26, disaggregated by age group. Net payroll additions (a measure of employment) are defined as new EPF subscribers, minus members exiting the system, plus those who rejoin and resubscribe. In effect, this captures the net flow of workers into formal payroll each month.

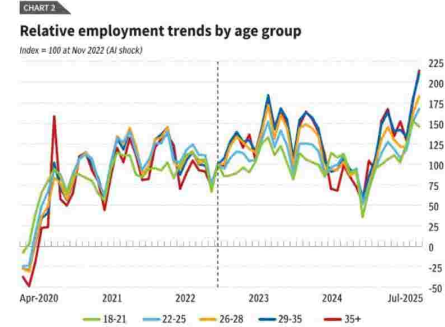
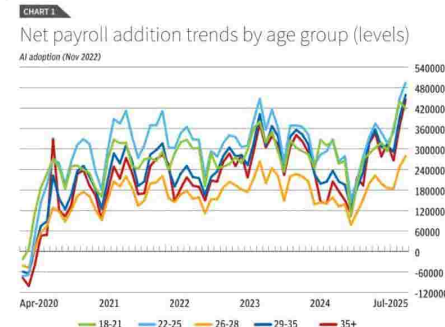
We use November 2022 (the public release of generative AI tools) as a natural reference point to compare employment dynamics before and after the acceleration in AI adoption. A first look at the data, in levels, is reassuring.

Formal payroll additions across all age groups have continued to grow, with no visible collapse after late 2022. The series move broadly together, reflecting macroeconomic conditions rather than any clear structural break. At this level of aggregation, there is little to suggest disruption. But this is precisely where headline numbers can mislead.

The relevant question is not whether employment is rising, but whether it is rising evenly across groups.

READING THE DATA

Instead of focusing on absolute levels, we ask: how have formal payroll additions for each age group changed relative to where it stood when AI began to diffuse rapidly? This is done by converting employment into an index, where November 2022 is set equal to 100; if the index rises to 120, formal payroll



additions are 20 per cent higher than at that point, if it falls to 95, formal payroll additions are 5 per cent lower. In other words, the level 100 in November 2022 represents a certain level of monthly employment. The resulting picture is more informative. While all groups continue to move together, the pace of growth begins to diverge.

A SHIP AT THE MARGIN

We then compare each cohort's average monthly formal payroll additions levels before and after November 2022, excluding the earlier Covid-disrupted period. This allows us to see how different age groups have fared relative to the onset of AI adoption. The pattern is clear. While overall formal payroll additions has grown by nearly 14 per cent in the post-AI period, growth for workers aged 22-25 has been almost flat. In contrast, formal payroll additions gains for older cohorts have

Employment growth is increasingly tilted toward workers with experience, while those at the entry level face a quieter slowdown

been substantial. This is not a story of job loss. Younger workers are not being displaced in absolute terms.

But they are clearly not sharing in formal payroll additions growth to the same extent as more experienced workers. The labour market is expanding, but unevenly.

This pattern is directionally consistent with international evidence, though significantly weaker. In the US, employed among 22-25 year-olds in AI-exposed occupations has declined sharply, by as much as 15 log points in relative terms and up to 20 per cent in levels. No such contraction is visible here. Instead, what emerges is a more muted version of the same mechanism: not decline, but relative stagnation.

This is consistent with emerging evidence on how generative AI is affecting labour demand. It substitutes for routine, codifiable tasks (often performed by entry-level workers) while complementing tasks that rely on experience and judgment. Firms need not reduce employment; they adjust hiring at the margin.

These findings should be interpreted with caution. EPFO data captures net additions to formal employment, not total employment. It covers only the

Formal payroll growth after AI adoption, by age group

Index anchored at 100 in November 2022 (ChatGPT release). Each cohort's average monthly payroll additions (in that period) are scored relative to their own November 2022 level. So 100 always means 'Same as November 2022', above 100 means more hiring than that month, below 100 means less

Age group	Jan 2021- Oct 2022	Nov 2022- Jul 2025	Change %
18-21	93*	103**	10.7
22-25	110	112	1.9
26-28	108	122	12.1
29-35	107	131	22.1
35+	99	127	28.3
Total	103	117	13.7

* and ** in the 21 months before AI (Jan 2021 to Oct 2022), this group was on average hiring 7% below their Nov 2022 level. In the 31 months after, they averaged 3% above it, a modest recovery. The numbers in columns 2 and 3 represent a certain level of change relative to November 22 that is represented as 100

formal sector, leaving out informal and gig work where AI effects may differ. Age-wise trends may also reflect policy and compliance changes, not just labour demand.

Finally, the absence of occupation-level AI exposure means aggregate patterns may understate sector-specific impacts. These limitations do not invalidate the findings, but they do suggest that the observed patterns should be interpreted as early signals rather than definitive evidence.

THE REAL SIGNAL

Even with these caveats, one pattern stands out: the relative stagnation of the 22-25 cohort. Entry-level hiring is the primary mechanism through which workers enter the labour market and accumulate experience. A slowdown at this margin does not immediately show up as unemployment. It shows up instead as weaker early-career progression and, over time, widening disparities across cohorts.

Employment growth is increasingly tilted toward workers with experience, while those at the entry level face a slowdown. Technological transitions rarely announce themselves through crisis. They unfold through incremental adjustments that are easy to overlook in real time. The earliest signal is not job loss; it is a change in who benefits from growth.

In India, that shift appears to have begun. It is not yet large enough to dominate aggregate statistics, but it is sufficiently clear to warrant attention.

The policy challenge is to recognise a transition while it is still unfolding. Because if the entry gate to the labour market narrows, the consequences will not be immediate, but they will be lasting.

The writer is Lead Economist and Head of Center of Data for Economic Decision-making (CoDED), Puhle India Foundation

thehindubusinessline.

TWENTY YEARS AGO TODAY.

June 26, 2006

Arcelor Mittal close to deal

Mittal Steel has sweetened its proposal for a partnership with Arcelor and the two companies are now close to striking an agreement. The source close to the matter said on Sunday. The source said that Mittal, the world's leading steelmaker, is now offering €40.37 per Arcelor share, up from a previous offer of €37.74, in its bid to forge a partnership with the number two producer in the world.

Tata Coffee to buy US company

Tata Coffee Ltd has signed an agreement for acquisition of Eight O'Clock Coffee (EOC) Company of the US from private equity firm, Gryphon Investors, for a total price of Rs 1,015 crore or \$220 million. This is the largest acquisition by Tata Coffee, which is a 51-per cent owned by Tata Tea Ltd.

ADAG get Bombay HC nod for merger plans

The Anil Dhirubhai Ambani Group (ADAG) on Sunday said it received the Bombay High Court's approval for the scheme of amalgamation of Reliance Energy Ventures with Reliance Energy and Reliance Capital Ventures with Reliance Capital. In separate notices to the BSE, the companies said the Bombay High Court has passed the scheme of amalgamation on June 23.

US inflation climbs to 3-year high, spending picks up

Augusta Saraiva

U.S. consumer spending accelerated in May even as prices rose at the fastest pace in more than three years, suggesting Americans are powering through the fallout from the Iran war.

The personal consumption expenditures price index rose 4.1 per cent last month from a year earlier, the most since April 2023, Bureau of

Economic Analysis data out Thursday showed. Excluding food and energy, prices were up 3.4 per cent from a year earlier.

Inflation-adjusted consumer spending rose 0.3 per cent from a month earlier after stalling in April.

The numbers are likely to keep pressure on the Federal Reserve to raise interest rates this year. Despite the recent peace negotiations between the US and Iran that have sent oil prices

tumbling, economists expect the costs of an array of products to continue rising as the initial energy shock works its way through supply chains.

Looking ahead, the recent pullback in gasoline prices could offer consumers some reprieve, though prices at the pump are still almost \$1 a gallon higher on average than before the war started.

Higher-than-usual tax refunds have helped bolster consumers in recent

months, while a reaccelerating labour market and rising stock prices are also supporting spending. Even so, workers across sectors have seen pay gains fail to keep up with inflation, which has many saving less or turning to credit cards to maintain consumption habits.

There was good news on that front in Thursday's figures: Personal income, a metric which is not adjusted for inflation, rose 0.7 per cent, while wages and salaries advanced 0.4 per cent.

BL TWO-WAY CROSSWORD 2680

Grid for crossword puzzle BL TWO-WAY CROSSWORD 2680. The grid consists of 25 rows and 25 columns. Black squares are placed at (1,5), (1,6), (1,7), (1,8), (1,9), (1,10), (1,11), (1,12), (1,13), (1,14), (1,15), (1,16), (1,17), (1,18), (1,19), (1,20), (1,21), (1,22), (1,23), (1,24), (1,25), (2,5), (2,6), (2,7), (2,8), (2,9), (2,10), (2,11), (2,12), (2,13), (2,14), (2,15), (2,16), (2,17), (2,18), (2,19), (2,20), (2,21), (2,22), (2,23), (2,24), (2,25), (3,5), (3,6), (3,7), (3,8), (3,9), (3,10), (3,11), (3,12), (3,13), (3,14), (3,15), (3,16), (3,17), (3,18), (3,19), (3,20), (3,21), (3,22), (3,23), (3,24), (3,25), (4,5), (4,6), (4,7), (4,8), (4,9), (4,10), (4,11), (4,12), (4,13), (4,14), (4,15), (4,16), (4,17), (4,18), (4,19), (4,20), (4,21), (4,22), (4,23), (4,24), (4,25), (5,5), (5,6), (5,7), (5,8), (5,9), (5,10), (5,11), (5,12), (5,13), (5,14), (5,15), (5,16), (5,17), (5,18), (5,19), (5,20), (5,21), (5,22), (5,23), (5,24), (5,25), (6,5), (6,6), (6,7), (6,8), (6,9), (6,10), (6,11), (6,12), (6,13), (6,14), (6,15), (6,16), (6,17), (6,18), (6,19), (6,20), (6,21), (6,22), (6,23), (6,24), (6,25), (7,5), (7,6), (7,7), (7,8), (7,9), (7,10), (7,11), (7,12), (7,13), (7,14), (7,15), (7,16), (7,17), (7,18), (7,19), (7,20), (7,21), (7,22), (7,23), (7,24), (7,25), (8,5), (8,6), (8,7), (8,8), (8,9), (8,10), (8,11), (8,12), (8,13), (8,14), (8,15), (8,16), (8,17), (8,18), (8,19), (8,20), (8,21), (8,22), (8,23), (8,24), (8,25), (9,5), (9,6), (9,7), (9,8), (9,9), (9,10), (9,11), (9,12), (9,13), (9,14), (9,15), (9,16), (9,17), (9,18), (9,19), (9,20), (9,21), (9,22), (9,23), (9,24), (9,25), (10,5), (10,6), (10,7), (10,8), (10,9), (10,10), (10,11), (10,12), (10,13), (10,14), (10,15), (10,16), (10,17), (10,18), (10,19), (10,20), (10,21), (10,22), (10,23), (10,24), (10,25), (11,5), (11,6), (11,7), (11,8), (11,9), (11,10), (11,11), (11,12), (11,13), (11,14), (11,15), (11,16), (11,17), (11,18), (11,19), (11,20), (11,21), (11,22), (11,23), (11,24), (11,25), (12,5), (12,6), (12,7), (12,8), (12,9), (12,10), (12,11), (12,12), (12,13), (12,14), (12,15), (12,16), (12,17), (12,18), (12,19), (12,20), (12,21), (12,22), (12,23), (12,24), (12,25), (13,5), (13,6), (13,7), (13,8), (13,9), (13,10), (13,11), (13,12), (13,13), (13,14), (13,15), (13,16), (13,17), (13,18), (13,19), (13,20), (13,21), (13,22), (13,23), (13,24), (13,25), (14,5), (14,6), (14,7), (14,8), (14,9), (14,10), (14,11), (14,12), (14,13), (14,14), (14,15), (14,16), (14,17), (14,18), (14,19), (14,20), (14,21), (14,22), (14,23), (14,24), (14,25), (15,5), (15,6), (15,7), (15,8), (15,9), (15,10), (15,11), (15,12), (15,13), (15,14), (15,15), (15,16), (15,17), (15,18), (15,19), (15,20), (15,21), (15,22), (15,23), (15,24), (15,25), (16,5), (16,6), (16,7), (16,8), (16,9), (16,10), (16,11), (16,12), (16,13), (16,14), (16,15), (16,16), (16,17), (16,18), (16,19), (16,20), (16,21), (16,22), (16,23), (16,24), (16,25), (17,5), (17,6), (17,7), (17,8), (17,9), (17,10), (17,11), (17,12), (17,13), (17,14), (17,15), (17,16), (17,17), (17,18), (17,19), (17,20), (17,21), (17,22), (17,23), (17,24), (17,25), (18,5), (18,6), (18,7), (18,8), (18,9), (18,10), (18,11), (18,12), (18,13), (18,14), (18,15), (18,16), (18,17), (18,18), (18,19), (18,20), (18,21), (18,22), (18,23), (18,24), (18,25), (19,5), (19,6), (19,7), (19,8), (19,9), (19,10), (19,11), (19,12), (19,13), (19,14), (19,15), (19,16), (19,17), (19,18), (19,19), (19,20), (19,21), (19,22), (19,23), (19,24), (19,25), (20,5), (20,6), (20,7), (20,8), (20,9), (20,10), (20,11), (20,12), (20,13), (20,14), (20,15), (20,16), (20,17), (20,18), (20,19), (20,20), (20,21), (20,22), (20,23), (20,24), (20,25), (21,5), (21,6), (21,7), (21,8), (21,9), (21,10), (21,11), (21,12), (21,13), (21,14), (21,15), (21,16), (21,17), (21,18), (21,19), (21,20), (21,21), (21,22), (21,23), (21,24), (21,25), (22,5), (22,6), (22,7), (22,8), (22,9), (22,10), (22,11), (22,12), (22,13), (22,14), (22,15), (22,16), (22,17), (22,18), (22,19), (22,20), (22,21), (22,22), (22,23), (22,24), (22,25), (23,5), (23,6), (23,7), (23,8), (23,9), (23,10), (23,11), (23,12), (23,13), (23,14), (23,15), (23,16), (23,17), (23,18), (23,19), (23,20), (23,21), (23,22), (23,23), (23,24), (23,25), (24,5), (24,6), (24,7), (24,8), (24,9), (24,10), (24,11), (24,12), (24,13), (24,14), (24,15), (24,16), (24,17), (24,18), (24,19), (24,20), (24,21), (24,22), (24,23), (24,24), (24,25), (25,5), (25,6), (25,7), (25,8), (25,9), (25,10), (25,11), (25,12), (25,13), (25,14), (25,15), (25,16), (25,17), (25,18), (25,19), (25,20), (25,21), (25,22), (25,23), (25,24), (25,25).

EASY

- ACROSS**
- Fasteners; crumples (7)
 - Correct (5)
 - Remark (7)
 - Devotion (5)
 - Said in passing (9)
 - Take nourishment (3)
 - Chocolate-based drink (5)
 - In good condition (3)
 - Apiarist (9)
 - Throw out (5)
 - Luggage in travelling (7)
 - Mount (5)
 - Victors (7)
- DOWN**
- Develop into; suit one (6)
 - Glues (7)
 - Fib (3)
 - Smooth material (5)
 - Deny as being unfounded (9)
 - Large birds (5)
 - Appointments to meet (6)
 - Sat on eggs (9)
 - Make atonement for (7)
 - Bids (6)
 - Commands (6)
 - The ones in this place (5)
 - Arm joint (5)
 - Firearm (3)

NOT SO EASY

- ACROSS**
- Gets done up, but collapses (7)
 - One is entitled to it, on the one hand (5)
 - Make a critical note and Frenchman will ask how (7)
 - Shame about the East showing such religious feeling (5)
 - People tied on the inside as one said in passing (9)
 - Some subversive attitude is seen to be corrosive (3)
 - Company twice reaches a conclusion that it's the drink (5)
 - Be suitable as will clothes of the right size (3)
 - He has - but doesn't suffer from - hives (9)
 - Throw one out and cast one down, beheaded (5)
 - Travelling grips a worthless woman (7)
 - Through all the wild Border his _____ was the best' (Scott) (5)
 - Target ring in two ways found by successful contestants (7)
- DOWN**
- Fittingly adorn tallness comet, and be first (6)
 - Sticks me among the coins (7)
 - Latin? That is an untruth (3)
 - Took protest action in building? That's material! (5)
 - Are tied up in a way, one won't acknowledge that (9)
 - These egrets flying up include other birds (5)
 - Sit in judgment on sots, nothing less, at such appointments (6)
 - Where Havana is, Edward shows how one led up to hatching (9)
 - Atone for being sanctimonious in form of exeat (7)
 - Expresses willingness to see chests toppled (6)
 - One entering the church - and water - takes them (6)
 - The ones here have article on the Southeast (5)
 - What may be raised at the bar is crooked (5)
 - Open the throttle: it may get one shot (3)

SOLUTION: BL TWO-WAY CROSSWORD 2679

ACROSS 1. Slims 4. Stirrup 8. River 9. Replies 10. Van 11. Penitence 12. Task 13. List 18. Executive 20. Axe 21. Detains 22. Adieu 23. Yearned 24. Tweak
DOWN 1. Shrove Tuesday 2. Invents 3. Scrape 4. Spring 5. Impulse 6. Reign 7. Passed the buck 14. Imagine 15. Fusion 16. Missed 17. Repeat 19. Extra

Economy

FRIDAY, JUNE 26, 2026

IN THE NEWS

REOPENING OF HORMUZ TO CUT TAIL RISK: S&P

S&P GLOBAL RATINGS on Thursday said the reopening of the Strait of Hormuz would lower tail risk for Asia Pacific region, but supply normalisation will be uneven and costly. On June 17 the US and Iran reached a pact to reach a final deal within 60 days.

STEEL SECTOR MSMEs FLAG IMPORT SURGE

OVER 100 MSME players of the stainless steel sector have urged the government to reintroduce the quality control order, citing a surge in Chinese imports after the order was revoked to ease the sourcing of raw material for domestic manufacturing.

Govt revises passport rules from July 1

THE GOVERNMENT HAS revised the passport fee structure through an amendment to the Passports Rules, 1980, increasing application fee for an ordinary fresh passport containing 36 pages from ₹1,500 to ₹2,500. The new rules will come into force with effect from July 1, 2026.

Agri ministry approves nine biogas plants

THE GOVERNMENT HAS approved nine compressed biogas (CBG) plants of Reliance Industries and Turquoise bio Natural to sell fermented organic manure and liquid fermented organic manure directly to farmers in bulk for three years.

Per-person 7 kg ration for AAY households

THE GOVERNMENT IS considering shifting the Antyodaya Anna Yojana (AAY) foodgrain entitlement from a fixed 35 kg per household per month to 7 kg per person per month capped at 35 kg — a move that would benefit larger poor families.

FE BUREAU & AGENCIES

DAY AFTER TALKS WITH US TRADE REPRESENTATIVE

Goyal: US deal hinges on India's competitive edge

MUKESH JAGOTA
New Delhi, June 25

THE DAY THE US finds appropriate tools and legal backing that gives India a tariff advantage over its competitors, the trade deal between the two countries will be finalised, Commerce and Industry Minister Piyush Goyal said on Thursday. "Until the framework for getting that competitive advantage can be finalised, we cannot enter into Force (EIP) the US deal," he said at the India Global Forum in London. The minister's comments came a day after he completed two-day talks with the US Trade Representative (USTR) Jamieson Greer where both sides discussed details of the interim trade deal steps to advance the Bilateral Trade Agreement (BITA).

The minister said that the deal with the US was struck on February 6 and broad contours were fixed at that time. "Our teams have been working since then to finalise the finer print. There is always a little give and take. We are very close to the deal," he said. The trade agreements are about getting a comparative advantage over the competition and the deal both sides had agreed to forgoing down tariffs on India to 18% from 50% had delivered that. In the February framework



Union Commerce and Industry Minister Piyush Goyal during the India Global Forum (IGF) UK-India Week, in London on Thursday

agreement India's tariffs were lower than Bangladesh, Sri Lanka, Taiwan and Vietnam who faced 20% tariffs while Pakistan, Indonesia, Malaysia, Thailand, Cambodia and the Philippines were at 19%. However, before the formal agreement could be signed the US Supreme Court invalidated the reciprocal tariffs leading to reopening of the negotiations. "With the US Supreme Court striking down the reciprocal tariffs and now with 10% tariffs that expire on July 24, we obviously have to have some reason to be able to bring the agreement that we had agreed upon into force," Goyal said.

'Trade agreement with UK most comprehensive so far'

THE FREE TRADE Agreement (FTA) with the UK is the most comprehensive agreement that India has entered into so far, and "sky is the limit" in terms of the economic benefits that will flow from it, Commerce and Industry Minister Piyush Goyal said in London on Thursday. The minister arrived in the UK on a three-day visit to review the preparedness of both countries to implement the India-UK Comprehensive

State govt borrowings must focus on asset creation: FM

PRESS TRUST OF INDIA
Kancheepuram (Tamil Nadu), June 25

UNION FINANCE MINISTER Nirmala Sitharaman on Thursday emphasised that state governments must channel their borrowed funds into long-term capital expenditure, such as schools and hospitals, rather than relying heavily on revenue expenditure like cash distributions when financial resources are tight.

Addressing the media, Sitharaman underscored that taking loans to create public infrastructure yields a positive economic impact and generates employment for the next 50 to 60 years. "Borrowing is not the issue, but what you do with the borrowed money matters. Are you creating assets? Is it bringing education, industries, or increasing employment? That should be the focus," she said, noting that states are permitted to borrow up to three per cent of their Gross State Domestic Product (GSDP). Sitharaman, who is on a two-day visit to Tamil Nadu



Union Finance Minister Nirmala Sitharaman feeds elephants during a ceremony in Kanchipuram, Tamil Nadu, on Thursday

and Puducherry, attended Maha Kumabhishekam of Sri Upanishad Brahmendra Mutt in Kancheepuram on Thursday. She noted that while the capital was being built continuously between 2014 and 2019, a subsequent change in the state government halted the project until 2024. "We have told the states to plan for whichever district they want. The Tamil Nadu government should understand this and plan accordingly," she said. Commenting on the delayed development of Andhra Pradesh's capital, Amaravati, the minister pointed out that political shifts had stalled progress. "The objective is to maintain the right balance between encouraging domestic manufacturing and ensuring hospitals continue to have access to advanced technologies that are not yet produced in India.

Govt initiates anti-dumping probe against Chinese steel

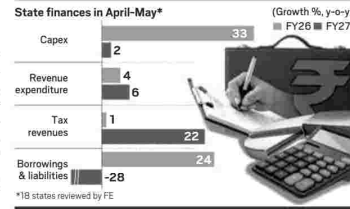
FE BUREAU
New Delhi, June 25

INDIA'S TRADE DEFENCE body has initiated an anti-dumping investigation into the import of Cold-rolled Grain-oriented Steel (CRGO) and Amorphous Metal (AM) from China, Japan, Korea and Russia. Both CRGO and AM are in the list of speciality steel items whose manufacturing the government is seeking to encourage through the Production Linked Incentive (PLI) Scheme. The investigation has started on a complaint by JSW JFE Electrical steel Nashik — a joint venture between JSW Steel and Japan's JFE Steel. The initial probe by Directorate General of Trade Remedies (DGTR) found enough ground exit for starting the probe. The IV is one of the manufacturers selected for speciality steel PLI. Both CRGO and AM are magnetic materials used as core material in electrical transformers for high voltage applications.

States' capex growth slows sharply to 2% in April-May

● Tax collections rise by a fifth

SUBDUED PERFORMANCE



PRASANTA SAHU
New Delhi, June 25

CAPITAL EXPENDITURE BY states likely grew a modest 2% on year in April-May FY27, a sharp slowdown from the 33% expansion recorded in the corresponding period of FY26. Data compiled from 18 major states showed that aggregate capital expenditure stood at ₹61,314 crore during the first two months of FY27, compared with ₹60,094 crore a year ago, reflecting subdued growth. These states — Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand and Telangana — showed a marked improvement in tax collections. Tax collections rose 22% year-on-year to ₹4.2 lakh crore in April-May FY27, accelerating from a marginal 1.2% increase in the same period last year. Revenue expenditure also remained firm, increasing 5.5% to ₹5.18 lakh crore. The stronger revenue per-

formance helped states reduce their dependence on borrowings and other liabilities. Aggregate borrowings and liabilities of the 18 states fell 28.4% year-on-year to ₹1.14 lakh crore in April-May FY27, reversing a 24.4% rise recorded a year earlier. Among major states, Andhra Pradesh posted one of the sharpest increases in capital spending, with capex rising to ₹5,540 crore from ₹2,242 crore a year ago. Kerala's capital expenditure more than doubled to ₹5,708 crore, while Rajasthan's increased to ₹5,016 crore from ₹3,759 crore. Assam also recorded strong growth, with capex climbing to ₹4,628 crore. In contrast, several states

ONGC, BP expand deal to boost western offshore basin output

SAURAV ANAND
New Delhi, June 25



STATE-RUN OIL AND NATURAL Gas Corporation (ONGC) has expanded its partnership with global energy major BP to its western offshore basin, extending the collaboration beyond Mumbai High as India seeks to arrest production decline from mature oil and gas fields that remain critical to the country's energy security. The two companies on Thursday signed a Technical Services Contract (TSC) under which BP will provide technical expertise across 43 blocks in ONGC's western offshore basin, the company's largest hydrocarbon-producing region that has supported India's oil and gas production for more than four decades.

The agreement marks a significant expansion of the partnership that began with Mumbai High in February 2025. According to ONGC, the first year of collaboration at Mumbai High helped moderate natural production decline and delivered output growth through well optimisation, enhanced surveillance, and focused reservoir and production facility management. Under the agreement, BP

will receive a fixed fee during the first two years, followed by a performance-linked service fee linked to a share of revenue generated from net incremental hydrocarbon production, aligning payments with production gains. The agreement was signed in the presence of Petroleum and natural gas minister Hardeep Singh Puri and Petroleum Secretary Neeraj Mittal. "Building on the encouraging outcomes at Mumbai High, this expanded collaboration will support improved recovery, greater efficiency and sustained production growth," ONGC Chairman and CEO Arun Kumar Singh said. BP India Chairman and Senior Vice President Karthikeya Dubey said, "We look forward to bringing BP's global expertise to support enhanced production from the western offshore basin and strengthen India's energy security." The expanded collaboration comes as ONGC focuses on improving recovery from ageing offshore assets through technology-led interventions to sustain domestic crude and natural gas production from some of the country's most important producing fields.

● MANOJ JOSHI, SECRETARY, DEPARTMENT OF PHARMACEUTICALS

'Biopharma Shakti scheme rollout in 3 months'

The government plans to roll out the ₹10,000-crore Biopharma Shakti scheme — announced in the Union Budget — within the next three months after securing Cabinet approvals. The scheme focuses on speeding up regulatory approvals in addition to supporting start-ups and contract manufacturers. In an interview with Manu Kaushik, Department of Pharmaceuticals (DoP) Secretary Manoj Joshi said the government is open to considering price hike requests from drugmakers if the companies can demonstrate genuine cost escalation affecting supplies. Edited excerpts:

Subject to approvals, we expect the policy guidelines to be ready in around three months. The scheme is not just about funding. We are trying to build an entire innovation ecosystem for biological drug discovery. It will cover faster regulatory approvals, funding support for start-ups and large industry, contract research and development organisations (CRDMOs), small-scale GMP manufacturing facilities for clinical trials, and measures to strengthen the biologics ecosystem. Our objective is to reduce both the cost and time required to develop new drugs in India.

infrastructure for clinical trial material and investors who understand biotechnology. Today, several of these capabilities are limited in India. The policy aims to fill these gaps by creating an ecosystem where innovators can discover new molecules using AI, test them, manufacture them for clinical trials and raise funding within India instead of depending on overseas facilities. The government recently allowed price relaxations for a few medicines by invoking Paragraph 19 of the Drug Prices Control Order. Will more applications be considered? We remain open to considering requests where companies provide detailed evidence of significant rise in production costs that could affect drug availability. We have moved away from cost-plus pricing and do not intend to

return to it. But where there is a genuine risk to availability because of cost escalations, which is supported by credible data, we are ready to examine such cases. The government is also reviewing the Global Tender Enquiry (GTE) exemption list for medical devices. What is the thinking behind this exercise? The objective is to maintain the right balance between encouraging domestic manufacturing and ensuring hospitals continue to have access to advanced technologies that are not yet produced in India.

Manufacturing of sophisticated imaging equipment and robotic devices has increased after the PLI scheme, and domestic value addition is gradually improving. At the same time, technology keeps evolving globally. Wherever India is manufacturing competitively, those products should progressively move out of the exemption list, while products that are not made domestically should remain accessible through imports. What is your assessment of the implementation of the revised Schedule M manufacturing standards? Compliance is improving gradually. The decision taken by the government to not extend the implementation deadline beyond December 2025 was intended to encourage companies to upgrade their facilities. Companies that fail to comply will not be able to participate in government procurement. While some firms may struggle to meet the higher standards, the industry ultimately has to move towards better manufacturing standards. Government is committed to supporting the industry with skill upgradation and financial support.

A recent NITI Aayog report highlighted India's dependence on imported APIs, especially from China. How is the government addressing that challenge? Strengthening domestic API manufacturing remains a priority. The PLI scheme has made a beginning, but much more needs to be done. We need Research & Development for better production technologies with improved yields and lower costs, lower environmental impact and better infrastructure support. Whether assistance is provided through PLI or another mechanism, government support will continue because this is a priority area for us.

How does the government plan to strengthen the National Institutes of Pharmaceutical Education and Research (NIPERs) to support India's biopharma ambitions? The immediate focus is to align NIPERs with the

country's transition towards biologics. Historically, NIPERs have been oriented towards chemistry-based education, but we now need to build capabilities in biological sciences. Under the proposed Biopharma Policy, we intend to strengthen their capacity in biologics, and the three new NIPERs will have a stronger focus on this area. Can India realistically emerge as a global hub for outsourced drug discovery and early-stage innovation? We already have some capabilities, but they need to be strengthened. CRDMOs are a critical part of the biopharma ecosystem because they support both Indian and multinational companies. We intend to support this industry through faster regulatory approvals as well as financial assistance so that it can expand rapidly. (Read full interview on www.financialexpress.com)



THE PLI SCHEME HAS MADE A BEGINNING, BUT MUCH MORE NEEDS TO BE DONE

Opinion

FRIDAY, JUNE 26, 2026

Regulation needs clarity

Three years on, it's high time RBI took a final call on Tata Sons listing

THE RESERVE BANK of India's (RBI) final framework for identifying upper-layer non-banking finance companies (NBFCs) answers one question but leaves the most important one unresolved. By dropping the controversial "access to public funds" criterion, the central bank has corrected an anomaly that had rightly drawn industry criticism. Treating equity contributions from group companies as indirect public funds stretched the concept beyond reason. That change is welcome. Yet the larger question surrounding Tata Sons remains exactly where it has been for months. Does the holding company still have to list, or does it not? The final guidelines, like the draft before them, offer no answer. Nor did the RBI governor's latest press conference. The result is that one of the country's most closely watched regulatory issues continues to be managed through silence rather than clarity.

This matters because regulation derives its authority not merely from the rules it frames but also from the certainty with which those rules are applied. In September 2022, the RBI classified Tata Sons and Tata Capital as upper-layer NBFCs, triggering a three-year timeline for listing. Tata Capital has completed that process. Tata Sons has not. More importantly, the deadline has come and gone without any public clarification from either the regulator or the company. The revised framework does little to change that position. By retaining the ₹1 lakh-crore asset threshold as the principal criterion for upper-layer classification, it arguably reinforces it. Tata Sons, with stand-alone assets of about ₹1.75 lakh crore, comfortably exceeds that threshold. If anything, the simplified framework narrows the scope for arguing that the company falls outside the upper-layer category. Yet the RBI has remained silent on whether the listing requirement still stands or whether circumstances have changed.

The unresolved issue is Tata Sons' application to surrender its Core Investment Company and NBFC registrations. If approved, the company could exit the regulatory framework that gives rise to the listing obligation. The RBI is entitled to examine such a request carefully. Equally, it is entitled to conclude that Tata Sons must remain an upper-layer NBFC and comply with the listing requirement. What is harder to defend is allowing uncertainty to persist indefinitely. There is also a larger principle at stake. Scale-based regulation was introduced to ensure that systemically important NBFCs are subject to proportionate oversight. For that framework to command credibility, similarly placed entities must know how it will be applied, under what conditions exemptions may be granted, and whether deadlines are intended to be binding. Discretion has a legitimate place in regulation. Discretion without transparency weakens confidence in the framework itself.

There is an easy way to end the speculation. If Tata Sons must list, the RBI should say so and specify a fresh compliance timeline. If deregistration is to be permitted, it should explain the basis for doing so and clarify whether the decision sets a precedent for other Core Investment Companies. If an exemption is warranted, that too should be made public, together with the reasons. Any of these outcomes would provide certainty. The present situation does not. Regulators rightly emphasise that predictability is essential for markets and investment decisions. That principle applies as much to regulatory action as it does to monetary policy. Nearly three years after the original classification, the market deserves clear answer. Clarity strengthens regulation. Prolonged uncertainty does not.

What would Jane Austen tweet?

BEING A LITERATURE graduate, it is almost obligatory that I turn up my nose at any book that lands on *The New York Times* bestseller list. Unfortunately, being a journalist means I also have to keep track of those very books. So, with some reluctance, I venture into BookTok — and, more reluctantly still, sometimes read what it recommends.

That is how, much to my surprise, I ended up enjoying *Fourth Wing*, the first novel in Rebecca Yarros' *Empyrean* series. It was impossible to miss at the Delhi Book Fair, with its towering displays. The world-building was immersive, the heroine was the classic underdog, and the love interest was broody, seething, tormented and, naturally, tattooed. I was hardly surprised when Amazon snapped up adaptation rights the year it was published. But when the series was officially greenlit last month, a thought struck me like a falling bomb.

Before that revelation, though, consider the other side of the equation. I have been a devoted fan of Netflix's global hit *Bridgerton* since it debuted in 2020. Whatever literary purists may say, Shondaland transformed a conventional historical romance into a lavish, emotionally satisfying drama with diverse casting. Yet it is, at heart, an adaptation of Julia Quinn's novels. After the much-awaited fourth season released earlier this year, sales of Quinn's books reportedly trebled.

The same pattern repeated with *Heated Rivalry*, adapted from Rachel Reid's novel. The show became an online sensation, sending the entire *Cameo* readers series flying off virtual shelves. Reid committed to another sequel centred on the lead couple, a second season was commissioned almost immediately, and its stars, Hudson Williams and Connor Storrer, found themselves walking the Met Gala carpet. Predictably, I devoured all the books within a week of finishing the series.

Admit it, somewhat sheepishly: books are no longer consumed just once. They are read, streamed, debated, clipped into social media edits, and then read again. Somewhere between dismissing adaptations and binge-watching them, this literature graduate has quietly betrayed her own creed.

The obvious penance would be to retreat into Jane Austen or George Orwell. But before returning to Longbourn, an irreverent question presents itself: what would Jane Austen have become if she were writing in the age of BookTok?

The novel itself was once dismissed as unserious entertainment. It was associated with rebellious ladies in drawing rooms or penny dreadfuls for the masses. Commercial success existed — readers famously waited at American docks for Charles Dickens' latest instalments — but many writers worked quietly from home, often publishing anonymously, and some, including Austen and the Brontë sisters, earned lasting recognition only after death.

Could that happen today? Could Mary Shelley have conceived *Frankenstein* anywhere but that trapped in Lord Byron's villa during that famous thunderstorm, where a ghost-story competition was proposed to pass the evening? Would Austen still have written, "It is a truth universally acknowledged..." if she had been worrying about algorithms, engagement, and click-through rates? Could JRR Tolkien have spent decades building Middle-earth without first pitching it to streaming platforms, the way Sarah J Maas' *A Court of Thorns and Roses* seems destined for adaptation?

The modern publishing ecosystem demands more than good writing. Authors are expected to maintain social media accounts, cultivate online communities, and create content that keeps algorithms happy. Books are no longer merely written; they are marketed continuously, often by the writers themselves.

So here stands the conflicted literature graduate — caught between the canon and the algorithm, between what once counted as respectable reading and the irresistible pull of BookTok, which has amassed more than 370 billion views. Perhaps I should pick up Tolstoy as a literary palate cleanser.

And perhaps, just perhaps, I'll also be quietly waiting for the *Fourth Wing* casting announcement.



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REALITY CHECK

POLICIES TO BOOST COMPETITIVENESS HAVEN'T DELIVERED ENOUGH; NON-TARIFF MEASURES REMAIN A BLIND SPOT

Why FTA gains elude India

BISWAJIT DHAR

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IN THE POST-COVID phase, free trade agreements (FTAs) have been the drivers of India's foreign trade. In this period, India has finalised seven FTAs while six more FTAs are in the making, with the soon-to-be-completed bilateral trade agreement with the US being the most significant among them. India is implementing or negotiating 17 FTAs and is among the more active countries in forging bilateral trade deals.

Expectedly, about two-thirds of India's total trade was conducted with its FTA partners in 2025-26 and almost 71% of its exports and 57% of its imports were accounted for by these countries. In the recent past, overall exports were driven by the two largest markets — the US and European Union (EU) — although during the previous fiscal year, exports to the US remained almost stagnant while India's presence in the EU declined for the second consecutive year.

India's overall record of implementing FTAs is not very impressive. From the end of the previous decade, trade with its FTA partners has not reflected the increased opportunities that Indian businesses have been offered through preferential access to their markets. In the post-Covid years, India's overall exports increased by a compounded rate of 1.2%, while overall imports increased by 6%. On the other hand, the increase in India's exports to its FTA partners was identical, while its imports were slightly higher. While growth in exports remained sluggish, imports have registered a consistent increase, given the sizeable market access that India gave to its partner countries in all the recent FTAs. Consequently, India faces the spectre of a rising merchandise trade deficit, which has now begun to hurt the economy.

A closer look at the trends of implementing FTAs with major partners — including the Association of South East Asian Nations members, Republic of

Korea, and Japan, which are being implemented for nearly a decade and a half — provide some answers why the country has not realised the expected benefits from these agreements. The problem seems to be the inability of Indian businesses to consistently serve these markets. Until 2022-23, India's exports to all the three FTA partners increased steadily, but in subsequent years the rising trends reversed sharply, especially with Korea (by over 25%).

The FTA with the European Free Trade Association raised considerable expectations of increased market access for Indian businesses due to the lowering of tariffs by the four-member bloc, but exports to these countries stagnated at less than \$2 billion.

FTAs have not delivered the desired results through higher export earnings due to two sets of incapacities of Indian producers — in manufacturing and agriculture. First, policy measures taken to improve competitiveness have not delivered adequately. Second, Indian producers do not seem to have fully realised that market access in goods trade are no longer determined by tariffs; the non-tariff measures (NTMs), comprising product and process standards, hold the keys to gaining market access.

The National Democratic Alliance government launched the Make in India ini-

tiative to transform India into a global manufacturing hub and increase the share of manufacturing in GDP from 16% to 25% by 2020. Six years later, the production-linked incentive scheme was launched, targeting 14 strategically important industries. The two initiatives were expected to improve competitiveness of critical manufacturing sectors, leading to increased exports. However,

questions are being asked about these schemes as the share of manufacturing dropped to below 15% in 2025-26.

Moreover, improvements in research and development intensity, considered a sine qua non for improving competitiveness, were not seen since 2010. Therefore, in order to improve manufacturing competitiveness, the government needs to urgently focus on pulling manufacturing industries by their bootstraps to make them globally competitive in a time-bound manner. At the same time, public-private partnerships must be forged to substantially step up investments in science and technology institutions, without which the technological gap with India's competitors can never be bridged.

For decades, India's agriculture has been steeped in crisis, but few meaningful efforts have been taken to change the dynamics of this sector. Even a compre-

hensive agricultural policy that could improve sectoral competitiveness and ensure that products meet global food safety standards was never developed in nearly eight decades since Independence. Though the government has often spoken about making India an agricultural export hub, the lack of efforts at improving competitiveness and product quality would leave this objective unrealised.

NTMs are formally included in all FTAs that India has signed with advanced countries in recent years. The more important NTMs include sanitary and phytosanitary measures, technical barriers to trade, environmental standards, and international labour standards. Compliance with these complex regulatory standards is imperative for Indian businesses to realise the expected gains from these FTAs. While endorsing the FTA with India, the EU underlined that product/process standards for protecting human, animal, and plant health are non-negotiable, and that all products imported from India under the agreement would have to respect these standards with no exception.

Environmental and labour standards have increasingly been used as a leverage to regulate market access in advanced countries. In their respective FTAs, the EU and the UK have included the Carbon Border Adjustment Mechanism (CBAM), a carbon tax imposed at the border on imports covering five sectors — iron and steel, cement, aluminium, fertilisers, electricity, and hydrogen. The CBAM has an extensive set of procedures that raise the cost of exporting to the EU and the UK. Therefore, Indian businesses need to be fully prepared to ensure that the CBAM's high compliance costs do not erode their competitiveness. Thus, for India to benefit from the newly minted FTAs, adequate investments must be made for upgrading production facilities as well as regulatory institutions in the country.

A missing group in RBI capital market rules



SHRIRAM SUBRAMANIAN

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WHEN THE RESERVE Bank of India (RBI) deferred implementation of its revised framework governing credit facilities to capital market intermediaries from April 1 to July 1, it signalled that an important policy conversation was still underway. The amendments were introduced with legitimate objective of ensuring that banks do not assume excessive risks while financing activities linked to capital markets. Few would disagree with that goal. The more interesting question is whether the framework, in its current form, adequately distinguishes between speculative trading and liquidity provision.

The Securities and Exchange Board of India's formal market-making framework is largely restricted to small and medium enterprise segments that are illiquid, newly launched, or require liquidity support, rather than established liquid derivatives market. Proprietary trading is straightforward — a firm trades with its own capital and assumes risk for its own account. From a regulatory perspective, it may therefore appear reasonable to subject such activity to tighter financing conditions than client-related business. The difficulty is that proprietary trading is not a single activity. Within this broad category of proprietary traders are participants pursuing very different objectives. Some take directional positions in the expectation that prices will rise or fall. Others spend their day continuously quoting prices, absorbing buying and selling interest, hedging exposures, and facilitating transactions. They deploy their own cap-

ital, but their role extends beyond executing a market view.

More importantly, they contribute to market liquidity. The distinction may sound technical, but its effects are visible every day. The ability to buy or sell securities quickly, execute large orders efficiently, and transact at narrow spreads depends on the presence of participants willing to continuously provide liquidity. This is not a marginal activity. Industry estimates indicate that proprietary participants account for roughly 30% of cash market volumes, 32% of futures volumes, and nearly 50% of options premium turnover. These figures do not suggest that every proprietary trader is a liquidity provider. They do, however, highlight the extent to which market activity relies on proprietary traders operating on their own account.

The RBI's revised framework appears to recognise this distinction in part. It retains facilitative treatment for market-making activities. That reflects an understanding that market makers perform a useful function and should not be viewed in the same manner as speculative traders. Yet this is where an important gap emerges.

In several segments of India's financial markets, particularly exchange-traded derivatives, the liquidity providers are often firms that do not

Speculative activity should face tighter oversight, but the question is whether all proprietary activity should be viewed through the same lens

carry a formal market-maker designation. They maintain two-way quotes, hedge positions, and facilitate trading in a manner that is economically similar to market making. However, because they lack formal recognition, they continue to be treated as ordinary proprietary traders.

The result is a classification problem as two entities may perform substantially similar functions. Both may provide liquidity. Both may contribute to price discovery. Both may operate within the same clearing and risk-management framework. Yet, one receives recognition because it falls within an established regulatory category, while the other does not because the category itself has not evolved alongside market practice.

This matters because Indian capital markets operate in a multi-layered risk-management framework built around real-time margining, daily mark-to-market settlement, and clearing corporation safeguards. Trading activity is subject to real-time margining, daily mark-to-market settlement, collateral requirements, and oversight by exchanges and clearing corporations. These safeguards are designed precisely to contain risk before it spreads through the system.

The policy challenge, therefore, is not whether prudential safeguards should exist. It is whether those safe-

guards can be calibrated more precisely. A framework that treats all proprietary activity identically may be simple to administer, but simplicity is not always accuracy. Regulation is generally at its most effective when it reflects economic reality rather than broad labels.

The solution is not to dilute the RBI's objective, but to refine the classification. As markets evolve, regulators periodically create new categories to address new forms of activity. The emergence of liquidity providers presents such an opportunity. Participants that can demonstrate continuous liquidity provision, maintain hedged books, and satisfy objective operational criteria should be capable of being identified separately from entities engaged primarily in directional trading.

Such an approach would strengthen rather than weaken the prudential framework. It would enable regulation to focus more directly on the risks it seeks to address while preserving the market function that liquidity providers perform. The July 1 implementation date offers policymakers an opportunity to consider that distinction carefully. The issue is not whether speculative activity should face tighter oversight. It should. The question is whether all proprietary activity should be viewed through the same lens. The answer may determine whether the framework captures the realities of today's markets or remained tied to classifications that belong to an earlier era.

LETTERS TO THE EDITOR

Judicial malaise

Appropos of "A case for judicial reform" (FE, June 25), India's judicial system increasingly embodies an institutional malaise where the constitutional ideal of timely justice is subverted by endemic delays and procedural inefficiencies. Litigants frequently endure legal battles spanning decades, incurring substantial financial and emotional costs. By the time of adjudication, the utility of judicial relief is often gra-

tly diminished by changing circumstances. Despite acknowledgements of the crisis by judicial authorities and governments, transformative reforms remain elusive. Acute shortages of judges, infrastructural inadequacies, and archaic procedural mechanisms continue to impede efficiency. Consequently, public confidence in the judiciary's fairness, accessibility, and credibility steadily deteriorates, impeding the rule of law itself. —N Sachdeva Reddy, Bangalore

Inconclusive trade talks

Appropos of "Still a bridge too far" (FE, June 25), despite repeated meetings and visits of US representatives to Delhi, the bilateral trade deal is yet to get a concrete shape. Bringing in provisions of Section 501 of the US Trade Act into the agenda only complicates proceedings. Setting a final date in completing the deal is welcome as long as the US takes steps to remove bottlenecks. The

unconventional demand on India to buy \$500 billion worth of American energy, information and communication technology, and other products impinges on India's sovereignty and freedom to choose. The onus is now on the US to rationalise its tariffs on India and clear the ambiguities in taking trade negotiations to their conclusion. —RV Baskaran, Pune

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OUR VIEW

MY VIEW | FARM TRUTHS



Simplify investment for non-investors out there

India should launch a public service ad campaign that starts with concept selling before it explains risk-return nuances and the like. Economic inclusion and education go together

Over the past decade or so, financial inclusion has expanded by leaps in India, thanks to efforts that drew more people into the formal set-up. This, however, has mostly meant no-frill bank accounts for the country's multitudes. This was a worthy objective, as the state could send cash directly to those in need of welfare support. A fast emerging economy, however, must set its sights higher. In a world of money being made off money, savers must learn to be investors too. By and by, folks at every level of India's pyramid must be acquainted with the basic range of risk-return options. After all, it is a path of upward mobility open to everyone. To light it up for all to see, India should launch a public service ad campaign. It could draw inspiration from the "Sahi ha" effort by the Association of Mutual Funds in India (Amfi), which did a fabulous job of stirring interest in mutual funds. Except that this one ought to begin with the basics, with an elementary concept-selling brief, before it ventures into second-order questions of investor safety and regulatory guardrails.

In practical terms, an influx of rookie investors may seem badly timed right now, given how India's equity-investor base has already swollen over the past half decade. Demat accounts and systematic investment plans have multiplied. While this is welcome, remnant from seen around Indian stock prices today can largely be traced to that upswell of flows into these assets. Yet, there is never a bad time for an educational outreach. A recent survey of 'financial maturity' in Gujarat and Rajasthan by J.M. Financial Centre for Financial Research and People's Research on India's Consumer Economy found abysmal levels of awareness. As Guj-

arat is among India's richer states and Rajasthan among its poorer ones, nationwide findings may not differ very much. The sample scored high on its grasp of basic tools of math used in personal finance, but not on concepts like inflation and compounding. Less than a fourth showed conceptual clarity of what a bond is. Stocks and mutual funds fared worse, with under a fifth able to pass a familiarity test. Well-crafted public messages aimed at people at large would set the stage for India to promote economic inclusion—beyond financial, that is.

Amfi's success has been remarkable, but to craft a mass campaign for a broader purpose, the short-cut of hiring celebrities may not suffice. India's creative outreach must deploy reason, rather than just fame, for lasting impact. Key concepts of investment can be simplified, along with how they work and differ. Once basic options are driven home, or even in parallel, a secondary effort could explain the nuances of risk, with safety levels placed in an earnest spotlight. Pro-investor measures taken by the market regulator, Securities and Exchange Board of India (Sebi), could be highlighted too. To minimize fraud, Sebi has 'verified' badges for trusted apps, for instance, apart from a device to help investors verify returns claimed by sellers of financial packages. It also has a complaint box that promises speedy redressal. Investors, especially new ones, need to hear of how regulators have their backs. The larger mission of public education, however, must guide the entire endeavour. A somewhat radical idea would be to enlist non-investors by awarding them shares in public sector companies. As with direct benefit transfers, Aadhaar could help universalize demat accounts in the country. This way, inclusion could drive education.

Careful planning can help India take on its inflation challenges

Rising pressures amid an El Niño-hit monsoon make a case for pre-emptive government measures



HIMANSHU
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Not so long ago, the Indian economy was described by the finance ministry and the central bank as being in a 'Goldilocks' scenario, which is characterized by low inflation and high growth. The primary driver was a sustained period of low and declining inflation, which incidentally also led to higher real economic growth even though nominal growth had been decelerating. However, estimates of inflation in the last six months have placed a question mark on such claims. Consumer price index (CPI) data released this month confirmed apprehensions of inflation trending higher. Overall inflation was reported at over 3.9% for May, with rural inflation at nearly 4.3% outpacing the 3.5% urban inflation rate. The trend in food inflation was worrying, with its rural measure almost at 4.9% and urban just short of 4.7%. In both, food inflation outpaced overall inflation. Some of this was expected, given our supply disruptions amid the West Asia war, but inflation stayed under the Reserve Bank of India's (RBI) 4% target. With the government passing on a limited rise in fuel prices, the transport sub-group saw only an inflation rate of just 1.75%. However, estimates of the wholesale price index (WPI) released for May show significantly higher inflation at 9.7%, with a rising trend since April's 8.3%. The WPI series, like other statisti-

cal indicators, has been updated to base year 2022-23. Unlike the CPI data, its highest sub-group inflation rate was that for fuel at 30.3%. Wholesale food inflation was estimated at 4.5% but showed a faster rise (from 3.1% in April) than CPI estimates. However, what should worry policymakers is its sharp rise over the last six months. WPI inflation was a little over 1.7% in 2024-25, declining to 0.4% in 2025-26. Food inflation last fiscal year was -3.7%, a sharp drop from 7.5% the previous year. It was negative between June 2025 and January 2026, with the overall WPI reading staying negative from May 2025 to November 2025.

What the CPI and WPI data confirm is that, first, the period until December 2025 was one of sustained low inflation. Second, a rise in inflation, including for food, was taking place even before the West Asia war started. And third, the significant divergence between WPI and CPI inflation in the last two months suggests inflationary pressures building up at the retail level, which are likely to be visible in the coming months.

What is likely to be a challenge for the government is the anticipated increase in inflation as 2026-27 rolls on. While uncertainty over the West Asia war seems largely over, we still have to contend with supply shocks due to deficient

monsoon rainfall amid a strengthening El Niño phenomenon. As of 23 June, rainfall was deficient by 43% compared to the long-term average. This is among the highest for June. Further, a recovery in the remaining monsoon months of July, August and September is unlikely to close that deficit sufficiently, given forecasts of El Niño worsening. The supply shocks from declining output will drive food inflation. An extended period of high temperature that is anticipated as a result of El Niño could hurt even the *rabi* (winter) agricultural crop, adding to price pressures.

Another driving factor is the rise in input costs. This is already visible in energy prices at the wholesale level that are likely to transmit to retail inflation. But input energy costs will also increase as farmers use more ground water for irrigation in the absence of adequate rainfall. Lastly, fertilizer shortages and their price increases are also likely to add to input costs. The extent of this cost-push inflation will depend on the progress of monsoon rains.

The government's challenge is not just to insulate India's large population from a coming inflationary surge, but also ensure employment and growth. Given that inflationary pressures are being driven by food prices, monetary policies are unlikely to be of help. What is required is to ensure adequate supply of essential food items. While imports may be necessary in some cases, any *ad hoc* policy changes in trade policy or imposition of restrictions on domestic and external trade would be counter-productive.

Fortunately, crop output has been high in the last two years. This helped the government enhance its buffer stocks, which could ease some of the supply pressures. But policymakers must also ensure income and livelihood support in rural regions. With economic activity weakening even as incomes face uncertainty, it is also a good time to strengthen the country's employment guarantee programme.

QUICK READ

An uptick in prices preceded the Gulf war but today's inflation gauges point to renewed and potentially worse price pressures as India's rainfall deficiency turns farm supply prospects grim.

The government's large food stock buffer can help ease prices but policymakers mustn't make *ad hoc* trade policy changes. It's also time to step up income support for India's vulnerable.

10 YEARS AGO



JUST A THOUGHT

We were not taught financial literacy in school. It takes a lot of work and time to change your thinking and to become financially literate.

ROBERT KYOSAKI

THEIR VIEW

How low-hanging fruit could give India outsized gains

PUJA MEHRA & ARPITA MUKHERJEE



are, respectively, senior fellow (consultant) and professor, Indian Council for Research on International Economic Relations.

The Iran conflict has made two things clear: One, a new wave of globalization is coming, like it or not. From which further such shocks can't be ruled out; and two, dependable dollar inflows from export earnings need to grow handsomely. In preparation of these new realities, India is striving to secure diverse export markets and integrate its economy into global supply chains. Besides obvious economic gains, this deepening of economic integration will also help increase India's strategic choices, reduce risks and build leverage in geopolitical relations.

A good way of growing Indian exports is to reduce trade costs, which are very high at present, especially for small and medium enterprises (SMEs). India's global ranking based on the Logistics Performance Index (LPI) has gone up from 44th in 2018 to 38th in 2023 among 139 countries, but it is still low compared to our competitors like China. India's performance in the UNCTAD Global Survey on Digital and Sustainable Trade

Facilitation (UNTF) has also improved. In cross-border paperless trade, India's score rose from 28% in 2015 to 67% in 2021, but has stagnated since then; this calls for policy intervention.

Greater adoption of cross border paperless trade is the low-hanging fruit that can reduce trade costs by nearly 25%, according to UNCTAD (2025), resulting in significant gains in export competitiveness. The strategic imperative is even greater, perhaps. Countries like China and Republic of Korea are doing capacity building within the UN Cross-border Paperless Trade Agreement (CPTA) framework to help developing and least developed countries in setting up IT systems that can facilitate cross-border clearances, which India is missing out on. New Delhi had played a leadership role in designing that agreement.

Pakistan is supporting Sri Lanka Customs in digitizing. India can take more initiatives and push for cooperation on paperless trade with Customs in neighbouring countries like Sri Lanka or Bhutan. Customs in India and Bhutan can work on a pilot project for the digital exchange of documents at the Jai-gom (West Bengal)-Phuntsholing (south-west Bhutan) border, which is presently done through shared Excel spreadsheets,

Real-time sharing of data and information will help reduce trade anomalies and check informal trade.

There's a business case for the Indian IT sector to make a bid for exporting trade-tech services to the Asia-Pacific region, potentially building a common platform across this geography seamlessly. In a security-wise uncertain environment, India's interests will be served well if our technology firms can do that, as they are well placed to. Several elements of the architecture needed for digital trade, such as legal preparedness and technological interoperability with trade partners, are already in place.

The Union budget for 2025-26 had announced a BharatTradeNet stack. This unified digital public infrastructure-based stack, for international trade documentation and financing solutions is expected to integrate all stakeholders, including exporters, importers, banks, logistics providers and regulatory agencies,

through an interoperable digital ecosystem. That will take care of the technical infrastructure needed to operationalize a single-window system at home that is interoperable with other e-trade platforms.

Indian Customs is modernizing its systems. Domestically, the country has fully implemented paperless-trade measures under the UNTF, reflecting much progress made in digitalization. The Indian Customs Electronic Data Interchange Gateway, I-gegate, set up in 2007, serves as a central hub for all electronic interactions between Customs and traders. The department's Single Window Interface for Facilitating Trade of India has been operational since 2016.

Legal infrastructure is also taking shape. The Digital Trade Facilitation Bill of 2026 has proposed legal recognition of e-trade documents such that they are admissible as primary evidence in courts. This legislation will create functional equivalence with conven-

tional paper trails. Legal legitimacy apart, it will align with the UNCITRAL Model Law on Electronic Transferable Records to allow cross-border e-bills of lading, e-bills of exchange, promissory notes and warehouse receipts, and also aid cross-border regulatory harmonization and document exchanges.

India's trade agreements have paperless trade provisions too. In practice, our trade facilitation regime has moved beyond basic compliances and can be characterized as TFA-plus. The World Trade Organization's Trade Facilitation Agreement (TFA) took force in 2017 as its first multilateral pact. It encourages members to simplify and harmonize customs procedures, enable faster clearance of goods at borders, improve transparency and predictability in trade processes, and adopt e-trade systems. India ratified it in 2016 and has undertaken several reforms since to align its procedures with it.

We would argue that by acceding to international frameworks such as the UN CPTA, India will be able to leverage its digital infrastructure and institutional capacity to make Asia-Pacific-wide gains. Even if some gaps remain, they can be addressed through domestic reforms, given that the CPTA lets members reform at their own pace. Geetika Gupta contributed to this article.



THEIR VIEW

MINT CURATOR

Did the forex reserves position warrant RBI's crisis playbook?

The central bank's costly measures to attract dollars are hard to explain at a time of comfortable foreign-exchange buffers



SUDIPTO MUNDLE
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With the rupee depreciating rapidly in the wake of the Iran war and India's oil and gas supplies choked by the Hormuz blockade, Prime Minister Narendra Modi went on air to urge citizens to curb expenditure on imports and foreign travel to conserve foreign exchange. Around the same time, the Reserve Bank of India (RBI), which had been intervening in both the spot and forward markets to shore up reserves, announced measures to arrest the outflow of foreign currency. This created an impression of India being in a 1991-like crisis. The country had almost run out of forex back then and had to deposit gold abroad as collateral to secure emergency loans. India is in no such situation today. In early June, RBI governor Sanjay Malhotra reportedly said that India had enough reserves to cover 11 months of imports. So, what was the challenge? Was there some underlying problem?

India's forex reserves had come down from an end-February peak of \$728 billion to about \$710 billion by mid-March and further to \$672 billion by end-March amid the Gulf war and Hormuz blockade. By early June, reserves fell further to \$682 billion, but this still amounted to 11 months of import cover. After adjusting for net forward market dollar commitments amounting to \$100 billion and exposure to short-term debt amounting to \$235 billion, the reserve position worked out to a much lower net liquidity buffer of \$337 billion. However, that was still robust, amounting to 5-6 months of import cover, well over the prudential benchmark of three months.

Thus, even on very conservative assumptions, India's reserve position is quite robust. Hence, it is hard to tell what drove RBI's recent interventions. More than the level, RBI is possibly concerned about the direction of change in forex reserves, which had declined further to under \$672 billion by 12 June. It is also possible that the central bank is concerned about the changing composition of capital flows.

Though gross foreign direct investment (FDI) peaked at nearly \$95 billion in 2025-26, most of it flowed out as repatriation (\$53.6 billion) and outward bound FDI (\$33.3 billion), leaving net FDI of under \$7.7 billion. This is in sharp contrast to much higher retention in most of other emerging markets in South America and Southeast Asia. These gaps call for close scrutiny of India's policy environment.

Turning to foreign portfolio investment (FPI), there was a net outflow of \$13.7 billion in March, mostly from equities. By 23 June, the net FPI outflow had come down to about \$1.5 billion, with equity outflows of \$5.7 billion mostly offset by net debt FPI inflows of \$4.2 billion. Evidently, removal of the long-term capital gains tax on government bonds for foreign institutional investors and withdrawal of the 20% withholding tax have proven effective in containing FPI outflows.

To further encourage debt FPI inflows, the government has expanded the list of securities under the Fully Accessible Route to include new issues with tenures of 15, 30 and 40 years.

Another RBI measure to attract foreign capital is to let foreign branches of Indian banks lend money to non-resident Indians (NRIs) for investment in its revised foreign currency non-resident (bank) or FCNR (B) deposit scheme, which offers

banks protection against foreign currency and credit risk. Indian banks can also issue standby letters of credit-guarantee to offshore banks lending against FCNR (B) deposits. This scheme is likely to boost such dollar deposits, as the nominal FCNR interest rate of 6-7% is higher than international floating rates and NRIs can expect high returns from arbitrage. If they leverage their deposits, annual returns could rise to a whopping 12-19%, that too without any

exchange risk, according to a *Times of India* report. The rupee has stabilized at 94-95 against the dollar, but RBI seems determined to break the cycle of expectations that has resulted in persistent, though not muted, outflows of capital. It will probably succeed in that endeavour. The question that will be debated is whether these measures were really necessary at such high cost, at a time when India's forex reserves are quite robust.

QUICK READ

RBI's risk-shielded deposit scheme to attract dollars from non-residents will likely succeed in drawing large sums, given the high returns promised, but it's unclear if the cost is justified.

If NRIs take dollar bank loans to leverage their investment in these special deposits, interest rate arbitrage could grant them enormous gains. But there would be a bill to be borne by RBI.

Meta's 'super-app': will Kunal Shah finally make it happen?

Unlike with Cred, he'll have to focus on the middle of the pyramid



ANDY MUKHERJEE
is a Bloomberg Opinion columnist covering industrial companies and financial services in Asia.



Cred's Kunal Shah is now expected to turn WhatsApp into a super-app.

Meta is spending \$900 million on an Indian fintech firm whose founder will run WhatsApp globally. Is this just an expensive talent hire? Perhaps. But I think the motivation runs deeper. Meta's chief Mark Zuckerberg may be trying to revive the company's super-app idea.

The global tech firm announced this week that it will own 20% of Bengaluru-based Cred, which rewards people who pay their credit-card bills on time. Cred's founder and CEO Kunal Shah will move to Meta as the head of its flagship messaging service. With an estimated 500 million-plus users, India is WhatsApp's largest market. But how does one make them do more on the app than just communicate?

This is where a super-app enters the picture—a one-stop shop for users to arrange travel, order food, get entertained, pay online, save money, take a loan or buy micro-insurance. China's WeChat is one such colossus; Alipay is another. Indonesia also has two: GoTo and Singaperbangsa-based Grab. But surprisingly, the world's most populous nation has not yet yielded a homegrown digital utility for daily needs. Large Indian conglomerates like the Adani Group, Jio and Tata Group have all tried and failed to capture the crown.

Zuckerberg has also displayed similar ambitions before. A decade ago, he approached the Indian data market with the promise of Free Basics, a walled garden in which the Silicon Valley behemoth and its partners would have been the banyan tree providing shade from high data costs. When that plan didn't fly with authorities and data prices crashed after Mukesh Ambani's Reliance entered the Indian wireless market in 2016 with Jio, the Silicon Valley behemoth switched its attention to promoting WhatsApp as a facilitator of online payments.

Being able to mirror Tencent's success with WeChat Pay could have spawned India's first super-app, but Facebook (as Meta was then called) did not get the chance. Instead, Alphabet's Google Pay and Walmart's PhonePe stole the lead and built solid moats over the Unified Payments Interface (UPI). Stuck in a regulatory logjam, Zuckerberg waited for a very long time to scale up the service. As I wrote six years ago, WhatsApp got a raw deal.

Then a lot of other things happened. Zuckerberg pivoted towards—and later abandoned—the metaverse. His concept of a blockchain-based world money was shot down by regulators. He threw Meta's immense weight into the race for artificial intelligence (AI), investing heavily to cap-

ture the technological frontier of open-source intelligence. Amid all this tumult, however, WhatsApp remains a potentially under-harvested field. Although restrictions on onboarding users for the app's payments function went away in December 2024, Meta does not even have a 1% share of the record 23 billion transactions that took place on UPI last month. Not only is Cred slightly ahead, but more importantly it has some of the country's highest-spending online customers.

Therein lies the attraction to Zuckerberg of both Cred and its founder. Shah breaks the stereotypes of an Indian techie. For one thing, he is not an engineer. A philosophy graduate from Mumbai, Shah built Cred around the idea that in a deeply unequal society like India's, people climbing the economic ladder have a strong yearning to signal their superiority to others. To create a sense of exclusivity, he allowed only people with high credit scores to join his platform. The strategy paid off. Today, Cred processes more than 40% of India's credit-card bills.

Although Cred has ruled out any sharing of members' data with Meta, some critics are asking if the deal is evidence of American tech companies' increasing control over the vast financial data generated by Indian consumers.

The nationality of the investor, however, is a sideshow. Online consumers in India are being routinely fleeced by 'dark patterns'—design elements in apps and websites that trick users into overpaying, or paying for things they never wanted. Shah's challenge will be to create a fair one-stop commercial portal that does not abuse its knowledge of the customer to act against her. Realizing this vision requires a shift from pure utility to high engagement while staying within the limits of India's new personal data protection act.

Meta may have secured the right visionary. But with just 17 million monthly active users, Cred is a niche business.

To give Zuckerberg his elusive super-app, Shah will have to do the exact opposite of what made him famous: shift from rewarding the 1% of society that he has served so far to empowering the hundreds of millions in the middle of the pyramid. That is the ultimate test for both him and his new boss.

MY VIEW | PEN DRIVE

India Inc should make queer inclusion an imperative

SOMNATH SENGUPTA



is a communications professional based in Delhi

I grew up in Calcutta in the 2000s. Raised by a single mother, our home was full of activity. My mother carried extraordinary strength into the corporate world. She gave me a linear path as her supportive son: do your homework on time, aim for excellence—but ultimately, pursue what you truly want.

Graduate studies took me abroad. In multicultural Britain, London offered an open society that was welcoming across ethnicity, gender and sexual orientation. When I returned to India to work in the field of policy and communications, my work-day was intense. I had deadlines to meet, promotions to secure, expectations to fulfil.

Now on the other side of my thirties, I ask whether the childhood targets and aspirations I once carried are being met. I never had to come out—life was busy and performance seemed to matter more than identity. Amid all the noise of the world, I am realising I have not given enough space to

one of the strongest identities of my being: my queerness.

The workplace is one of the most delicate and high-stakes arenas where queer people negotiate this relationship. Coming out at work can bring immense benefits: LGBTQIA+ individuals who are open about their identities often experience greater physical and emotional well-being. But is coming out ever easy?

International examples illustrate the complexity involved. Ricky Martin, asked by Barbara Walters in the early 2000s if he was gay, chose not to answer—a moment Walters later regretted. Anderson Cooper, a journalist of tremendous repute and son of New York socialite and fashion icon Gloria Vanderbilt, took decades to come out publicly. Why? Because for those who can 'pass' as heterosexual or cisgender, the choice often lies between paying a psychological price for invisibility and a social and economic price for openness.

Anthony Watson, the first openly gay CEO in UK banking, once witnessed a vile homophobic slur directed at someone else. The speaker had no idea Watson was gay himself. The moment was so jarring that it became a turning point, compelling him to

embrace his identity and come out despite the hostility of the time.

In India, openly gay executives and investors remain few and far between. Industries have long been engines of inclusion, but has that momentum truly extended to the country's queer community?

A preliminary 2014 World Bank report, 'The Economic Cost of Homophobia,' offered a case study of India, with sizeable output losses attributable to LGBTQIA+ exclusion. It also highlighted an absence of studies on sexual identity-based wage gaps in India: international ones showed gay and bisexual men earned about 1% less than their heterosexual counterparts.

Biases, microaggressions and a lack of awareness create a social and economic environment that often discourages LGBTQIA+ people from expressing themselves fully. This constrains individual potential as well as collective growth.

Advancing LGBTQIA+ inclusion requires more than normative statements. It demands robust accountability, standardized metrics, integrated funding and sustained political will across sectors. The UN is pivotal to this effort. Its Pact for the Future, adopted at the 2024 Summit of the Future, signals an intent to re-imagine global governance for a rapidly changing world.

But the private sector's role can be equally catalytic. As a systemic actor, it shapes access to opportunities, workplace equity and cultural norms.

Inclusion must sit at the intersection of ethics and enterprise value—linked to talent retention, innovation capacity, risk mitigation and competitiveness. Social responsibility and bottom-line logic both favour inclusion. Yet, lack of LGBTQIA+ awareness weakens organizational performance.

Conversely, inclusive businesses are not just more adaptive and resilient, but also better

aligned with today's market expectations.

Workplace equity is also critical to achieving key Sustainable Development Goals—from gender equality and decent work to sustained economic growth and reduced inequalities.

Great Place to Work, a consultancy firm, recommends mandating gender awareness training for leaders—and rightly so. The responsibility of building inclusive environments rests heavily on managers and HR professionals. Yet many require structured training and resources to develop the skills and confidence needed to support and retain LGBTQIA+ employees. Attracting and retaining talent through affirmative action could help too. Organizations must ask themselves how they can provide support, build confidence among individuals who have not yet come out and how they can create pathways that surface talent, nurture potential and prepare those who are 'questioning' for what the future may hold.

Growing up, I was told, 'The world is your playground.' Indeed, it is. I carry that spirit—a *joie de vivre*—into excellence and life itself. But how will that vision translate into enduring optimism? That, ultimately, is what will count.

QUICK READ

Workplaces in India are still not as open as they should be for LGBTQIA+ people to come out with their sexual orientation. This extracts a larger economic price than businesses may realize.

The private sector could play a pivotal role in its own favour by doubling down on diversity and investing in awareness and HR-training exercises to support sexual minorities at work.

Make Indian Auditors Less of an Oddity

More open to international players, not less

Go's drive to build a globally competitive audit industry has not gained enough traction. New rules on auditor rotation have not yielded the desired outcome of giving more local firms a chance to scale up and look multinational competitors in the eye. Companies still prefer to be audited by firms that have global presence, superior technology and international credibility. This presents a policy dilemma. Additional protection for local audit firms could restrict India Inc's access to capital, while also stunting international ambitions of domestic auditors. Yet, audits by multinational networks raise concerns over accountability and data protection.

India needs its champion audit firms and a blueprint for creating them. Initial steps involve curbing surrogate auditing by local firms and nudging foreign investors away from audit mandates in favour of the Big Four. A stronger response could impose restrictions on hosting

Indian corporate data on foreign servers. Sensitive sectors like defence and banking could also be sequestered for audit by local firms. But these measures are selectively protectionist, and don't answer the question of how to grow local champions with world-beating reach, tech and acceptability. These firms must grow organically in the Indian ecosystem before they can take the competition overseas.

Tighter independence rules like restrictions on non-audit services could adversely affect corporate choice and lead to greater market concentration. The global audit industry is built around global networks and local firms that rely on international partnerships. The way to break into the top league involves building a network across countries offering class-leading services. It may be difficult for India to crack the code on its own. But BRICS could have a reasonable chance of creating an audit network that can take on the Big Four. That would mean being more open to international auditors, not less. As capital flows change direction between G7 and BRICS, nature of the audit industry will undergo significant change.

Only Chronology Mat Samajhiye

Culturally, Indians may take their buzzy log a bit too seriously. We seem to take proficiency and wisdom automatically with 'experience'. While there is a correlation between age and expertise, taking it for granted is a dogma we should shake off. Which is why the Supreme Court's refusal to entertain a challenge by a judicial officer in Himachal Pradesh, who complained that juniors had been elevated ahead of him, is welcome. Surely chronology can't be the only metric for promotion. The petitioner was not arguing that selected candidates lacked eligibility but that officers junior to him had been preferred, and that itself was wrong for 'jumping the queue'. Seniority measures time served. It doesn't measure judgement, leadership, intellectual ability, integrity or temperament.

This principle exposes India's institutional cult of seniority. In hierarchical set-ups, promotions often follow a conveyor belt logic where years in service outweigh performance, or problem-solving ability. The same tendency appears in corporate boardrooms, where the 'Sir' often unduly holds his sway over other voices. Whether in government or business, institutions weaken when advancement is treated as a reward for just 'being around'.

None of this is an argument against transparency or accountability. Yet, transparency should illuminate standards, not convert every appointment into litigation by disappointed candidates. Institutions must retain some discretion to assess qualities that cannot be reduced to years served, or objective checklists. The court's message is broader than the case before it: advancement should be earned through 'deservability'. Seniority deserves respect. But institutions that treat it as entitlement eventually sacrifice excellence.

JUST IN JEST

It's finally broken, leaving TV stranded and an online exodus

Breaking News: No Breaking News!

Breaking News: It has finally happened! The ticker-tape hysteria of 'Breaking News' has broken down. After years of declaring everything from two world leaders' no hugging to a minister's voicemail as 'breaking', media platforms have discovered that viewers have fled to the other end of the fat-tended news spectrum — online, where everything from a nuclear war to an egg on the menu gets the same ho-hum play. Breaking news was once 'news flash', special information that warranted interruption of scheduled broadcast or scripted news. But when every headline is breaking, nothing is. Market research now reveals that audiences no longer twitch at the red banner. 'Breaking News' has become the least equivalent of honking on roads — loud, insistent, overused, pointless and, thus, ignored. The apocalypse could arrive, and the chyron would still read: 'BREAKING: PM Eats Sandwich'. Viewers, unimpressed, moved to their phones, which at least allows the thumb to control the narrative. The last breaking news that channels announced was 'Breaking News: We Have No Breaking News'. One imagines news anchors wandering the studio, muttering 'developing story' like cannibals deprived of hummers. Thus ends an era, in which the only form of sudden news catching our fractured attention is Trump's Truth Social 'channel'. But that, of course, is entertainment.

Legal precision on citizenship must be matched by public clarity — government owes citizens both

Indian? Or Just Passport?



Nirupama Rao

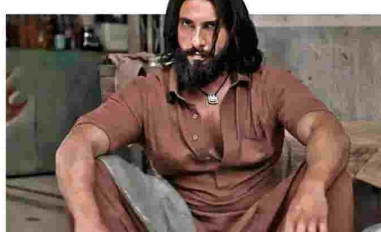
A seemingly technical statement made on Passport Seva Divas on Wednesday has provoked a remarkably emotional public debate. Marking the anniversary of Passport Act 1967, an MEA official remarked that a passport is a 'travel document, not a document of citizenship'. Within hours, social media was awash with alarm and confusion. Was Govt now saying that the one document Indians have long regarded as ultimate proof of their national identity was no longer valid?

The answer is both simpler and more nuanced than the controversy suggests. The official was stating a legal proposition that has always been true. A passport is issued under Passports Act, 1967. The other document which is, in law, an Indian citizen.

Yet, what is legally correct is not always sufficient as public communication. For generations, the passport has occupied a unique place in the hierarchy of official documents. It bears the Ashoka emblem, carries the name 'Republic of India', identifies the bearer through personal particulars and biometric safeguards, and is accepted around the world because foreign governments trust the issuing state.

Few documents carry greater symbolic and practical authority. So, to tell citizens, without further explanation, that it's 'not proof of citizenship' was bound to provoke an obvious question: then what?

The distinction lost in public debate is the difference between evidence and legal determination. A passport does not create citizenship. Nor does it constitute the legal source from which citizenship flows. Rather, it is issued because Govt has already satisfied itself that the applicant is entitled to receive



OK, so what documents do you need then?

one. In ordinary administrative life, it's accepted almost universally as evidence that the holder is an Indian citizen. Banks, universities, employers, embassies and government agencies routinely rely upon it for precisely that reason.

But when citizenship itself becomes subject of litigation or administrative challenge, legal inquiry necessarily extends beyond the passport. Courts examine Citizenship Act provisions and the documentary basis upon which citizenship is claimed. A passport may be highly persuasive evidence, but it's not legally conclusive in every conceivable circumstance.

That distinction is hardly unique to India. Most democracies separate nationality law from passport law. Governments retain the power to cancel passports obtained through fraud, identify it or false declarations. If possession of a passport alone were treated as absolute proof of citizenship under all circumstances, states would lose the ability to correct such errors.

The law, therefore, preserves an important distinction between the document and the underlying legal status it reflects. The controversy exposes a deeper issue. India's documentary history is uneven. Universal birth registration is a relatively recent achievement. Millions of older Indians were born in villages where births were never formally recorded. Names were entered differently in school certificates, land records,

electoral rolls and ration cards. Spellings changed across languages and generations. Women often acquired new surnames after marriage. Few imagined

of citizenship', it may have explained that a passport is issued only after Govt verified the applicant's eligibility under Indian law.

It might have added that citizenship itself is determined under Citizenship Act, and that the passport serves as the republic's internationally recognised travel document issued on that basis. Such language would have preserved legal accuracy, while reassuring citizens about the credibility of their passports remain intact.

Immigration authorities around the world understand perfectly well that every country distinguishes between passport administration and nationality law. They routinely deal with revoked passports, dual nationals, naturalised citizens and complex nationality questions. Nothing said on Passport Seva Divas alters India's international obligations or the nature of its passport.

In constitutional democracies, citizenship is not a category of rights, duties and belonging. Documents issued by the state carry every citizen's legal significance because they embody recognition by the political community. When governments speak about them, precision is essential. But so, too, is empathy for how ordinary people understand official language.

Technical correctness should never become a substitute for effective communication. Citizens don't hear official statements through language of statutes or judicial precedents, but through lived experience. For millions, the passport is not simply a booklet that enables overseas travel. It's the most tangible affirmation that the republic recognises them as its own.

Rather than diminishing the passport, this debate should encourage India to strengthen the documentary foundations upon which citizenship ultimately rests. A nation of 1.4 billion deserves a universal, reliable and resilient civil registration system, in which every birth is recorded, every change documented, and every citizen securely registered.

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The writer is former foreign secretary. Gol



THE SPEAKING TREE

The Divine Flow

NARAYAN GANESH

Three days in a month, my mother would hang around looking cool in her bedroom. She would read magazines and novels in a supine position, her head resting on a block of wood fashioned like a pillow. She would sometimes practise drawing kolams — patterns that are made with rice flour at the entrance — in an unrolled notebook and would ask me which ones I liked. Anna would take part in household activities nor go out shopping or attend functions. When pestered with questions, she would say, 'I'm on my monthly three-day vacation'.

The family — like many others in the community — has long since discontinued with the seclusion of the archaic and regressive. Yet, ancient tradition revered the Sacred Feminine and regarded the menstrual flow as affirmation of life. At Assam's Kamakhya Temple, one of the nine Shakti Peeths — the annual Anubhuchi Mela celebrates the Sacred Feminine in the Devi's annual menstrual flow. The spring water from the Yoni — symbolising the power of procreation — and pieces of red cloth are distributed as prasada.

What would my grandmother do if she were to read today — to say about recent medical research that finds menstrual blood to be rich in stem cells? A US company promoting this concept says that women can collect their menstrual blood, after following instructions carefully to avoid contamination, and send it to the laboratory where it will be put through a purifying process and stored for future use in the treatment of diseases like cancer. This practice could help remove superstitions and taboos associated with these days.



Algo of BlissTech

Going to the Cinema During The Day

Oh, the magic of slipping into a cinema during the day, when the sun outside is staging its own sweaty matinee. You step into the cinema into the hush, from the furnace into the air-conditioned cool. Suddenly the world rearranges itself. The velvet cushions become a cocoon, with the screen as a portal. You're no longer a citizen of this world, but a traveller in a universe that doesn't exist anywhere else outside this hall.

While rest of the world is busy being productive, you are quietly idle, surrendering yourself to flickering illusions. The heat outside is forgotten, replaced by the chill of manufactured night, and the cool of a story unfolding before you.

There's something deliciously rebellious about this day-time escape. It's a refusal to sweat, to hustle, to acknowledge the tyranny of daylight. Inside, you are immersed in a narrative that demands no proof, returning calls or emails — only belief. And when you finally emerge, blinking into the by-now weak sun, you carry with you the afterglow of a world that never was, yet feeling more real than the one waiting outside.

Chat Room

Good for Goose, Good for Gander

Apreros the news report, 'Banks can lend against FCR (FD) Deposits as collateral' (Economic Times, June 25), it appears RBI is prepared to go to any lengths for a few dollars more. How else can one rationalise its clarification that 'Do the ends justify the means, branches can extend loans to NRIs/US citizens in favour of foreign lenders to extend dollar loans for opening such deposits in India? How is this different from 'ever-greening' that RBI comes down upon heavily when banks indulge in such practices? Do the ends justify the means, one wonders. Would RBI consider levelling the playing field and extending similar treatment to resident savers by allowing banks to extend loans to them that can then be used to open fresh deposits? Surely, our domestic savers could do with a boost no less than our foreign reserves? Mythili Bhushanmiah Gurgan

Why India Should Chill with Chile



Juan Angulo

Chile holds a strategic position in the international market for critical minerals and rare earth elements. It possesses 22% of global production and 21% of global reserves of copper, 21% and 30% respectively of lithium, and is a significant producer of molybdenum, rhenium and iodine.

Chile's market positioning and share of these minerals opens possibility of establishing a strategic alliance with India. This is an alliance focused not merely on exploration and extraction of these minerals, but also on joint integration of value chains for products derived from them — products that

will serve as essential inputs for data centres and AI factories. A strategic partnership between the two countries — built on the foundation of comprehensive economic partnership agreement (CEPA) currently under negotiation — represents an opportunity that benefits both nations. Chile aims to serve as a reliable and key partner for India's energy security and help transit to a decarbonised economy.

Stable state Chile has a solid rule of law, political stability, open economy, high internet penetration, developed banking system, low country risk, and a reputation for excellent infrastructure. Chile offers an excellent alternative for Indian investors. Also, a new bill, currently being examined by Congress in Santiago, to gradually lower corporate tax rate of 27% to



Landscape in Chile

23% in 2029, represents a new incentive for investors.

► **New visa system for business** Under the new system launched last year, business visas for multiple-entry visas, valid for up to 90 days and with a 2-yr validity. Opportunities are also present in the agri-food sector, where Chile has developed a robust and innovative ecosystem that could offer Indian consumers high-quality food products, and enable the establishment of JVs with Indian partners.

The writer is ambassador of Chile to India

Arm for Trustee Interdependence



Rajiv Roy-Chaudhury

The Modi government's defence industrial strategy has evolved through distinct phases.

► From 2014, defence industrial corridors for both aircraft and missiles were simplified, under 'Make in India' to build local capacities. FDI limits were raised from 26% to 49% under the automatic route to encourage global defence technologies to invest in India.

► From 2020, under 'Atmanirbharata', imports were discouraged, positive indigenous lists drawn up to protect domestic industry, and procurement policies increasingly favoured indigenously designed, developed and manufactured military equipment from Indian companies.

Minimum indigenous content requirements also replaced defence offsets. At the same time, FDI limits were again raised from 49% to 74% to encourage foreign defence firms to transfer technologies into their majority-owned and controlled JVs in India.

emphasis on Indian ownership of IP and system controls, whether by Indian-owned entities or through collaboration with friendly foreign countries under G20 frameworks.

This evolution in defence industrial strategy reflects ambition and realism. India has proved it can indigenously design and build increasingly sophisticated military platforms. Engines for both aircraft and battle ships and battle tanks continue to rely on foreign tech. These are capabilities that can't be acquired through protectionist policies.

Minimum indigenous content requirements also replaced defence offsets. At the same time, FDI limits were again raised from 49% to 74% to encourage foreign defence firms to transfer technologies into their majority-owned and controlled JVs in India.

► Revised Defence Acquisition Procedure 2025 is awaiting MoD approvals. The focus on critical technologies to be owned by India. Future agreements are expected to place greater

most critical hot sections of the engine, and joint IP.

Equally important, the tech is expected to be International Traffic in Arms Regulations (ITAR) free, with no US export control. India-Britain G20 agreement isn't helpful.

Discussions are also ongoing with Britain to collaborate on marine engines for future Indian Navy platforms. Rolls-Royce has also indicated its willingness to create and co-produce electric-powered engines, initially for landing platform docks (LPDs), and potentially for nuclear destroyers and future frigates. India and Britain have announced their intent to negotiate a bilateral inter-governmental agreement (IGA) for this.

But Rolls-Royce's recent commitments within MoD, which limit it to operational support on existing platforms, may make such collaborations more complicated. The US, too, appears increasingly willing to deepen defence industrial

The writer is former strategy director, BAE Systems India

[OUR TAKE]

Oil's down, keep the guard up

It is too early to let the macroeconomic guard down at the moment and the situation must be watched closely as it evolves

If the US-Iran deal were to hold and hostilities were to cease and maritime traffic flow through the Strait of Hormuz normalised permanently, the world would be spared the prolonged pain of what was described as the greatest energy shock in capitalism's history. To be sure, a complete *status quo ante*, as far as supplies of oil and other distillates from West Asia is concerned, will take time, given the war-time damage to production facilities.

This is good news regarding first principles. But commodity markets operate in a world which is more complicated than just first principles. Prices often respond to ultra-short-term or long-term considerations. The latter played a role in keeping oil prices from hitting stratospheric levels — the all-time high was just \$126 per barrel — even when the war was raging. Markets believed that the US will eventually make a deal, especially given the mid-term elections in November. Now that the fighting is over and the Strait is open — at least as of now — Brent crude has fallen sharply to pre-war levels below the \$75 per barrel threshold. Can we expect Brent to stay below this threshold going forward?

Most market watchers do not think so. The sharp drop in oil prices is likely a result of a temporary supply glut as accumulated stock is released from what became a maritime and energy market chokepoint.

Once the pent-up supplies are exhausted, major countries start replenishing their strategic reserves and some of the demand destruction which followed the supply shock is reversed, prices could increase once again. To be sure, nobody expects them to cross the \$100 level unless hostilities were to resume. What does all this mean for India? Three key takeaways can be listed.

One, it is too early to let the macroeconomic guard down at the moment and the situation must be watched closely as it evolves. The overall outlook will, of course, also depend on things such as the forex markets. Then, once there is clarity on the resumption of supplies from West Asia, a gradual pivot can be made from the more expensive sources which India had tapped into to ease its supply constraints. In this vein, commercial LPG supply restrictions have already been lifted on Thursday. The terms-of-trade shock to the exchequer as well as consumers must be offset. Finally, appropriate lessons must be learnt to increase resilience to similar supply shocks.

No room for personal whims

The Kerala High Court's recent ruling on oaths is about the accountability of elected representatives to the law they are sworn to uphold. By directing councillors to retake their oaths in the manner prescribed by statute — either "in the name of God" or through a solemn affirmation — the court has reinforced a fundamental democratic principle that seems all but forgotten. An elected representative is bound by constitutional and legal obligations, not personal, political, or ideological preferences.

An oath-taking ceremony is the expression of a commitment to serve citizens faithfully, respect the Constitution, and exercise authority within the ambit of the law. The high court rightly observed that elected representatives, when taking office, are making these promises to the electorate. If an elected representative can flout statutory requirements when they are just being initiated into office, what stops them from bending legal norms in governance itself? Not that an oath has ever prevented some from doing exactly that. It hasn't even stopped many of them from exchanging blows, as happened yesterday in Thiruvananthapuram Municipal Corporation office.

The essence of democracy is the strength of institutions and procedures. Legal compliance is not an optional activity for an elected representative. The court's decision sends a clear message that no elected representative is above the law. Accountability may not end but it certainly begins with the oath of office. By insisting on strict adherence to the prescribed form, the judiciary has delivered a rap on the knuckles of those who attempt to score political brownie points and privilege personal convictions over their constitutional duty.

[VITAL SIGNS]

Ramanan Laxminarayan



Do not encourage people to have children unless...

...the State builds human capital while improving the lives of working women so they can balance work with raising a family

Falling fertility rates offer much fecundity for rather questionable ideas, it would seem. With Andhra Pradesh's total fertility rate falling to around 1.5 children per woman — well below the replacement rate — chief minister N Chandrababu Naidu recently announced that his government would pay ₹30,000 for a third child that a couple has and ₹40,000 for a fourth, to reverse the state's anticipated future decline in population. The scheme follows an earlier ₹25,000 offer for a second child. Naidu says the fertility decline raises fears of shrinking and ageing population. He has gone further still, lifting the old bar on candidates with more than two children contesting local elections and floating the idea of barring those with fewer than two from running at all. With the rules still being written, it is worth asking five questions before going

down this path. The first is how many people Andhra Pradesh, India, or, indeed, the world should hold. The world's population has increased from roughly two billion people a century ago to more than eight billion. That growth has come with a vast environmental footprint from habitat loss to depleted rivers and aquifers. Nationally, nearly 600 million people face high to extreme water stress. India now extracts more groundwater than the US and China combined.

Meanwhile, annual per-capita water availability has fallen from roughly 5,000-6,000 cubic metres around the time of Independence to about 1,500 cubic metres today, pushing the country into the category of being water-stressed, with further declines projected. A smaller population would make both Andhra Pradesh and India more livable.

The second is timing. Naidu's concern may be premature. India's population is still projected to grow for more decades, peaking near 1.7 billion in the early 2060s before it begins to fall. To step on the population accelerator now is misplaced foresight. Japan, Korea, and other entered population decline after becoming rich. Their challenge is preserving prosperity; India's remains creating it. The

country's per-capita income is roughly \$2,600, against the \$10,000 China crossed before ageing began to feature in policy discussions.

The third is whether pronatalism is the right approach in India. The argument is that more workers and more talent translate into more wellbeing for all. People do create value, but only if the country is able to educate them and ensure good health. Despite historically high school enrolment and two decades of education reform, roughly half of all children in Grade 5 still cannot read a Grade 2 text, and fewer than a third can do simple division. These are gaps that no number of ITs or AIIMS can fill. Spending on early childhood and maternal nutrition, quality teachers, and functioning primary health centres would do far more for the state's future than paying for births. But the real solutions are slow, unglamorous, and probably not poll-worthy.

The fourth is what a falling population does to per capita income. Should the decline be feared at all, or planned for? The same falling fertility now alarming Naidu is what, a few decades ago, powered the East Asian miracle, when smaller child cohorts and a large working-age population lifted savings and income per head. Yet similar demographics were not helpful in



Prosperity depends less on how many workers a society has than on what those workers know and can do.

HT ARCHIVE

much of Latin America, where young workers were neither well educated nor productively employed. Prosperity depends less on how many workers a society has than on what those workers know and can do. For Andhra Pradesh, the challenge is, therefore, not avoiding population decline at any cost, but ensuring that each successive generation is more productive than the last.

The fifth question, assuming the goal really is to raise births, is whether a payment is the right mechanism. South Korea, which tried the hardest to pay its way out of low fertility, spent well over \$200 billion on baby bonuses and birth incentives in a 15-year span but recorded a drop in its fertility rate, to roughly 0.7. In contrast, France and the Nordic countries restructured the cost of raising children with subsidised childcare and parental leave shared by both parents. Naidu's announcement of paid maternity leave for women employees across all their deliveries may be far more effective as

a policy than baby bonuses.

Perhaps the unspoken worry is that Andhra Pradesh will be overrun by migrants from the North if its own population is in decline, but that is simply a consequence of belonging to a union. Helping Bihar and Uttar Pradesh with development and the jobs that follow is a better bet than trying to raise birth rates in Andhra Pradesh. India has always had internal migrations going back thousands of years and it has nearly always helped the nation grow stronger.

Naidu is right that demographic change is coming and that governments should think about it. But it demands deeper thinking than a reflexive cheque. Building Andhra Pradesh's human capital while improving the lives of working women so they can balance work with raising a family is the surer path.

Ramanan Laxminarayan is president, One Health Trust. The views expressed are personal

TACKLING DELHI'S PERSISTENT WATER CRISIS

[DHAVAL DESAI] SENIOR FELLOW AND VICE-PRESIDENT, ORF

Restore, recharge, and reuse to conserve water

In recent years, Delhi's water crisis has returned with predictable consequences. Residents queue for tankers, neighbourhoods complain of shortages, groundwater levels fall further, and a political blame game erupts across state borders. This raises an uncomfortable question: If Delhi has invested heavily in expanding water infrastructure and securing supplies from neighbouring states, why has annual water insecurity become its defining feature?

The answer lies in acknowledging that Delhi's water crisis is increasingly a crisis of governance. More than 90% of its total water supply of ~1,000 million gallons per day (MGD) is imported from neighbouring states, leaving it vulnerable to interstate disputes, seasonal fluctuations, infrastructure failures, and increasing competition for water across northern India.

Even today, Delhi faces a demand-supply gap of ~250 MGD. As the Capital's population continues to grow, reliance on external sources is becoming increasingly difficult to sustain. Delhi cannot import its way out of future water stress.

However, scarcity alone does not explain the crisis. The larger challenge is that the city has failed to conserve its available water resources. In a normal precipitation year, Delhi receives an average of 744.4 mm of rainfall, mostly concentrated in the monsoon months.

But much of it gets drained rather than captured or used to recharge aquifers. Experts estimate that during a 100 mm rainfall event, effective rainwater harvesting (RWH) could help Delhi conserve ~17,600 million gallons of water, which is equivalent to roughly 14 days of current demand. However, despite provisioning for RWH in its Development Plans since 2001, implementation and monitoring remain weak.

Across large parts of Delhi, groundwater extraction has increased vulnerability. Borewells have become the city's parallel water system supporting households, businesses, and institutions. According to the Central Ground Water Board, Delhi's extraction rate improved to 92.1% in 2025, up from 100.77% in 2024.

Over 100% groundwater extraction means more water is being extracted than recharged, while a lower extraction rate indicates the opposite. However, the extraction rate of 92.1% still leaves little margin for drought years, monsoon variability, or climate shocks. Out of the city's 34 *tahsils*, the CGWB classified 10 as "over-exploited," 11 as "critical," and six as "semi-critical," with only seven being "safe."

Equally troubling is the deterioration of Delhi's natural water assets. A University of Delhi study recently found that South Delhi lost ~97% of its wetlands between 1991 and 2021, while built-up land expanded by over 70%. More than 75% of the city's 9,700 hectares of the Yamuna floodplain have been encroached upon. In a city that frequently experiences both flooding and water scarcity, this is a worrying planning weakness.

At the same time, ageing pipelines, leakages, theft, and unauthorised connections continue to undermine distribution efficiency. Minimising non-revenue water is a strategy for generating new water resources without constructing any new reservoirs or canals. Perhaps Delhi's biggest missed opportunity



lies in sewage treatment. Despite having a sewage treatment capacity of approximately 794 MGD, only 584 MGD is actually treated, leaving more than a quarter of the installed capacity underutilised. Even this treated wastewater is largely underutilised. Recycled water can be used in landscaping, construction, industrial processes, cooling systems, and other non-potable purposes — every litre used frees up an equivalent quantity of freshwater for domestic consumption. Sadly, Delhi continues to view wastewater primarily as a disposal challenge rather than a strategic resource.

The climate crisis has only heightened these challenges. The paradox of a city simultaneously facing floods and shortages illustrates the shortcomings of current water management practices.

These interventions may lack the visibility of large engineering projects, but they are likely to deliver far greater long-term benefits.

Delhi must invest in local water resilience through functional RWH, groundwater recharge, and the restoration of wetlands and floodplains. It must reduce non-revenue water losses, expand wastewater reuse, and integrate fragmented water governance systems that currently operate in silos.

These interventions may lack the visibility of large engineering projects, but they are likely to deliver far greater long-term benefits. Delhi's recurring water crises are symptomatic of other megacities in India. As cities grow and climate pressures intensify, water security will increasingly depend how existing resources are managed.

Urban futures will depend on treating water as a resource to be conserved, recycled, replenished, and governed. Until that happens, every summer will bring the same shortages, the same tankers, and the same crisis.

Dhaival Desai is senior fellow and vice-president, ORF. The views expressed are personal

[SMITA MISRA] FORMER LEAD WATER & SANITATION SPECIALIST, INDIA, WORLD BANK

Plug the leaks aggressively at every level of supply

Every summer, Delhi relives a brutal, hyper-visible ritual: dry taps, volatile political finger-pointing over inter-state raw water allocations, and desperate queues behind private tankers. Yet, the capital's water crisis is fundamentally a crisis of distribution and management, not of foundational supply. Before the monsoon even arrives and public attention inevitably dissipates, we must look at the structural policy changes required to secure the city's future.

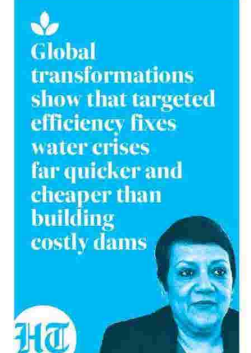
The Delhi Jal Board (DJB) currently treats and pumps a massive 1,000 million gallons per day (MGD) of potable water against a peak summer demand of 1,250 MGD. Mathematically, the city faces a critical 250 MGD deficit. However, this shortfall is artificial. A staggering 50% of the treated water — over 500 MGD — vanishes as unaccounted physical leaks and unbilled commercial theft before it can even reach a consumer's home. Under the Capital's streets, its most precious resource is literally bleeding away. Chasing new water rights by floundering water agencies in neighbouring states will take decades, invites endless interstate litigation, and adds billions to public debt. In contrast, plugging the leaks within Delhi's internal grid offers an immediate, highly leveraged fix.

Global transformations show that targeted efficiency fixes water crises far quicker and cheaper than building costly dams. Tokyo reduced its leakages from a staggering 80% to under 4% by systematically upgrading its network. Similarly, Phoenix, Arizona, lowered its distribution losses from 22% to under 10% in just over a decade by aggressively eliminating institutional corruption and enforcing 100% digital metering. These international success stories achieved absolute water security not by expanding raw environmental supply, but by holding their existing delivery networks accountable.

Other regions leveraged smart technology over heavy infrastructure to achieve similar outcomes. Brazil's São Paulo uses automated, pressure-regulating valves to lower nighttime pipe pressure, preventing catastrophic bursts. Meanwhile, utilities across the UK deploy satellite radar and advanced Artificial Intelligence to pinpoint hidden underground leaks. Closer to home, Nagpur used digital mapping and network zoning to cut its losses by 26%. For Delhi, minimising network waste represents the fastest, most economical path to unlocking immediate distribution capacity.

For decades, the standard knee-jerk reaction to utility deficits has been the threat of mandatory consumer tariff hikes. This is a regressive fix for what is fundamentally a systemic structural leak. Aggressively reducing non-revenue water (NRW) from its current 50% to the international industry standard of 15% would instantly recover 350 MGD of clean, treated water. Crucially, this recovered volume overwhelmingly exceeds the city's on-paper summer deficit.

More importantly, this recovered water immediately converts into billable revenue by legalising and regularising illegal commercial bypass loops and industrial theft. Audit data shows that this targeted structural repair will inject an estimated ₹510+ crore in fresh annual revenue into the DJB's books. It comprehensively stabilises the utility's balance sheet through the recovery of stolen goods, leaving



the baseline consumer tariff and the essential 20-kilo-litre free "lifeline" subsidy untouched. Tax-paying consumers should no longer be forced to subsidise systemic infrastructural waste.

When the public piping network fails, ordinary citizens pay a heavy, regressive penalty in the form of exploitative informal markets. Relying on private tanker cartels forces a standard middle-class family to spend a significant portion of their monthly income on erratic water deliveries.

When you add the secondary hidden costs of running high-energy booster pumps to lift tanker water into overhead reservoirs, and of frequently replacing domestic RO purifiers forced by fluctuating groundwater quality, the financial and health drain on households' finances is significant.

Moving these vulnerable, unipiped neighbourhoods onto a continuous, pressurised, and recovered DJB network gives families an immediate annual financial return of upto ₹1.8 lakh. It effectively functions as a massive, non-inflationary tax cut for the residents of Delhi, pumping valuable disposable income directly back into the local economy and boosting water deliveries.

The path forward requires abandoning political inertia and embracing aggressive, tech-driven intervention. The state government must systematically divide Delhi's sprawling network into tightly monitored district metered areas (DMAs), deploy smart meters to eliminate commercial billing manipulation, and install acoustic leak sensors to flag micro-fissures before they turn into catastrophic pipe bursts. Simultaneously, the administration must dismantle predatory water monopolies by offering a time-bound amnesty scheme to regularise informal lines and absorbing private tanker fleets into a regulated, geotagged "tanker-to-tap" model for remote urban fringes. The choice for the Delhi government is clear: Stop looking across state borders for more water and start looking directly under Delhi's own streets.

Smita Misra is a water policy analyst and former lead Water and Sanitation specialist, India, World Bank. The views expressed are personal



Editor's TAKE

Why India faces a cybercrime emergency

The SC's intervention and PM Modi's recent remarks underscore a stark reality: cybercrime has emerged as a pressing challenge of our times

For years, cybercrime in India was not taken seriously – yet another crime that could be easily dealt with. But the menace has now emerged as multi-headed hydra that has siphoned off millions of rupees and even forced individuals to lock themselves in their own homes as prisoners – digital arrest and phishing is no longer minor crimes that can wreck lives and the worst part is it is very difficult to nab the culprits. But not any more, that comfortable distance has collapsed.

The Prime Minister has reviewed digital-arrest scams at a PRAGATI meeting and pushed states to operationalise the e-ZERO FIR system nationwide, while the Supreme Court continues to hear a suo motu case it opened after an elderly Ambala couple was swindled of over a crore rupees by fraudsters wielding forged court orders. When the executive and the judiciary independently decide the same menace deserves their direct attention, it is no longer a law-and-order footnote. It is a governance emergency.

The numbers explain the urgency. The apex court itself has described the scale of digital fraud – running into tens of thousands of crores – in language usually reserved for organised crime, not white-collar mischief. "Digital arrest" scams, where con artists impersonate police officers, CBI or ED officials, or even judges to terrify victims into transferring their life savings, have proliferated precisely because they exploit two things India has in abundance: rising digital penetration among people who weren't raised on it, and a fragmented enforcement architecture where a fraud originating in one state, routed through a server in another, and cashed out via mule accounts in a third, falls through every jurisdictional crack. The e-Zero FIR mechanism – which converts verified financial-fraud complaints filed through the National Cybercrime Reporting Portal into instant, borderless FIRs – is sound in design but has been adopted by barely a handful of states. Universal, urgent rollout, is the need of the hour.

This must be matched by genuine coordination between police, banks, telecom operators and platforms to freeze and trace money in real time, a standard operating procedure of the kind the Supreme Court has already asked the Centre to draft, and movement on international cooperation frameworks like the UN Cybercrime Convention, since most networks behind these scams operate from beyond India's borders. But no FIR portal, however fast, repairs damage already done. The first line of defence has to be the citizen. Verifying independently, hanging up, and reporting to 1930 or cybercrime.gov.in before money moves is the only real firewall available to most people, and it costs nothing.

The PM's intervention and the Court's scrutiny together create unusual institutional momentum. Squandering it through slow state-level implementation or public complacency would be the real failure. Cybercrime will not be defeated by outrage alone – it will be defeated by boring, relentless follow-through: faster FIRs, tighter bank-telecom coordination, and citizens who simply refuse to be afraid.

The path to freedom: Towards a drug-free India

Under the leadership of Hon'ble Prime Minister Shri Narendra Modi, Nasha Mukta Bharat Abhiyan (Drug-Free India Campaign) is not merely a government programme but a mass movement aimed at empowering India's youth power, family structure and national consciousness



BL VERMA

As the entire world reflects on the challenge of substance use on the occasion of World Drug Day on June 26, for India, this issue emerges not merely as a social or health-related problem, but as a grave matter linked to the nation's future. Substance abuse weakens not just an individual, but the family, society, and ultimately the collective strength of the nation. It shatters the dreams of the youth, tears families apart, and hinders the pace of development.

Today, India has the largest youth population in the world. This youth power is the greatest asset of our 'Amrit Kaal'. If this power is channelled into education, skills, innovation, and nation-building, nothing can stop India from becoming a 'Vishwa Guru' but if the youth fall into the addiction of drugs, it will be a loss not just to one generation but to the future of the nation. Therefore, the fight against drugs is the responsibility of every Indian. Under the leadership of Hon'ble Prime Minister Shri Narendra Modi, the Central Government has not viewed the problem of drug abuse merely as a matter of law and order or health; instead, it considers it a critical issue linked to the future of India's youth and the progress of the nation. On numerous occasions, he has called upon the youth, parents, and all sections of society from public platforms to remain aware of substance abuse. From 'Mann Ki Baat' to various national programmes, he has repeatedly emphasised that drug addiction becomes a problem not of an individual but of the entire family and society.

It is indeed a result of the Prime Minister's sensitivity that the fight against drug abuse has not been limited to government action alone but has been transformed into a campaign driven by public participation. The 'Nasha Mukta Bharat Abhiyan' (Drug-Free India Campaign) was launched under his guidance, through which the message of awareness has reached crores of youth, students, and citizens.

The Prime Minister firmly believes that India's youth power is the country's biggest asset, and it is our national responsibility to safeguard it from evils like drug abuse.

Launched on August 15, 2020, the 'Nasha Mukta Bharat Abhiyan' (Drug-Free India Campaign) has today become a people's movement. This campaign is not merely a government programme, but a medium for social awakening.



Millions of youths, students, women, teachers, and voluntary organisations have actively participated in this movement. From villages to metropolises, from schools to universities, and from digital platforms to community events, a widespread public awareness against substance abuse has emerged.

The government has taken decisive steps to curb the supply of substances. The Narcotics Control Bureau and various security agencies have dismantled numerous international smuggling networks through coordinated action. Surveillance at the borders has been strengthened, and strict action has been taken against organised crime. We must understand that drug trafficking is not merely a crime; it is often linked to anti-national activities and the financing of terrorism. Therefore, this struggle against drug trafficking is also a struggle for national security.

However, the success of any law or government campaign is ensured only when society becomes its driving force. India's greatest strength is its social and cultural consciousness. Our families, our values, our community traditions, and our social solidarity are the strongest shields against substance abuse.

Family is the first and most important unit of this fight. If parents maintain open communication with their children, become their friends, and keep a watchful eye on changes in their behaviour, the problem of substance abuse can be prevented at an early stage. Schools and colleges, too, will have to play an active role in fostering self-confidence, positive thinking, and a healthy lifestyle among the youth.

Our mothers and sisters are the greatest strength of this campaign. Across the country, Self-Help Groups, Anganwadi workers, and women's organisations have played a significant role in spreading awareness and taking care of families. Their contribution to building a drug-free India is invaluable.

At the same time, we must also change our attitude towards those who have recovered from addiction. A person should be judged not by his past, but by his efforts to improve. The rehabilitation process can be truly successful only if society accepts and encourages them and provides them with opportunities to move forward.

On the occasion of World Drug Day, I call upon every citizen of the country, especially the youth, to become a part of this national campaign against drug abuse. Spread awareness in your family, your school, your workplace and your society. If every citizen resolves to keep even one person away from substance abuse, millions of lives could be saved.

Under the leadership of Hon'ble Prime Minister Shri Narendra Modi, Nasha Mukta Bharat Abhiyan (Drug-Free India Campaign) is not merely a government programme but a mass movement aimed at empowering India's youth power, family structure and national consciousness. Let us come together to turn this invocation into a mass resolve and move forward together towards a drug-free India. It is the national resolve of 140 crore countrymen. This very resolve will serve as a strong foundation for the building of Viksit Bharat.

THE SUCCESS OF ANY LAW OR GOVERNMENT CAMPAIGN IS ENSURED ONLY WHEN SOCIETY BECOMES ITS DRIVING FORCE. INDIA'S GREATEST STRENGTH IS ITS SOCIAL AND CULTURAL CONSCIOUSNESS

The writer is Union Minister of State Minister of State for Consumer Affairs, Food and Public Distribution of India

When the distinction between performance and authenticity blurs



SANJAY CHANDRA

2ND OPINION

A recent WhatsApp communication on our society group, a few cryptic comments on my Facebook wall, and several recent premature deaths among people in their mid-fifties have made me pause and reflect. At first glance, the incidents appear unrelated.

A camp was organised by our newly elected governing body to facilitate certain services for residents. It was a good initiative with a few inevitable hiccups. Many appreciated the effort, while some expressed disappointment. One resident urged the President of the Residents' Welfare Association to personally address such irritants in future. What caught my attention, however, was the response of another well-meaning resident who rushed to defend the President while assigning blame to the committee member who organised the event. In corporate and public

life, leadership is often defined by the willingness to absorb criticism while sharing credit. In our increasingly polarised environment, criticism and defence seem to attach themselves not to actions but to individuals.

A few days later, a neighbour who responds to one of my articles on social media with comments such as 'writing for publicity' and 'pathetic'. Interestingly, in face-to-face interactions, he remains polite and courteous. I also found myself reflecting on the untimely deaths of several talented individuals in their fifties. People who still had much to contribute, both professionally and personally.

I do not suggest that these losses can be explained by technology or social media. They did, however, make me reflect on the various pressures that modern life places upon us, often in ways we scarcely recognise. For much of human history, there existed a degree of separation between our public and private selves. Most people encountered a limited version of us. Public life usually required us to present our better selves. Our frustrations, contradictions, and unguarded moments remained largely within private spaces shared with those closest to us.

Digital technology has altered that arrangement fundamentally. Public life now accompanies us throughout our days. Opinions are formed instantly, reactions are displayed immediately, and disagreements are preserved indefinitely. The audience is always present. Moments of genuine solitude have become increasingly rare. The distinction between public and private life has become increasingly blurred. What earlier generations experienced in private

is now expressed, displayed, and debated in public spaces. Perhaps this is why civility appears more fragile. The pace of communication has accelerated, while reflection has not. We have acquired unprecedented tools for expression, but not necessarily the habits of restraint, patience, and perspective required to use them wisely. Technology has amplified our voices; it has not always deepened our understanding.

In such an environment, the distinction between performance and authenticity also begins to blur. The person we present to the world and the person we are in our unguarded moments are expected to coexist continuously. Social approval, criticism, validation, and comparison have become part of everyday life in ways previous generations never experienced. Perhaps this is one of the defining psychological challenges of our age. Technology has connected us more extensively than ever before, but it has also made performance a permanent condition of modern life. We are simultaneously participants, audiences, and subjects. There may be value in rediscovering something that earlier generations understood instinctively: the importance of spaces where one is not performing, responding, or being observed. Spaces where one can simply be. While technology has succeeded in bringing the world closer to us, it may also have made it harder for us to find distance from the world.

The writer is a founder of Kala - Krazy About Literature And Arts. Is an author, speaker, coach, arbitrator, and strategy consultant



People move on a boat through a flooded area after a substantial rise in the Brahmaputra river water level, at Morsuit Pam village in Moritagon PHOTO: PTI

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AMMONIA LEAK: WHEN PROFIT COMES BEFORE HUMAN LIVES

The tragic ammonia leak in Tamil Nadu is yet another reminder of the unacceptable safety standards that persist in many industrial workplaces across India. The deaths of workers and the hospitalisation of dozens more cannot be dismissed as an unfortunate accident. Such incidents are often the consequence of negligence, inadequate safety protocols and weak regulatory oversight. India's economic progress cannot be measured solely by rising industrial output and investment figures. True development requires ensuring that every worker returns home safely at the end of the day. Unfortunately, migrant labourers and contract workers frequently bear the highest risks while possessing

the least bargaining power. Safety compliance is too often treated as a bureaucratic formality rather than a moral and legal obligation. The recurring pattern of industrial disasters points to systemic failures in enforcement. Regulatory agencies must conduct rigorous inspections, impose strict penalties for violations and hold management accountable when preventable tragedies occur. Compensation alone cannot substitute for lost lives. A nation aspiring to become a global manufacturing hub must place worker safety at the centre of its growth strategy. Economic prosperity loses its meaning when it is built upon avoidable human suffering. VIJAYKUMAR H K | RAICHUR

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

Europe's heatwave is a warning to the world

The recent "Omega Heat" episode across Europe serves as a stark reminder of the growing dangers posed by climate change. The phenomenon, caused by an Omega Block atmospheric pattern, traps hot air over a region for extended periods, resulting in persistent and often deadly heatwaves. Scientists warn that rising global temperatures are making such extreme weather events more frequent, intense and prolonged. The consequences are already visible. Heat-related illnesses, deaths and wildfires have become recurring features of European summers. The United Nations has rightly described climate change as a public health emergency, underscoring the urgency of collective action. While Europe is currently the focus, countries like India are not immune. Similar atmospheric blocking patterns can intensify heatwaves across northern and central India, affecting millions of people. Improving early warning systems and investing in climate-resilient infrastructure have become essential. However, adaptation alone is not enough. Meaningful reductions in greenhouse-gas emissions, rapid expansion of renewable energy and large-scale afforestation remain crucial to addressing the root causes. The lesson from Europe is clear: climate change is no longer a future threat but a present reality demanding immediate action. R.S. NARULA | PATIALA

Building resilience through fitness

Rajivgoyi Brahma Kumar Nikunj Ji rightly points out that addiction cannot be tackled through awareness campaigns alone. Preventing substance abuse requires providing young people with meaningful pursuits that foster discipline, achievement and self-worth. Alongside meditation and spiritual practices, progressive calisthenics can be a powerful tool in this effort. Unlike drugs, which offer temporary gratification, calisthenics rewards persistence and gradual progress. Each new milestone, whether mastering a push-up, pull-up or advanced bodyweight skill, builds confidence and generates a healthy sense of accomplishment. This process encourages self-discipline and resilience rather than dependency. Another advantage of calisthenics is its accessibility. It requires little or no equipment. Proper nutrition, adequate sleep and regular exercise become priorities, while harmful habits such as smoking and excessive drinking increasingly appear as barriers to progress. Most importantly, physical training provides a sense of purpose and direction. Activities that cultivate these qualities can help fill the void that often leads to substance abuse. India's fight against addiction must therefore focus not only on prevention but also on promoting healthy alternatives that strengthen both mind and body. HARSH PAWARIA | ROHTAK

TN politics beyond electoral setbacks

Recent developments in Tamil Nadu politics have generated intense debate about the future of the Dravida Munnetra Kazhagam (DMK) and the evolving political landscape of the state. Electoral setbacks, alliance realignments and the emergence of new political forces have naturally prompted questions about the party's long-term prospects. However, it would be premature to conclude that the DMK is in terminal decline. The DMK remains one of Tamil Nadu's most influential political movements, with deep organisational roots and a legacy that extends beyond electoral cycles. Growing voter expectations, anti-incumbency sentiments and the rise of alternative political platforms are reshaping the state's political dynamics. New entrants and opposition leaders are seeking to capitalise on this changing environment by presenting themselves as credible alternatives. For any political party, setbacks can serve either as a catalyst for renewal or a sign of deeper structural weaknesses. The coming years will reveal which path the DMK follows. Tamil Nadu's political future will be determined by the choices made by both leaders and voters alike. JAYANTHY CK | CHENNAI



Small modular reactors: Promise, progress and risks in the global energy transition

For countries such as India, where electricity demand continues to rise, SMRs offer intriguing possibilities but also significant uncertainties. The technology's future will depend not on its theoretical promise, but on whether governments and industry can demonstrate that it can be deployed safely, affordably and at scale.



RAJIB K MISHRA

As countries pursue ambitious decarbonisation goals while seeking reliable electricity supplies, Small Modular Reactors (SMRs) have emerged as one of the most discussed technologies in the global energy landscape. Promoted as a cleaner and more flexible alternative to conventional nuclear power plants, SMRs are increasingly being viewed as a potential complement to renewable energy systems. Yet despite growing policy enthusiasm and a long list of announced projects, commercial deployment remains limited, highlighting the importance of assessing both their promise and their risks.

SMRs are generally defined as nuclear reactors with a capacity of up to 300 MW per unit. Unlike conventional nuclear plants, which are typically built as large, site-specific projects, SMRs are designed for factory-based manufacturing and modular deployment. Their smaller size allows capacity to be added incrementally, reducing upfront capital requirements and potentially shortening construction timelines. Advocates argue that this approach could make nuclear energy more accessible and financially manageable, particularly for countries with moderate demand growth or constrained fiscal resources.

The growing interest in SMRs is closely linked to the changing structure of electricity systems. Rapid expansion of solar power has created a familiar challenge in many countries: abundant electricity during daylight hours but shortages during evening peak demand. Wind power, while valuable, remains variable. In this context, SMRs offer a source of firm, low-carbon electricity capable of operating around the clock and supporting grid stability when renewable generation is unavailable. Their role is therefore not to replace renewable energy but to complement it by providing reliable power when needed.

SMRs are also being explored as a tool for industrial decarbonisation and the repurposing of retiring coal-fired power plants. Many coal sites already possess transmission capacity, cooling infrastructure and skilled workforces, making them attractive locations for future deployment. Beyond electricity generation, several advanced SMR designs can provide industrial process heat, district heating and hydrogen production, broadening their potential contribution to energy-transition strategies.

Technologically, SMRs encompass several reactor families. The most advanced are light-water reactors, based on technologies already used in conventional nuclear plants and therefore more familiar to regulators. Countries including the United States, Canada, the United Kingdom, France, China and South Korea are pursuing such designs. Other concepts include high-temperature gas-cooled reactors, which are well suited for industrial heat applications, and fast reactors that promise improved fuel efficiency and waste reduction but remain further from commercial maturity. A niche category of floating reactors has also emerged, led by Russia's pioneering efforts.

However, the gap between ambition and reality remains striking. As of the end of 2025, only two SMR projects worldwide are operating commercially for electricity generation. The first is Russia's Akademik Lomonosov, a floating nuclear power plant located in the Arctic town of Pevek. Equipped with two small pressurised-water reactors producing about 70 MW of electricity, it has been supplying power and district heating since 2020. The project demonstrated that nuclear generation can be deployed in remote regions, but it also highlighted challenges related to marine safety, security and emergency response.

The second operational project is China's HTR-PM at Shidao Bay. This high-temperature gas-cooled reactor, producing approximately 210 MW of electricity, entered commercial operation in 2023. It represents the world's first grid-connected advanced SMR using non-light-water technology and is widely regarded as an important milestone for future industrial heat and hydrogen applications.

Beyond these two examples, most SMR projects remain under construction or in various stages of licensing and financing. China's ACPI01, also known as Linglong One, is under construction and expected to



become the first commercial land-based light-water SMR. Argentina's CAREM project has faced delays, while leading projects in North America and Europe continue to navigate regulatory approvals, financing requirements and supply-chain development. This limited deployment experience underscores the central challenge facing SMRs: while the technology is technically credible, its commercial viability remains largely unproven.

The most significant risk is economic. Although SMRs are smaller than conventional reactors, they remain capital-intensive projects. First-of-a-kind deployments have frequently experienced cost overruns and schedule delays, eroding the anticipated advantages of modular construction. Until multiple units are manufactured and deployed at scale, it remains uncertain whether the promised cost reductions can be achieved.

Regulatory uncertainty presents another major obstacle. Nuclear licensing is inherently rigorous and often time-consuming. Because regulatory frameworks differ across countries, reactor vendors frequently face repeated design reviews and approval processes, increasing costs and delaying deployment. For many developers, obtaining regulatory certainty remains as important as overcoming technical challenges. Fuel supply is another area of concern. Several advanced SMR designs depend on specialised fuels such as High-Assay Low-Enriched Uranium (HALEU), for which global production capacity remains limited. Supply chains for nuclear-grade components and specialised manufacturing are also still developing, creating potential bottlenecks for future expansion.

Operational risks should not be overlooked. Unlike conventional nuclear plants, which have decades of operating experience, many SMR technologies have little or no commercial track record. Questions remain regarding long-term reliability, maintenance costs and the ability of some designs to operate flexibly in renewable-dominated power systems. Safety and security considerations continue to be central to the debate. While modern SMRs incorporate advanced passive safety features intended to reduce accident risks, nuclear energy remains a technology where low-probability events can have significant consequences. Cybersecurity, physical protection and nuclear safeguards become particularly important if large numbers of small reactors are eventually deployed across multiple locations. Waste management also remains unresolved. Although some advanced designs promise improved fuel utilisation and reduced waste generation, all reactors produce radioactive waste requiring long-term management and disposal.

For India, the SMR story is one of strategic preparation rather than deployment. The country does not yet have an operational SMR project, but recent policy initiatives, including the Nuclear Energy Mission, indicate growing interest in the technology as part of India's long-term energy transition.

India's position is strengthened by its extensive nuclear ecosystem. Institutions such as NPCIL, BARC and AERB provide capabilities across reactor design, fuel-cycle management, regulation and operations. This institutional depth gives India advantages that many aspiring SMR countries do not possess. Rising electricity demand, increasing renewable penetration, future coal retirements and growing land and transmission constraints all point towards the need for reliable low-carbon capacity. SMRs could potentially serve industrial clusters, support coal-site repowering and provide firm power in regions where grid flexibility becomes increasingly valuable.

India's private sector is also better prepared for SMR deployment than is often recognised. Over the past two decades, Indian companies have developed significant capabilities in heavy engineering, precision manufacturing, modular fabrication, construction, instrumentation and large-scale power project execution. Several domestic firms already participate in nuclear supply chains through the manufacture of forgings, pressure vessels, turbines, electrical equipment and specialised industrial components. As SMRs move towards commercial deployment, these capabilities can support reactor manufacturing, balance-of-plant systems, modular assembly and civil works under a government-led framework. The industrial preparedness not only strengthens India's prospects for domestic deployment but could also position the country as a competitive supplier of components and engineering services to the emerging global SMR market.

Nevertheless, SMRs are unlikely to follow a fully privatised path in India. Nuclear power remains a strategic sector under government control, and the financial, liability and safety risks associated with nuclear projects make purely private ownership improbable. A more realistic model is state-led deployment supported by private participation in manufacturing, construction, supply chains and long-term industrial offtake arrangements.

The global experience to date offers a clear lesson. SMRs should be viewed neither as a silver bullet nor as an immediate solution to power shortages. Their greatest potential lies in providing firm low-carbon electricity, industrial heat and long-term system reliability in increasingly complex energy systems. Whether they become a major component of future energy transitions will depend not on the number of announced designs, but on the ability of governments and industry to demonstrate safe, affordable and repeatable deployment at commercial scale. For India, that journey is only beginning, but the foundations technical, institutional and industrial are already taking shape.

Dr. Rajib K Mishra, Executive Director, IRDAE

End of the Red Corridor: How India defeated Naxalism



BALAJI SRIVASTAVA

A 1967 spark at Naxalbari in West Bengal grew into an insurgency that spread through tribal heartlands of Andhra Pradesh, Bihar, Odisha, Maharashtra, Chhattisgarh and Jharkhand. The 2004 formation of CPI (Maoist) brought the factions under one banner, with greater coordination and resolve. At its peak, however, the scale was stark. By 2010, as many as 100,000 people saw violence and 1.26 crore in Maoist-affected regions. Close to 12 crore Indians lived under what functioned as a parallel armed order. The Maoist pursuit of a 'Red Corridor' stretching across almost a fifth of India's geography was indeed, without exaggeration, her most serious internal security challenge.

The Naxal footprint began to shrink when political will shifted post-2014, and decisively after 2019. Under Prime Minister Narendra Modi, Naxalism was redefined as an integrated national security problem that cut across ministries and demanded a coordinated (whole-of-government) response. Union Home Minister Amit Shah drove this approach vigorously, matching sustained security operations with credible surrender and rehabilitation policies, and bringing personal oversight that enabled the system to deliver the desired outcomes.

What stood out was the speed at which operational gaps were closed. Backlogged procurement moved quickly, and modern equipment was sourced, when needed, from the Army, lending gear on the directions of the Union Home Minister. From anti-spike boots and sniper rifles to portable VSAT systems and air ambulances, requirements were met with rare urgency. To the forces on the ground, it sent one loud and clear message: the State stands firmly with you.

Two pillars anchored the approach. The first was a calibrated surrender-and-rehabilitation policy. When senior cadres laid down their arms, they were offered grants of up to ₹5 lakh, a three-year monthly stipend of ₹10,000, and support for housing and employment. Work travelled deep through kinship networks and trusted community intermediaries, amplified by All India Radio broadcasts that showcased real stories of those who returned and reintegrated into the mainstream.

The second pillar was uncompromising action against those who held out. Intelligence-led Joint Operations executed meticulously by CRPF battalions, CoBRA units, District Reserve Gunits, and state police helped in dismantling the armed groups. The results are telling. Naxal-affected districts have fallen from 96 in 2010 to 38 in 2024. A decadal comparison shows security force casualties down by about 73 per cent and civilian deaths by 74 per cent. In 2024, 290 Naxalites were neutralised—the highest in a year—but the more striking numbers lie elsewhere: 881 surrenders and 1,090 arrests. In 2025, till September, surrenders have crossed 1,225; in Chhattisgarh alone, over 1,000 cadres laid down their arms within a year.

At one point in Jhargalpur, more than 200 cadres-including central committee members—surrendered en-masse, holding copies of the Constitution. Few images capture this transformation better than the shift from the gun to the Constitution. Central to this shift was the CAPFs and the state police. Jungle-warfare trained CoBRA units, the Bastariya Battalion drawn from local tribal communities, and DRG units often comprising surrendered Naxalites who knew the terrain, were the composite force who went into the forests and held ground.

Capacity expanded steadily. Over the past six years, 336 security camps have come up in core areas, supported by 76 new helpdes across Bastar and Jharkhand to ensure rapid mobility. Drone surveillance now reaches even Ajuhmad (unknown hills), once seen as operationally out of bounds. These camps have served a dual purpose—restricting Naxalite movement while steering development through the Mijal Helina (Your God Willage) initiative which has brought banking, schooling, healthcare and Ayushman Bharat coverage to villages within a 10-km radius.

The impact of rehabilitation goes beyond what policy documents can measure. In Bastar, women who once carried weapons in the forests now manage the Bastar Café, serving both locals and security personnel. Former cadres inducted into the Bastar Fighters now protect the same villages they once intimidated. Every surrendered Naxalite living a stable public life disproves the Maoist calumny that the Indian State responds to dissent only with force.

At the top, the organisation has been systematically disrupted. The CPI (Maoist) general secretary Nambala Keshava Rao, or Basavaraaju, was taken out, pursuant to a strategy that tasked senior IPS officers to track the top leadership of Maoists. In past four years, over 18 central committee members have been neutralised or captured thereby fracturing the leadership and planning capacity. Simultaneously, the enforcement agencies viz., NIA and ED have targeted the funding networks, choking the financial flows that sustained the Maoist operations.

The goal of a Naxal-Mukt Bharat by March 31, 2026 stands effectively achieved. The 'Red Corridor', once spread across 17 per cent of the country, belongs to the past. Rehabilitation is ongoing up and down, and sustained governance is shutting the door good. Clarity and resolve drove this shift. Security forces were finally backed by an unequivocal policy after years of drift. Meanwhile, tribal communities that never signed up for a war waged in their name are getting to see roads, schools, and rights, in place of rhetoric. Our task is cut out. We now need to secure this peace.

The writer is former Director General of Bureau of Police Research and Development, Ministry of Home Affairs, Govt of India

Standing against tyranny is service to God



HASAN KHURSHID

(October 10, 680 A.D.)

The pre-Islamic period in Arabia is known as the 'age of ignorance'. Scudding away from the noble attributes of human principles, the Arabs were treading the path of retrogression and abhorrence. Suffering from worst evils and vices, these Arabs known as Bedouins (uncivilised rustics) were highly temperative of wrecking vengeance, group quarrels, tribal animosities leading to bloody warfare that lasted for generations.

In pre-Islamic period these Arabian Bedouins used to bury their newly born daughters alive out of ego. They had no sense of equality, humanity, decency and brotherhood. In this crucial moment, Prophet of Islam Hazrat Mohammad brought the message of peace, tolerance, humanity, forbearance, liberty, equality, brotherhood, assisting to weak and securing justice for the persecuted. The Prophet gradually started transforming the heartless brutes to

humanise and turning towards peaceful life. The most notorious among them were the Bedouin tribes of Banu Qamariyyah (Qamariyyah). They did not tolerate the sojourn of humanity and peace. They violently opposed Prophet's teachings. Omayyad's grandson, Abu Sufyan, son of Herb, unfurled the flag of revolt against Islamic teachings. They started a campaign of persecution on the Prophet, who was forced to migrate from his home in Mecca to Medina. As such, the year of Prophet's flight from Mecca to Medina is marked as the beginning of Hijrah of Islamic calendar.

Still Prophet Mohammad was not given any respite and relief. Mohammad was compelled to fight battles many a time. In Medina, Prophet established the system for administering the 'rule of law' in the light of Islamic jurisprudence, under the command of his son-in-law Hazrat Ali Murtaza ibn Abi Talib. Notwithstanding the bravery of Ali, the accused Omayyads suffered a thorough collapse. The shrewd Abu Sufyan played a trick to subscribe to Islam outwardly and the Prophet mercifully granted quarter to Abu Sufyan and his men.

On the contrary, Mohammad, realising his duties as Prophet was preparing his two beloved grandsons, 'Hasan' and 'Husain', sons of Ali Murtaza and Fatima Zehra, as perfect specimen of his own attainment and imparted to their young minds all the characteristics of his high morality. After the demise of the Holy Prophet Mohammad, the school of Islamic thought, philosophy, culture and administration was shifted to 'Caliphate' with temporal and ecclesiastical powers. The first three caliphs were: Abubakar,



Umar and Usman. The last caliph Imam Ali Murtaza, was assassinated by the henchmen of the conspirator and hypocrite Muawiyah son of Abu Sufyan while Hazrat Ali Murtaza was prostrating before Allah in the mosque.

After Ali's assassination, Muawiyah with the might of sword, usurped the seat of Caliphate in Syria and declared himself as the self-appointed caliph. Muawiyah, the first ruler of the House of Omayyads displaced the democratic Islamic rule by oligarchical and barbaric despotic rule. After the death of Muawiyah, his son accursed Yazid ascended to the Caliphate seat of Syria. He was a hardcore terrorist and had surpassed all his ancestors in practicing cruelty, violence and corruption. Yazid was libertine and sinner to the extent that the barest mention of his objectionable character is taboo in this civilised society. Yazid was the mamon of Unrighteousness, whose lust for power prompted him to beat

society into the mould he favoured. Yazid's criminal behaviour indicated the extreme occurrence of vulgarity, inhuman innovations in the established Islamic values. He was immoral to the extent that he had married the real sister of his father.

On the contrary Imam Husain was recognised throughout the Arab world for his excellence of behaviour, wisdom, compassion and piety. When Yazid occupied the erstwhile seat of Caliphate, deceitfully usurped by his father Muawiyah, Yazid by terrorising the citizens sought their allegiance to accept the rule of the faithfulness. He then demanded allegiance from Hazrat Imam Husain. Accused Yazid was equipped with all the paraphernalia of power but so long as he didn't get the allegiance from Imam Husain, the grandson of the Prophet, he had no religious sanction to claim the Caliphate. He therefore demanded allegiance from Imam Husain to subscribe him as leader of the faithful. When Yazid bargained hard for Imam Husain to choose between allegiance and death, Husain straightaway refused him for allegiance, saying, "A person of my kind, cannot accept the allegiance of a man of his (Yazid's) kind." Husain knew that recognition of Yazid's immorality will permanently disfigure the 'true faith' and a 'pseudo religion' will emerge in the guise of Islam. Had he encountered no opposition, Islam was bound to acclimatise to the paralyzing atonality from Yazid's degenerated sympathy.

Imam Husain was mercilessly assassinated in the desert of Karbala along with 71 family members and companions on 10th of Muharram, 61 Hijri (October 10, 680 A.D.), after being kept

hungry and thirsty for three days.

Their heads were severed from the bodies and scattered in the desert. Among the slain martyrs was Husain's six month old infant son, Ali Asghar, the buoyancy of whose innocent blood floated the sinking ship of Islam. Ali Asghar's moon-like innocent severed head was too mounted on a lance.

Asghar's little body among 71 others was too trampled through the hoofs of horses of Yazid's cavalry. The tents of Husain's household were torched. Daughters and grand children of Prophet Mohammad's extended family and the only surviving, ailing son office Imam Husain, were taken captives and paraded from Karbala to Syria, on bare backs of camels, where they were appeared before accursed Yazid, the wild beast in human form.

10th Muharram is universally observed by right thinking and kind-hearted people irrespective of caste, religion or faith. 'Never in the light of human conflict was so much owed by so many to so few', said Churchill. The event of Karbala, taking place on 10th Muharram, 61 Hijri, teaches us: Never support injustice and oppression, no matter, how powerful the oppressor might be. No matter, what incentive, what threat you might be given? Husain declared, "Do not submit to exploitation of any kind, maintain a tenacious grip on veracity, and better die with honour guarding against evil, than live in shame."

The writer is a legal journalist and a columnist

The Statesman

Incorporating and directly descended from the Friends of India - founded 1818

Platform Power

When Facebook acquired WhatsApp in 2014 for \$19 billion, many observers struggled to understand the logic of paying such a staggering sum for a messaging service that generated little revenue.

This shift reflects a broader trend in the technology industry. The world's largest platforms are moving away from being single-purpose products. Social networks have become advertising empires.

India occupies a special place in this transformation. It is WhatsApp's largest market and one of the few countries where digital payments, identity systems and mobile connectivity have converged at scale.

That is why leadership matters. Running a start-up and managing a platform used by billions are fundamentally different tasks. One rewards disruption and experimentation; the other requires balancing innovation with responsibility.

The significance of this moment therefore extends beyond one executive appointment. It reflects the growing influence of India's entrepreneurial ecosystem in shaping global technology.

The larger question is whether messaging can become the foundation of a comprehensive digital ecosystem without losing the simplicity that made it indispensable in the first place.

The answer will determine not only the future of WhatsApp but also the next chapter in the evolution of the technology itself.

Strait Lessons

The reopening of shipping lanes through the Strait of Hormuz may have calmed oil markets, but it would be a mistake to confuse the return of traffic with the return of certainty.

For decades, the Strait of Hormuz has been viewed primarily through the lens of military power. The assumption was that the presence of the United States Navy and the strategic interests of major powers would prevent any prolonged disruption to the flow of oil and gas.

The episode has revealed the limits of military power as a guarantor of commercial confidence. Tankers may be moving again, but many shipowners remain cautious.

The crisis has also highlighted Iran's enduring strategic relevance. For years, sanctions and diplomatic isolation were intended to constrain Tehran's influence.

For the wider world, the episode should reinforce the urgency of diversification. Europe learned painful lessons from its dependence on Russian energy.

The broader lesson extends beyond energy. Globalisation has created extraordinary efficiencies, but it has also concentrated risk. Whether it is a shipping lane, a semiconductor hub or a rare-earth supply chain, the world remains vulnerable to disruptions at critical chokepoints.

The immediate crisis may be receding. Yet the events of recent weeks have exposed the fragility of assumptions that have governed international commerce for decades.

Honey On The Tongue

India's scriptures never moralised about corruption; they assumed it, and built the cure. The duty our politicians have mislaid is older than the Republic

A file sits on a clerk's desk. It is complete, stamped, in order - and it will not move. The applicant, a farmer or a small contractor or a widow chasing a person, learns the unwritten tariff: a little cash to the right hand, and the file walks.

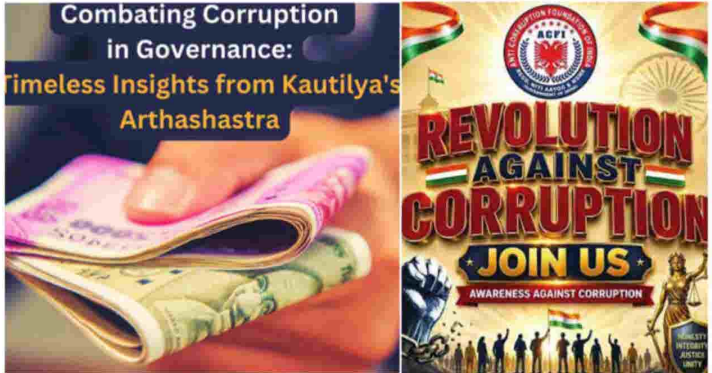
The counsellor was Kautilya, and his Arthashastra remains the most clear-eyed manual of statecraft India has produced. Its premise, and the premise of the wider tradition behind it, is one our public life has quietly abandoned.

The oldest layer of that tradition puts it most starkly. "Enjoy through renunciation," the Isha Upanishad commands in its opening verse: "do not covet the wealth of another."

What makes Kautilya bracing rather than pious is his realism. He did not expect officials to be honest; he expected them to steal, and said so in a sentence that has never been bettered.

In the same book he enumerates some forty distinct ways in which a treasury can be quietly bled - a receipt entered late, a payment entered early, a sum booked under one head that belongs under another - the obsessive taxonomy of a man who has read real ledgers.

And in the chapter that follows, the betrayer: the ruler who holds the sceptre and yet extorts from those beneath it, Valluvar



for informers, and punishment swift enough to be feared. He understood, as we periodically forget, that virtue cannot be legislated but theft can be made expensive.

If Kautilya supplies the mechanism, the dharmic tradition supplies the purpose: the mechanism serves in the Shanti Parva of the Mahabharata, the dying Bhishma instructs Yudhishthira at length on the conduct of a ruler, and returns again and again to a single duty: the protection of the governed.

The king who protects his subjects, Bhishma says, earns a fourth part of the merit they accumulate under his care; the king who fails to protect them takes, in the same measure, a share of their suffering and their sin.

It cannot be neutral. The tradition's quiet radicalism lies just here: the ruler exists for the ruled and never the reverse, and the throne is owed to the kingdom rather than the kingdom to the throne.

The Bhagavad Gita then sharpens the point to its finest edge: "Whatever a great man does, others follow: whatever standard he sets, the world pursues" (3.21). A leader does not govern chiefly through his orders.

The same conviction runs, in two unforgettable couplets through the Tamil canon. Tiruvalluvar, in the Thirukkural, sets the ideal and its betrayal side by side. As the whole world looks to the king to run, runs the fifty-fifth chapter, so all the people look to the sceptre of their king - justice imagined as the monsoon on which an entire society depends for its harvest of order.

And in the chapter that follows, the betrayer: the ruler who holds the sceptre and yet extorts from those beneath it, Valluvar

writes, is no better than a highwayman who stands with a spear and says, simply, "give." Two thousand years before the phrase "speed money" entered our offices, a Tamil poet had drawn the line between the protector and the brigand, and warned how thin it is.

Here the tradition turns, and its turn is the lesson we most need. The temptation, in any season of disgust with public life, is to reach for one of two easy answers. The first is the moral appeal - exhortation, oath-taking, the hope that better men will simply behave better.

But a mechanism without an animating ethic decays into ritual, and the anti-corruption body becomes one more office with its own unwritten tariff. The Indian answer was never one or the other. It was both, bound together, and bound first upon the ruler himself.

But a mechanism without an animating ethic decays into ritual, and the anti-corruption body becomes one more office with its own unwritten tariff. The Indian answer was never one or the other. It was both, bound together, and bound first upon the ruler himself.

The king is not above danda; he is its first subject. Dharma supplies the conscience and danda the consequence, and a polity that loses either is left with sermons or with cynicism. Translate that into the present, and the demand on a politician becomes

concrete, and uncomfortable. It is not enough to denounce corruption in others; the standard begins at home, in the honest declaration of one's own assets, the sources of one's own funds, the conduct of one's own family and office.

It is not enough to build agencies; they must be free to act without fear or favour, including against the hand that built them. It is not enough to pass a budget; the money voted for the school and the clinic must arrive there, undiminished by the journey.

And it is not enough to win an election; office won is a debt incurred, repayable only in protection - of the farmer's file, the widow's pension, the contractor's fair tender. A leader who grasps this leads, in the Gita's sense, by becoming the standard. A leader who does not is the brigand with the sceptre, however large his mandate.

None of this is nostalgia. Of the 543 members elected to the Lok Sabha in 2024, the Association for Democratic Reforms found that 251 - almost half - took their seats with criminal cases declared against them; declared, the law rightly insists, is not the same as convicted, but a republic that reverses rajadharma cannot shelter behind the disinction. India scores 39 out of 100 on Transparency International's 2025 Corruption Perceptions Index, 91st of 182 countries and below the global midpoint.

These are verdicts on a trust imperfectly kept. But the texts that judge us are also the texts that instruct us, and they are not foreign imports; they are the inheritance of the very civilisation whose name our politicians invoke most loudly. The farmer still stands at the counter, looking up. He is doing what the Kural said he would do - watching the sceptre as the parched field watches the sky. The only question our public life has to answer is the oldest one: when he looks up, will the rain come?

methodological perspective: the focus should shift from merely soliciting public opinion to co-creating policy with the people.

Under the traditional approach, citizens were involved only at the consultation stage, after policies had already been designed. In the socialist commune and ward model, however, people are engaged from the outset, participating in identifying problems and formulating solutions.

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Viet Nam News

Democracy and happiness are core values for building public trust

As Viet Nam advances toward a new stage of development, the long-cherished model of socialist communes and wards places people at the centre of governance, with public trust, citizen satisfaction and quality of life emerging as key indicators of success alongside economic growth and infrastructure development.

In this context, democracy and people's happiness are not just development goals, but also the most accurate benchmarks for evaluating the effectiveness of local governance and the capacity of local authorities to serve their communities.

The policy of building a model for socialist communes and wards reflects the Communist Party of Viet Nam's strategic vision for national governance in the new era of development.

the model. The strategic vision put forward by Lam has reshaped the way the future quality of life is perceived.

While the values of socialism were once assessed through macroeconomic indicators such as GDP size or growth rates, the focus is now placed more directly on a fundamental question: are people actually receiving better services? And do they truly experience social justice?

Local administrations should not merely function as management institutions but must become service-oriented institutions that guarantee people's rights to participate, supervise and benefit from decisions directly affecting their communities.

Many scientists have offered a profound

methodological perspective: the focus should shift from merely soliciting public opinion to co-creating policy with the people.

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Letters To The Editor | editor@thestatesman.com

Deadly fires

Sir, The devastating fire in Lucknow's Aliganj area, which tragically claimed 15 lives, is a stark reminder that urban fire safety in India has collapsed into a routine of administrative inertia and criminal negligence.

The Aliganj fire - exposed closely by recent fires in Delhi - exposes a systemic failure where basic infrastructure requirements like emergency exits are bypassed. A nationwide, comprehensive overhaul of



electrical wiring standards, alongside absolute institutional accountability, is no longer optional.

State fire departments need to transition to independent, unannounced surprise fire safety audits. A transparent, public database of valid Fire No Objection Certificates must be maintained online so citizens can verify if a commercial or educational facility is legally safe to enter.

Yours, etc, Bidyut Kumar Chatterjee, Faridabad, 24 June.

Tough reforms

Sir, I fully endorse your edit "False Respite" which rightly warns that softer crude prices are no cure for India's oil vulnerability.

Ceasefires may calm markets, but structural dependence on imports and vulnerable maritime routes remains a sword over our economy.

Lower prices now offer political space for tough reforms we avoid during crises. To break this cycle, we must fast-track domestic exploration with single-window clearances and viability-gap funding for deepwater blocks; scale renewables plus storage - solar, green hydrogen, and battery parks must replace oil in transport and industry; rationalise fuel subsidies through targeted DBT and nudge states to cut VAT during price spikes, and build strategic

reserves to cover 90+ days and secure alternative supply corridors.

You're right; said, the test is what we do after the crisis ends. Let's choose reform over complacency.

Yours, etc., Vaithianathan Subramanian, Madurai, 22 June.

Build trust

Sir, Modern democracies do not ask citizens to trust technology on faith. They build systems where trust is earned through verifiable processes.

India's electoral architecture should meet this standard: clearly and consistently, so that post-election disputes focus on policy rather than process.

Yours, etc., S.M. Jeeva, Chennai, 21 June.

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The Four-Pillar Warning

TUHIN A. SINHA AND ROSHNI SENGUPTA

When Home Minister Amit Shah directed the commission formed on "Demographic Change" to study the phenomenon in India's borderlands, he did not speak in the cautious language of policy briefs. Demographic change, he declared, threatens India's "sovereignty, national security, law and order, and brings about profound changes in social structure". The four-pillar crisis framework has landed like a political grenade and rightly so.

Prime Minister Narendra Modi has echoed the warning in sharper register: demographic change, he said, "sows seeds of social tension", with infiltrators "smatching the bread and butter of the youth" and "targeting the country's daughters and sisters".

The unmistakable rise in political temperatures was expected. But behind the rhetoric lies a set of empirical questions that demand honest examination: What does demographic data actually show? Where is illegal immigration documented and at what scale? And what is the verifiable connection between demographic shifts and the law-and-order strain that Shah's framework posits?

India's Muslim population stood at approximately 14.2 per cent according to the 2011 Census - the last fully published census - up from 13.4 per cent in 2001. The 2021 Census remains unpublished as of mid-2026, making current demographic claims reliant on projections rather than hard counts. The Pew Research Center's 2015 projection would reach approximately 18-19 per cent by 2050 - a significant shift, though one driven primarily by differential fertility rates that have been narrowing steadily if seen in terms of absolute numbers.

The fertility gap is real but shrinking. The National Family Health Survey-5

(NFHS-5, 2019-21) recorded a Total Fertility Rate of 2.36 for Muslims compared to 1.94 for Hindus - a gap of 0.42 children per woman, down substantially from the gap of 1.1 recorded in NFHS-1 in 1992-93. The convergence trend is consistent and documented. Demographic economists across institutions including the International Institute for Population Sciences note that Muslim TFR declines have been fastest in states with higher female literacy and economic inclusion - the standard socioeconomic pattern seen globally. The fact remains, however, that the gap exists and the projected outcomes are hard to ignore.

This is the domestic demographic picture. It is distinct - analytically and legally - from the question of illegal cross-border migration, which is where Shah's national security framework is primarily directed. The illegal immigration question centres almost entirely on the India-Bangladesh border - a 4,156-kilometre frontier that is among the most complex in the world, running through riverine terrain, dense habitation, and areas of longstanding economic interdependence.

The Border Security Force (BSF) reported apprehending 27,827 Bangladeshi nationals illegally crossing into India in 2022 alone, up from 17,478 in 2021. These are detections - the actual number of successful crossings is unquantifiable, though intelligence assessments cited in parliamentary standing committee reports have historically suggested a multiple of four to six times the detected figures.

The Supreme Court addressed this directly in its landmark 2005 judgment in *Sarbananda Sonowal v. Union of India*, describing illegal immigration from Bangladesh as an "external aggression" under Article 355 of the Constitution - strong language from the highest court based on evidence presented by the state. The judgment struck down the Illegal Migrants (Determination by Tribunal) Act, finding it made deportation effectively impossible

and had enabled large-scale settlement in Assam.

Assam remains the epicentre of the documented crisis. The National Register of Citizens (NRC) process, completed in 2019 after years of litigation, excluded approximately 19 million people from the final list - with both Bengali Hindus and Muslims among the excluded, and subsequent legal challenges complicating finality. The NRC's credibility as a clean demographic instrument was questioned by courts, civil society, and even nationalist political figures in Assam who found the outcomes politically inconvenient.

So, what does HM Shah's Four-Pillar Framework based on evidence audit look like?

The first pillar is predicated on sovereignty arising out of legal grounding. The Supreme Court's 2005 judgment explicitly invoked sovereignty concerns. The Citizenship Amendment Act of 2019 was partly designed to address the documentation status of religious minorities from neighbouring countries while the NRC addressed illegal migration.

Pillar II invokes concerns of national security. Intelligence assessments have long flagged border districts as areas of predicament for document fraud networks, smuggling routes, and, in cited cases, linkages to Islamist networks. The National Investigation Agency has filed charge sheets in cases involving forged Aadhaar cards and voter IDs in West Bengal and Assam. However, while the scale of security threats attributable specifically to Bangladeshi illegal immigration - as distinct from other security challenges - is difficult to disaggregate from classified intelligence assessments, recent reports of global jihadist groups like Hamas taking keen interest in India's neighbourhood have complicated matters.

The conundrum regarding law and order remains the third pillar of HM Shah's strategy. It is also the site where the evidentiary picture is most granular and contested. The BJP and allied nationalist organisations have cited

specific communally motivated cases as illustrative - among them the Tarun Khatik case in Delhi and the Surya Pratap Chauhan case in Ghaziabad - where unchecked demographic change was alleged to intersect with violent crime. Since the verification of the documentary status of accused individuals in such cases runs through judicial processes that are often slow and complex; treating individual criminal cases as demographic data points might be methodologically unreliable but unmistakably indicative. What is more robustly documented is the strain on law enforcement in high-infiltration districts: a 2019 report by the Assam Police cited significantly elevated caseloads in border districts of Dhubri and South Salmara-Manikachar, with constabularies operating at 60-70 per cent of sanctioned strength relative to population.

The argument around demographic change driving the deterioration of social relations (Pillar IV) might appear facetious at first but as layers of criminality surrounding more recent cases of well-oiled and foreign-funded conversion rackets founded on cross-religious romantic relationship, coercion, and in a few cases abject physical and mental torture of the victims, unravelled, they underscored the urgent need for an unbiased assessment of demographic change impacting social relations.

PM Modi's framing - infiltrators "targeting daughters and sisters" - is the reform not unfounded but the clarity of a culture striving to protect its ethos. The Chhangar case in UP and the TCS "love jihad" case in Nashik point towards a more consequential malaise, one that requires a keener view of the manner in which demography, criminality and international terror funding networks operate.

Border district data reveals genuine administrative strain. West Bengal's Murshidabad, Malda, and North 24 Parganas districts - all along the Bangladesh border - show population densities and



infrastructure pressures that development economists have tracked for decades. Murshidabad, with a population exceeding 7 million and a Muslim majority of approximately 66 per cent, has per capita income significantly below the state average and has appeared repeatedly in reports on job competition and economic migration.

The political economy of border districts creates conditions where economic migration, identity document fraud, and electoral registration irregularities can intersect - and where political actors of all parties have incentives to exploit or ignore the problem. The Enforcement Directorate and the Election Commission have both documented voter-roll irregularities in border constituencies. BSF detections of illegal crossings rose from 17,478 in 2021 to 27,827 in 2022. Intelligence assessments have suggested crossings may be four to six times higher than detected figures.

Shah's four-pillar framework, however, cannot be read outside its core focus - national security. While illegal immigration from Bangladesh - particularly Muslim infiltration - has become a cornerstone of electoral strategy in Assam, West Bengal, and in states like Jharkhand, the concerns related to security, demography, and cultural change are real. The analytical challenge lies in distinguishing legitimate documented concerns about illegal immigration and its administrative consequences supported by court judgments, BSF

data, and parliamentary committee findings and the negation of such legitimacy by voices politically opposed to the BJP, turning the issue into an electoral boxing match.

The sovereignty and administrative strain arguments made by HM Shah rest on a foundation of documented fact. The Supreme Court, the BSF, and parliamentary oversight mechanisms have all validated core concerns about the scale and consequences of illegal immigration. PM Modi's warning that demographic change "sows seeds of social tension" is also empirically supportable in terms of population pressure, resource competition, and rapid ethnic change where they do intersect to heighten social tension.

Significant modifications have been ushered into the policy responses - border management, document verification infrastructure, development investment in border districts - borne out clearly by the immediate post-poll measures taken by the BJP governments in West Bengal and Assam and the centripetal energy that they derive from the PM Modi-HM Shah combine at the Centre. Since India's demographic challenges are unacceptably real, documented, and deserve serious policy engagement, the four-pillar framework promulgated by Shah demands serious empirical study, a politics-agnostic approach, and policy reformulation on a massive scale.

(The writers are, respectively, National Spokesperson, Ministry of Information and Public Relations, and professor of politics at IIM University Guwahati.)

Ocean will make this India's maritime century

SANTHOSH MATHEW

The 21st century is increasingly being described as the Indian Ocean Century. As the global economic centre of gravity shifts from the Atlantic to Asia, the vast maritime region stretching from the eastern coast of Africa to the western Pacific has emerged as the world's busiest and most strategically important sea space.

More than 80 per cent of the world's seaborne oil trade by volume and a significant share of global merchandise trade pass through the Indian Ocean. It is home to some of the fastest-growing economies and serves as the lifeline of international commerce.

For India, the Indian Ocean is not merely a geographical expression. It is the foundation of the country's economic security, energy security and strategic influence. India's destiny has always been intertwined with the sea. From the days of the ancient Cholas, Cheras and the maritime traders of Kerala to the modern Indian Navy, the oceans have connected India to the wider world through commerce, culture and civilization.

India possesses enormous maritime advantages. With a coastline of more than 7,500 kilometres and an Exclusive Economic Zone of

over two million square kilometres, the country is blessed with abundant marine resources. The rapidly expanding Blue Economy - covering fisheries, aquaculture, marine biotechnology, offshore renewable energy and coastal tourism - is expected to contribute trillions of dollars to the global economy in the coming decades. India is well positioned to become one of its leading beneficiaries.

Kerala occupies a unique place in this maritime vision. Situated at the heart of the Indian Ocean trade routes, the state has historically been India's gateway to the Arabian Sea. Its strategic geography, natural harbours, shipbuilding potential and centuries-old seafaring traditions make Kerala a vital pillar of India's maritime ambitions. The state is among India's largest exporters of marine products and supports millions of livelihoods through fisheries, seafood processing, aquaculture and coastal tourism.

One of India's greatest maritime opportunities today is the development of world-class transshipment infrastructure. At present, nearly three-fourths of India's transshipment cargo is handled by foreign ports such as Colombo, Singapore and Dubai. This dependence increases logistics costs and leaves India reliant on foreign transshipment infrastructure.

The emergence of Vizinjam International Seaport has the potential to transform this situation. Located close to one of the world's busiest east-west shipping lanes, Vizinjam can become India's gateway to global maritime trade while retaining billions of dollars of business within the country.

Maritime security has also assumed unprecedented importance in securing one of the world's most important maritime regions. India's greatest strength lies beyond military capabilities. It lies in what may be called Dharma Diplomacy - a civilizational approach rooted in mutual respect, peaceful coexistence, inclusiveness and humanitarian engagement. Unlike many great powers that historically expanded through conquest and colonization, India spread its influence across the oceans through trade, culture, spirituality and knowledge.

Indian merchants, monks and scholars carried Buddhism, Hindu philosophy, Ayurveda, mathematics and art across Southeast Asia, East Africa and the Indian Ocean islands without the force of arms. This civilizational legacy continues to shape India's global image. Whether through humanitarian assistance during natural disasters, vaccine diplomacy, development partnerships or initiatives such as "Security and

references to the "Indo-Pacific," with some discussions increasingly emphasizing only the "Pacific." Such semantic changes should not cause unnecessary anxiety in New Delhi. Geography cannot be rewritten. The Indian Ocean bears India's name for a reason, and its strategic centrality remains unchanged. No alternative terminology can erase India's indispensable role in securing one of the world's most important maritime regions.

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Growth for All in the Region, India projects itself as a trustworthy and responsible maritime partner. This soft power complements India's growing naval capabilities and reinforces its leadership in the Indian Ocean.

The future maritime order will not be determined solely by aircraft carriers and naval bases. It will also be shaped by connectivity, sustainable development and cooperative security. India's democratic values, technological capabilities and civilizational wisdom provide it with unique advantages that cannot be measured merely in military terms.

As the Indian Ocean becomes the epicentre of global geopolitics and economic activity, India's maritime renaissance is gathering momentum. With ports such as Vizinjam, a vibrant Blue Economy, a professional navy and a rich civilizational heritage, India is well placed to emerge as one of the defining maritime powers of the 21st century. The tides of history are once again turning towards the Indian Ocean. And when history sails through these waters, India will not merely witness the journey - it will help steer it.

(The writer is Professor, Centre for South Asian Studies, Pondicherry Central University.)

100 Years Ago News Items

MAHARAJA OF CUTCH

OPERATION IN EUROPE FOR KNEE TROUBLE

(SPECIAL CABLE) LONDON, JUNE 22
The Maharaja Kumar of Cutch, who is visiting Europe for the first time, on his arrival at Marseilles motored to Alassio, where Sir Herbert Barker successfully operated on his injured right knee which had been troubling him for the past fifteen years. —Copyright.

PRINCE'S MISHAP

AN ATTEMPT TO EXPLOIT MOTOR ACCIDENT

(SPECIAL CABLE) LONDON, JUNE 22
The widely published reports of the tyre burst which recently occurred to the Prince of Wales when motoring at Thane has had a sequel in the appearance of a semi-official report of the unnamed foreign advertising agency, which states that the burst was not due to any defect in the tyre. The Prince uses British tyres and does not intend changing to foreign ones. "The attempt to exploit foreign tyres on account of the mishap is strongly resented by those responsible for the safety of His Royal Highness." —Copyright.

PEERLESS BILL

LORDS REJECT SECOND READING

(SPECIAL CABLE) LONDON, JUNE 22
OVER fifty peeresses from the Gallery of the House of Lords closely followed the arguments when Lord Astor moved the second reading of the Parliament Qualification of Peeresses Bill to enable women holders of English titles in their own right to exercise equal sitting and voting powers as men in the Lords if otherwise qualified, and also provided that women holders of Scottish and Irish titles are qualified to vote at the election of representative Peers for Scotland and Ireland. The mover said that twenty women were at present affected by the Bill. Lord Bamber and Lord Kirkcubright opposed the Bill, while Lords Cecil, Haldane and Bukman supported the measure, which was ultimately rejected by 125 votes to eighty. —Copyright.

Crossword | No. 293502

Yesterday's Solution

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with The Independent, London)

THE ASIAN AGE

26 JUNE 2026

Take steps to allay stress of El Nino-hit monsoon

El Nino — Spanish may be one of the most distant languages for the sub-continent, but the two words strung together in the 16th century by Peruvians are no strangers to Indians. This year's El Nino set to be one of the strongest in history and expected to leave scars on India — the beginnings of some which are already becoming visible in the form of deficient rainfall across large swathes of the country — the phenomenon of a tongue of warming water welling up in the Central Pacific Ocean could well become the most talked about weather phenomenon in the country.

For a country driven by the summer monsoon rain, the sub-par rainy season that the Indian Meteorological Department had predicted is nothing short of a punch in the solar plexus. The challenge may not be as much as meeting the drinking water needs of the people, despite rivers expected not to be in full flow as they have been the past several years. What's most concerning is that around 51 per cent of the country's net sown area of 1.410 lakh hectares of cropland depends on rain.

The even greater challenge is the ability, or willingness, of the Central and state governments to take the people into confidence, speak openly about what might happen if the IMD predictions hold true or take a turn for the worse which appears to be the case as of now. The question is about hitting the panic button, but preparing people for what might come, especially with the El Nino expected to last till around February 2027.

While it is too early to say what might happen with next year's rainy season, India's rivers will have to work double time to make up for this year's deficits next year which means even a normal monsoon season in 2027 could still pose some challenges.

There appears to be a distant silver lining in that the Indian Ocean Dipole — a sea condition that can act as a counterbalancing factor that can mitigate El Nino's impact — may turn positive, but this for now remains in the realm of meteorological speculation. If it does happen, it might just be too late to save the summer monsoon season.

Governments, at the state or even downright reluctant to share bad news with the people. But there comes a time in every country when the truth must be spoken, and people must be prepared for the worst.

No one wants a poor, or even worse, a bad monsoon, but the signs are already there. The agriculture ministry has placed 315 districts in the country on a poor monsoon watch list. This number alone does not tell the whole truth as it appears to be small for a country as vast as India. But 315 represents 39 per cent of Indian landmass and the prospect of more than a third of the country being brought to its knees is a thought that should send shudders through the rank and file of the country's planners.

When rivers start running dry, existing inter-state battles over river water sharing will likely turn more intense as states seek drinking water supplies. What the skies are set to do this year has been predicted. What remains to be seen is what those on the ground will do now.

TN power mess: Shockwaves

It's shocking. Some of the revelations made by Tamil Nadu minister for electricity C. R. Nirmal Kumar through a White Paper on Thursday were more shocking than touching a live high voltage electric wire. Apart from the Electricity Board accumulating a debt of ₹2,47,130 crore over the years, which has already come to light, the White Paper revealed that electricity infrastructure had not improved in proportion to the money spent on it.

Another startling revelation was that 65,921 vacancies in the department have not been filled over the years and when 9,136 employees retired between 2021 and 2026 only 343 recruitments were made in lieu of that. Since the White Paper traces a 25-year financial trajectory of the department, it will be preposterous to say that the present TNK government, led by C. Joseph Vijay, was trying to besmirch the image of the previous regime. Still, a plethora of touchy questions arises: Why were the vacancies that rose due to the retirement of 9,136 employees not filled in full? Was it financial constraints or someone was waiting for some quid pro quo from potential recruits, as gossip suggests?

Whatever it was, it was nothing but gross mismanagement since an essential service like electricity cannot be provided without the requisite manpower. Then, it is troubling to note that the department has been purchasing power from the Centre, other states and private companies to offset its peak hour demand of 21,307 MW at exorbitant rates. But, transcending the blame game, the present government has promised to cut down the amount spent on the power purchase through short term agreements and save ₹215 crore every month by entering into long term contracts.

And, too, the new government has assured it shall fill up 20,000 job vacancies in the department this year and the employment of 5,391 gangmen appointed in 2021, which are all efforts that would go into improving the board's services.

THE ASIAN AGE

KAMRISH MITTER
Editor

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K. SUBRAMAN
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Currency stability basis of a nation's economy



Abhijit Bhattacharyya

One doesn't have to be a Nobel laureate in Economics like Dr Amartya Sen or a Nasra rocket scientist to state that the not continent-like nation of India, with 1.42 billion people, will ever find a place under the sun with a chronic unstable, weak and depreciating currency. Not even if a GDP upswing puts India in the company of ultra-rich members of the global elite club.

Let us, therefore, explore the contours of the Indian rupee as in June 2026 it silently completes the "diamond jubilee" of the first major devaluation on June 6, 1966. Six decades ago, when the rupee was 4.76 to a dollar, it was devalued to 7.50 to a dollar by the government of Prime Minister Indira Gandhi, who had been catapulted into office just four months earlier, on January 25, 1966, following the death of Lal Bahadur Shastri.

India's first woman PM got deep into an all-round mess of two wars (the 1962 treachery by the Chinese and the aggression of Pakistani dictator Ayub Khan in 1965). A combination of drought, an adverse trade balance, a mounting current account deficit and acute foreign exchange crisis led to India facing potential economic collapse. The nail in coffin was due to the stringent loan/aid conditions imposed by the World Bank and International Monetary Fund.

While a country's GDP is not the only factor to measure a nation's economic strength, the other factors also didn't work in India's favour, right from the 1950s. A major pressure point on India's Budget of fiscal deficit, trade imbalance and rickety foreign

The irreversible reality is that India's trade deficit continues as it is unable to take advantage of its 'weak' currency to push the export of its goods, commodities and services. After 1966, the depreciation of the rupee and the imbalance in trade ran hand-in-hand.

currency basket was India always had a trade deficit from 1950 till now (2026), and there are no signs that it will improve in the foreseeable future. Yet, India's "forward movement" originated from the sheer size of India's population rather than the per-capita value as an economic parameter. Thus, if the GDP of the UK, France or Germany is overtaken by India it must be understood that while the sheer number of people in these three European nations are just a fraction of India's population, New Delhi's per capita will reveal the reality of wide hiatus between the South Asian giant and the combo of London, Paris and Moscow. However, it must be appreciated that while the exchange rate of one US dollar in 1947, it declined to 4.76 to the US dollar by 1949. Then, for 17 long years, the rupee's rate was fixed and stable till June 1966, as it was pegged under the Bretton Woods system. It looks remarkable in retrospect when we experience the daily turbulence of the volatile Indian currency, endlessly nosediving in the last six decades. However, the question is: how did the rupee's rate remain steady for 17 long years, all through the Jawaharlal Nehru era, till 1963, and beyond — till 1967? Whatever be the views of both critics and admirers of Nehru, it is an indisputable fact that despite the "slow speed", India had showed visible signs of growth in the Nehru era, sowing the seeds of indigenous industrialisation and steady macro-economic policy. The currency stability of India can only be seen in the context of post-1945 era Japan as an exam-

ple of economic growth. The war left Japan vanquished and its economy ravaged. Japan was in ruins and nothing seemed possible due to debilitating inflation. Yet there emerged an unlikely saviour from America: Joseph Dodge, former president of Detroit Bank for 19 years. Dodge believed in the banker's conservative philosophy: "Sound currency, balanced budget and financial stability". In one stroke, Dodge had "arbitrarily decided" on a single exchange rate — 360 yen to a dollar — in 1949. Initially, what seemed to be a Japanese currency massacre by an American, remained rock steady for 22 years till 1971. Tokyo's devalued currency made Japanese goods dirt cheap in global markets, which laid the foundation of the "Japanese economic miracle" in the next few decades. Yesterday's (1949) 360 yen to a dollar is now 160 yen to one dollar. The yen gained strength in 77 years. During the same time, however, the Indian currency plunged — from 4.76 to the dollar in 1949 to around 795-96 to the dollar in the foreign exchange markets. Japan's yen rose, India's rupee fell, and continues to fall, or keep fluctuating, virtually every day.

The irreversible reality is that India's trade deficit continues as it is unable to take advantage of its "weak" currency to push the export of its goods, commodities and services. After 1966, the depreciation of the rupee and the imbalance in trade ran hand-in-hand. In 1976, the rupee stood at 8.96 to the dollar; in 1986 it was 12.61;

The government argues that implementing reservations in a small number of highly specialised posts is easier said than done. But after years of experimentation, "it's complicated" is beginning to sound less like an explanation and more like an excuse. The real question is not whether India needs lateral entry but whether the government can design a system that combines expertise with inclusiveness. After all, diversity and competence are not mutually exclusive goals.

The politics surrounding lateral entry will not disappear anytime soon. Every new recruitment exercise will revive the same controversy until the government addresses the reservation question head-on.

INDIA'S FIRST FATF LEADERSHIP ROLE
India's election of the vice-presidency of the Financial Action Task Force (FATF) signals how far the country has come in shaping the global conversation on financial integrity, money laundering and terror financing. For years, New Delhi has argued that terrorism cannot be fought effectively unless its financial lifelines are dismantled. It has pushed for tougher scrutiny of terror-financing networks, greater accountability from states that shelter them, and stronger international cooperation against illicit money flows. With senior IAS officer Vivek Aggarwal set to become FATF vice-president, India now has a greater opportunity to shape that conversation from within.

LETTERS BRING BACK EGGS

After Gujarat, Maharashtra, Punjab and Rajasthan, West Bengal has also stopped eggs in midday meal schemes in government-run schools. It is a matter of concern since for many students from economically weaker families, the midday meal is an important source of nutrition. Eggs are rich in protein, vitamins and essential nutrients that support healthy growth and development. While vegetarian alternatives can also provide protein, any change in the menu should be guided primarily by scientific nutritional standards and the welfare of children rather than ideological considerations. The West Bengal government must ensure that the nutritional needs of schoolchildren remain the highest priority. A balanced and evidence-based approach will help safeguard the health and future of millions of students.

Bal Govind Noida, UP HIGH COMMAND TRAP

THE CONGRESS paid a heavy price for allowing its high command culture to overshadow strong state leadership. Regional states gradually gave way to centrally chosen loyalists, weakening its grassroots connect and leaving it directionless both in the states and at the Centre. Electoral decline followed not merely because of ideology, but because leadership ceased to grow from the ground up. The BJP, despite its formidable electoral machine, risks a similar trajectory. In several states, relatively low-profile leaders owe their position more to central endorsement than independent political stature. Leaders must therefore build trust, not just have organisational approval.

R. Narayanan Navi Mumbai

TWO BIRTHDAYS

WEDNESDAY, June 24, was a special and momentous day, as it marked the birthday of Kaviar Kamadassi (his 100th birthday, in fact) and soccer king Lionel Messi (he turned 30) — the two unparalleled geniuses of human emotion and movement. While Kamadassi painted deep philosophical and emotional realities using remarkably simple words that even an illiterate man could understand, Messi's virtuosity lies in his ability to make seemingly impossible dribbles and passes, and converting them into goals effortlessly. Both are men who elevated their crafts to pure poetry. And both possess an enduring legacy — Kamadassi's lyrics still profoundly shape Tamil culture and Messi's on-field brilliance is a cornerstone of modern sports history.

R. Sivakumar Chennai



Dilip Cherian Dilli Ka Babu

How justice cannot keep looking away from the case of Sanjiv Chaturvedi

The Uttarakhand government's decision to elect whistleblower forest officer Sanjiv Chaturvedi for a possible deputation to the Lokpal is noteworthy. But an even bigger story lies elsewhere: the extraordinary reluctance of courts to hear his case.

Over the years, judges after judges have recused from matters involving Mr Chaturvedi. The numbers are startling enough to raise a simple question: At what point does recusal stop being a safeguard and start becoming a problem?

Last week, the Supreme Court appeared to recognise exactly that. After four judgements of the Punjab and Haryana high court recused themselves from hearing a case involving Mr Chaturvedi, the apex court directed that a bench be constituted where there was no scope for further recusals. That should never have required a reminder from the Supreme Court.

Recusal is important when there is a genuine conflict of interest. Nobody wants judges hearing matters in which they have a personal stake. But recusal cannot become the judicial equivalent of passing the file to someone else's desk. Every recusal pushes the case further down the road, increases delays and leaves litigants trapped in a maze with no exit.

Whether one agrees with Mr Chaturvedi or not is beside the point. Some see him as a courageous whistleblower. Others view him as a combative officer who has spent years fighting institutions. Neither perception changes the core issue. Every citizen is entitled to have a court hear and decide

a case within a reasonable time. Courts earn public trust by deciding difficult matters, not by avoiding them. Justice cannot be allowed to disappear into an endless chain of recusals.

THE MISSING PIECE IN LATERAL ENTRY

The Modi Sarkar's lateral entry experiment has always generated more heat than light. Now, Union minister Jitendra Singh has acknowledged that many critics have been saying for years: there is still no workable model for providing reservation in lateral-entry appointments. The admission has exposed the central contradiction in the debate. Few would disagree that the government needs specialised talent. Running a modern state is no longer just about file work and administrative experience. Policymakers today grapple with artificial intelligence, cybersecurity, climate change, financial regulation and energy transitions. It is only logical to bring domain experts into government when required. In fact, lateral entry is hardly a revolutionary idea. Governments across the world routinely tap outside talent for specialised roles.

The trouble begins when expertise appears to come at the cost of reservation. The reservation in public employment was designed to ensure that historically disadvantaged communities have a seat at the table. Unsurprisingly, any recruitment mechanism that seems to bypass that framework is bound to attract scrutiny.

The government argues that implementing reservations in a small number of highly specialised posts is easier said than done. But after years of experimentation, "it's complicated" is beginning to sound less like an explanation and more like an excuse.

The real question is not whether India needs lateral entry but whether the government can design a system that combines expertise with inclusiveness. After all, diversity and competence are not mutually exclusive goals.

The politics surrounding lateral entry will not disappear anytime soon. Every new recruitment exercise will revive the same controversy until the government addresses the reservation question head-on.

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FATF is the world's most influential anti-money laundering and counter-terror financing body. Its assessments can affect a country's access to global capital, investor confidence and financial credibility. In an era where financial crime moves faster than regulators and terror networks exploit increasingly sophisticated channels, FATF's role has only become more consequential. The appointment also reflects India's growing stature in global governance. Whether at the G20, climate negotiations or multilateral institutions, India is increasingly being viewed not just as a participant but as a stakeholder whose views carry weight. Securing a leadership position in FATF for the first time is part of that broader trajectory.

There is also a larger message here. For a country that has repeatedly borne the costs of cross-border terrorism, influence within FATF is not simply about prestige. It is about ensuring that concerns India has raised for decades remain central to the international agenda.

Of course, one appointment will not transform the global fight against illicit finance. But leadership positions matter because they help shape priorities, build coalitions and keep difficult issues on the table. The challenge now is to use this position effectively.

Love them, hate them ignore them at national peril, is the babu guarantee and Dilip's belief. Share significant babu escapades dilipcherian@hotmail.com.

quick BITES

INDICATORS % Sensex 77,100.47 0.14 Nifty 50 24,056.00 0.14 S&P 500* 7,384.11 0.35 Dollar (€) 94.69 -0.04 Pound Sterling (€) 124.91 -0.34 Euro (€) 107.541 -0.52 Gold (10gm) (€) 142,691.421 1.01 Brent crude (\$/bbl) 74.12 -0.12 IN 10-Yr bond yield 6.774 0.19 US 10-Yr T-bill yield* 4.367 -0.033

Eli Lilly launches cancer drug in Indian market

Eli Lilly and Company India on Thursday announced the launch of its cancer treatment drug Tanvistar in India. The launch follows market authorisation from the CDSCO for patients with locally advanced or metastatic solid tumours with a rearranged androgen receptor gene.

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Crude oil falls below \$73, OMCs fail to slash prices

Centre likely to come under pressure to rollback recent hikes

MADHUSUDAN SAHAO NEW DELHI, JUNE 25

Brent crude fell more than one per cent on Thursday, slipping below its closing level on the eve of the West Asia war, as investors grow optimistic about US-Iran peace talks and tankers continue through the Strait of Hormuz.

State-owned oil marketing companies (OMCs) have not yet reduced fuel prices in India. Petrol and diesel prices had earlier been raised by ₹7.80 per litre each during oil price rose.

The contract for August hit a low of \$72.44 a barrel, compared with the February 27 close of \$72.68. Oil soared as high as \$119 after the Iran war began.

Officials in state-run oil firms said petrol is currently yielding healthy margins, while the government to pass on to incur modest losses to ensure oil companies would like to recoup their underrecoveries before passing on the benefit to the Indian customers.

BIG RELIEF

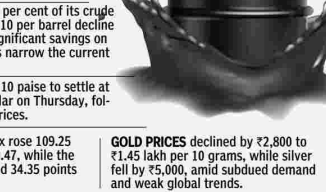
CRUDE OIL plunged to \$72.44 a barrel, which is a tad lower than the pre-war price of \$72.48. Oil soared as high as \$119 after the Iran war began.

THE CENTRE restored liquefied petroleum gas (LPG) supplies to commercial consumers such as hotels, restaurants and other businesses to pre-crisis levels.

INDIA IMPORTS over 88 per cent of its crude oil requirement. Every \$10 per barrel decline in oil prices results in significant savings on the import bill and helps narrow the current account deficit.

THE RUPEE appreciated 10 paise to settle at 94.45 against the US dollar on Thursday, following lower crude oil prices.

The 30-stock BSE Sensex rose 109.25 points to close at 77,100.47, while the 50-stock NSE Nifty added 34.35 points to settle at 24,056.



GOLD PRICES declined by ₹2,800 to ₹1.45 lakh per 10 grams, while silver fell by ₹5,000, amid subdued demand and weak global trends.

India unlikely to step up crude buy from Iran in waiver period

SANGEETHA G CHENNAI, JUNE 24

Indian refiners are not likely to buy 'meaningful volumes' of crude from Iran during the current sanctions waiver. If the waiver extends beyond 60 days, India may move more aggressively to fill any gap. Till then, it will continue to buy from Russia, West Asia and Venezuela, finds Kpler.

expect the waiver to prompt India to purchase meaningful volumes of Iranian crude. This is consistent with India's behaviour during the last temporary US waiver on Iranian oil when Indian refiners bought only two cargoes and did not engage in incremental purchasing due to a range of operational and commercial constraints.

are relying on Russia, Saudi Arabia, UAE as well as partly from Venezuela. However, if the US-Iran interim deal allows for negotiations to extend beyond the initial 60-day period, India may move more aggressively to fill any gap, given that Indian refiners were largely configured to process Iran crude. The combination of shorter sailing distances and elevated freight rates makes Iranian barrels more attractive than longer-haul alternatives.

India set to approve first Chinese direct investment after 2020 curbs

ALISHA SACHDEV MUMBAI, JUNE 25

India is set to approve a roughly \$370 million investment from Horse Powertrain Ltd, a hybrid engine venture backed by China's Zhejiang Geely Holding Group Co., that would mark one of the biggest manufacturing investments from a Chinese-linked company in years.

The deal would enable Horse Powertrain, whose other major shareholder is Renault SA, to invest in the French carmaker's manufacturing operations in India, according to the parent.

discussing private deliberations. The clearance would be one of the first since India relaxed rules in March for investments from bordering countries to support local manufacturing — a move aimed primarily at China. The last time a major Chinese automaker invested in India was in 2017, when state-owned SAIC Motor bought General Motors' plant to launch the MG Motor brand in the country. That business was subsequently restructured and is now majority owned by Indian shareholders, led by JSW Group.

increasingly important manufacturing hub for global automakers seeking to diversify supply chains and tap growing domestic demand. Yet large investments involving Chinese entities have been rare since New Delhi tightened foreign investment rules after border tensions with China in 2020. India last year said it would continue to restrict Chinese EV maker BYD Co's market access. Horse's entry into India also highlights the growing importance of hybrid vehicles in the world's most populous country. Automakers are increasingly offering gasoline-electric models as consumers seek better fuel economy, while electric vehicle adoption remains gradual.

No deal sans benefits: Goyal

London, June 25: Backed by trade and tariff data, commerce and industry minister Piyush Goyal on Thursday said that the India-US trade deal cannot come into force unless the country secures a competitive tariff advantage over its competitor nations.

comparative advantage over its competitor countries, such as ASEAN nations (Indonesia, Malaysia, Singapore, Thailand, Philippines, Brunei, Vietnam, Laos, Myanmar, Cambodia), Sri Lanka, Pakistan and Bangladesh.

over our competitors," he added. He said the previous deal was negotiated to bring the US tariff on India from 50 per cent to 18 per cent. At that time, Goyal said, tariffs on India's competing countries ranged from 19 to 20 per cent. But now, the US has cut the same 10 per cent additional levy.

"The day that happens, the deal is on," he said here at the India Global Forum UK-India Week event. "If the deal is on, we can't enter into force a US deal. I don't think I can be more transparent than that... So that's broadly the discussions between India and the US) on how the US will find the appropriate tools and legal backing to give us our competitive advantage

"Until the framework of getting that competitive advantage can be finalised, we can't enter into force a US deal. I don't think I can be more transparent than that... So that's broadly the discussions between India and the US) on how the US will find the appropriate tools and legal backing to give us our competitive advantage

"There is always a little give and take (in a deal)," he said, adding, "We are very close" to the deal. The commerce minister said the focus now is on ensuring that India secures a competitive tariff advantage over competitors.

GAMES

SHORT TAKES

Two para-athletes to get Asiad funds

New Delhi: The Sports Ministry's Mission Olympic (MOC) has approved overseas training stints for Paralympic silver-winning duo of javelin thrower Ajeet Singh and club thrower Pranav Soorma at a total cost of ₹35.46 lakh to enhance their preparations for this year's Asian Para-Games in Japan. The 32-year-old Ajeet has left for international training at Offenbach in Germany till September 16, while Pranav has flown out for a training stint in Czechia till August 15.

Both of them are a part of the government's flagship Target Olympic Podium Scheme's (TOPS) core group. Pranav, who secured a wheelchair gold medal at a spinal injury caused by an accident at home, had won a gold at the previous Asian Para Games and is currently ranked world number one in his classification of F51. During the training, for which 23.14 lakh have been sanctioned by the NJS Kohal-led MOC, Pranav will also participate in the Polish Championship, Czech Championship, Slovakia Championship, and the Ostrava League to gain experience and improve rankings — PTI

Jyothi felt her journey was over

Bhubaneswar: A painful knee injury brought her to the brink of an emotional collapse last year but having battled through her fears with some hope and lots of resilience, hurdler Jyothi Yarraji is now aiming to turn her previous Asian Games silver into gold this time.

The National record-holding 100m hurdler has no qualms admitting that she had fleeting thoughts of her career being possibly over during the one year of knee injury and rehabilitation. The resolve paid off as she came back to win a gold medal in the National Women's Championships here on Wednesday. In the process, she breached the Asian Games qualifying time of 13.34 seconds set by the Athletics Federation of India (AFI) by clocking 12.99 seconds. "There were a lot of nights when I cried a lot. I suffered from injuries earlier also (before the ACL tear in 2025). While sitting in my room, sometimes I asked myself 'is it done? Is this journey over?' she recalled — PTI

Shafali scripts Indian win

Manchester (England), June 25: Shafali Verma bludgeoned Bangladesh attack with a 34-ball 53 to set up a five-wicket win for India in the Women's T20 World Cup here on Thursday.



India's abysmal fielding in tournament thus far hit a new low as Bangladesh managed to post 136 for 8 at Old Trafford on Sunday. India, who lost to South Africa largely due to their poor fielding, dropped as many as four catches in the Powerplay.

The target was very gettable and Shafali provided a flying start to ensure that India got home in 16.5 overs. There was bit of lull in the middle overs before Jinjima Rodrigues (36 off 15 balls) took India close to the finishing line.

Having lost to South Africa, India will need to beat Australia on Sunday in their bid to make the semifinals. Smriti Mandhana fell cheaply but Shafali handedly fired India to 63 for 1 in the Powerplay. She punished the spinners and pacers with equal disdain, unleashing the inside out shot on multiple occasions.

She brought her second wicket down with 29 balls in the eighth over, taking India on the cusp of a big win. The explosive opener was stumped in a rather unusual fashion as she went for a non-existent single after under edging a ball from Nahida Akter in the ninth over, not realising the wicket-keeper had collected the ball and dislodged the stumps.

Earlier, all the four dropped catches were rather straightforward but the fielders made a mess of them. Among the guilty were Nandini Sharma, Yastika Bhatia and Radha Yadav, who had grassed two chances in the loss to South Africa in the previous game.

The biggest beneficiary of India's indiscretion was Juijariya Ferdous, who was dropped three by the fifth over. Ferdous hit some fine boundaries but failed to make the most of the luck that came her way. After being warned twice for running on the pitch, Nandini, who had dropped Ferdous and Sobhana Mostary off successive balls, took a sharp return catch to get rid of Ferdous. The opener scored 33 off 31 balls. India have been found wanting in all departments in the tournament thus far. The management has been guilty of making too many changes in the pace department, leaving out the likes of Kranti Gaud.

Men take on Irish before England tour

Belfast, June 25: Accommodating teenage sensation Vaibhav Sooryavanshi in the starting eleven will be the toughest riddle for the team management when India step into a new T20 era under Shreyas Iyer by the first of a two-match series against Ireland here on Friday. There is heightened interest surrounding Sooryavanshi's possible international debut after the 15-year-old's stunning run in the IPL, and a marauding 29-ball 94 for

India 'A' against Sri Lanka 'A' in a tri-series one-day match at Dambulla. But according to the popular demand, it will not be easy for the think tank. Currently, India's top three are: Sanju Samson, Abhishek Sharma and Ishan Kishan. And their overall and recent T20 records are not easy to ignore. Samson, Abhishek and Kishan made fiftees in the ICC T20 World Cup final win over New Zealand in March, which was also India's last assignment in

Live on TV CRICKET India vs Ireland: First T20 on 6 pm on Sony Ten 1, 3, 4 UFC Fight Night: Rafael Fiziev vs Manuel Torres on 9.30 pm on Sony Sports Ten 1, 2

the shortest format. If the management wants to include Sooryavanshi, an opener, then one of Samson or Abhishek will have to go down or sit out, and that is a harsh step in the aftermath of a World Cup title win. The bigwigs can push Samson down to the middle-order, as he has batted at No. 4 and No. 5 in the past. But those slots will now be taken by skipper Iyer and his deputy Tilak Varma, leaving No. 6 the only open space. However, it traditionally belongs to an allrounder and India have multiple choices in Shivam Dube,

SCOREBOARD

Bangladesh: Dilara Akter c Shree Charani b Renuka Singh 4, Juijariya Ferdous c A B Nandani Sharma 33, Sobhana Mostary c Deepthi Shafiq b Radha Yadav 22, Nigar Sultana c Ghosh b Renuka Singh 10, Smoora Akter c Renuka Singh b Shree Charani 15, Ritika Mon b Radha Yadav 8, Rabeeya Khan not out 2, Nahida Akter c Rodrigues b Shree Charani 0, Mandana Akter not out 2, Extras (nb-3, w*7) 10. Total (10 overs) 165-5 (10 wickets in hand). Fall of wickets: 1-8, 2-9, 3-79, 4-106, 5-120, 6-128, 7-134, 8-134. Bowling: Shafali Verma 2-0-10, Renuka Singh 3-0-21-1, Shree Charani 4-0-21-2, Nandani Sharma 3-0-32-1, Deepthi Sharma 4-0-23-0, Radha Yadav 4-0-28-2.

INDIA 'A' vs SRI LANKA 'A' TEST

Sudharsan's ton props up Bues

Galle (Sri Lanka), June 25: A fluent century from Sai Sudharsan and unbeaten fifties from skipper Dhruv Jurel and Shaik Rasheed put the India 'A' firmly in control at 333 for 4 on the opening day of the unofficial Test series against Sri Lanka 'A' here on Thursday.

By electing to bat, India piled up a big score at stumps, with Sudharsan laying the foundation with a classy 132 before skipper Jurel (53 batting) and Rasheed (53 batting) carried the momentum forward with a strong unbeaten partnership in the third and final session of play.

Opening the innings, Sudharsan looked in complete command from the outset — displaying his range of strokes and sound temperament to tackle the Sri Lanka attack. The left-hander mixed caution with aggression, capitalising on loose deliveries while remaining patient on a surface offering some assistance to the bowlers.

His century set the tone for India 'A's innings after the visitors lost Ayush Pandey following an 82-run opening partnership, and the Tamil Nadu batter's effort ensured Sri Lanka 'A' were kept on the back foot for large parts of the day. Sudharsan's innings stood out for the ease with which he handled the con-

ditions, as he patiently built his knock before accelerating once settled at the crease. His runs came off 175 balls, with 19 boundaries in his boot. The left-hander's performance also underlined his growing maturity in red-ball cricket, as he combined solid defence with attacking stroke-play to put the pressure back on the hosts.

His dismissal brought no respite for Sri Lanka 'A', with Jurel and Rasheed ensuring the scoring rate remained healthy. India scored at 3.87 runs per over, and 86 overs of play was possible on the day. Jurel, leading the side, took charge with a composed knock, rotating the strike well and punishing the bad balls. Rasheed provided able support at the other end, showing confidence against both pace and spin as the pair extended India 'A's advantage in the final session. — PTI

TANWI, SRIKANTH ENTER 2ND ROUND AT US OPEN

Fullerton (USA), June 25: World Junior Championship silver-medallist Tanvi Sharma and the seasoned Kidambi Srikanth began their US Open badminton campaign with comfortable wins here. Tanvi defeated Yoon Seung of Germany 23-21, 21-16 while Devika Singh, who is the reigning Thailand Masters champion, beat Ines Lucia Castallo of Peru 21-14, 21-14 in the women's singles first round on Wednesday. In the first of the two all-Indian men's clashes, the promising Round Choudhan defeated former world junior silver-medallist S. Sankar Muthusamy 23-21, 21-16. Fifth seed Kidambi Srikanth dominated the match against competitor D. Saneeth winning 21-14, 21-12 in just 30 minutes. Rakshit Sree also entered the next round with a 21-15, 21-8 victory over Tereza Svabikova of Czech Republic. — PTI

Listing Tata Sons

RBI directions may pave the way

In its latest guidelines for upper-layer non-banking finance companies (NBFCs), the Reserve Bank of India (RBI) has sent out a message on stock-market listing by large corporate groups. The central bank on Wednesday issued norms classifying systemically important or upper-layer NBFCs as those with assets of over ₹1 trillion, rejecting demands from certain quarters of the industry for raising the level to ₹2.5 trillion. The entities falling under the upper-layer NBFC umbrella must mandatorily go for listing. The earlier definition of upper-layer NBFCs, which included indirect public funds received by non-banking financiers, may not apply now, with the guiding principle now being the asset value of the company.

The RBI guidelines have come at a critical time for Tata Sons, the holding company of the salt-to-software conglomerate, with assets of more than ₹1.75 trillion. Although there's no specific direction in the guidelines to any company to list, the RBI is expected to shortly come up with a list of upper-layer NBFCs. That should put an end to the ongoing debate on whether Tata Sons should list or not. In the midst of leadership uncertainties in the group and prolonged infighting within Tata Sons, which has a majority shareholding of 66 per cent in Tata Sons, the stock-market listing of the parent company will be a positive development for the business.

Tata Sons was designated an upper-layer NBFC by the RBI in September 2022, mandating its listing within three years. The RBI has not responded to the Tata group's subsequent request seeking a change in classification from an upper-layer core investment company. Even as many former Tata veterans recently argued against a listing of Tata Sons — set up as a trading company in 1968 by Jamsetji Tata — because of the legacy value it holds, the dynamics have changed with time. Listing is expected to strengthen the governance structure. Not only will it bring greater transparency and accountability, it could also help in financing investment-intensive businesses such as semiconductors, aviation, defence and e-commerce — the things the group has ventured into in the past few years.

Various stakeholders in the Tata universe have diverse views on the listing of Tata Sons, complicating the matter further. Tata Trusts last year passed a resolution on keeping Tata Sons private. While Tata Trusts Chairman Noel Tata is opposed to listing, two vice-chairmen of the Trusts recently supported it. The second-largest shareholder of Tata Sons, Shapoorji Pallonji Group, has been reiterating the need to list. A mandate from the RBI will help things move in a clear direction.

With dispute over several issues intensifying within the group, even top government representatives reportedly have had to play the role of peacemakers within months of Ratan Tata's passing. The interventions were arguably with the aim of protecting the larger interests of the economy. Against such a backdrop, listing Tata Sons — which will result in amending some of the controversial provisions in the Articles of Association — should bring stability. The veto power of Tata Trusts' nominee directors on the board of Tata Sons, especially in appointments and dismissals of top executives, is among the changes expected once listing is done. On the whole, the listing of Tata Sons, which has a complex ownership structure, will be expected to bring more transparency and improve outcomes in the group.

Monsoon preparedness

Focus must be on both immediate and long-term solutions

The southwest monsoon has had a weak start. Rain during the first half of June was reportedly 35-40 per cent below normal, even as the India Meteorological Department (IMD) has forecast seasonal rainfall at around 90 per cent of the long-period average. Adding to the concern, the United States National Oceanic and Atmospheric Administration has confirmed the emergence of El Niño conditions in the Pacific, with the possibility of the phenomenon strengthening in the months ahead. However, it is still too early to draw firm conclusions. Much will depend on how the season progresses through July and August, the critical months for kharif sowing. Nonetheless, the early signals warrant close attention.

The immediate concern is agriculture. For instance, reports of setbacks to the sowing of pulses such as tur, moong and urad in parts of Karnataka and Maharashtra underline the vulnerability of rainfed farming. Agriculture and allied activities may account for only about 18 per cent of India's gross domestic product today, but it still supports nearly half the workforce. A weak monsoon can affect rural incomes, employment and consumption demand across large parts of the economy. Significantly, the Reserve Bank of India's latest monthly bulletin flagged an adverse southwest monsoon as one of the principal domestic risks to both growth and inflation.

Food items account for roughly 37 per cent of the new consumer price index basket. The experience of the 2023-24 El Niño episode showed how rain deficits and higher temperatures could translate into persistent pressures on food prices. The retail food-inflation rate has already begun edging up in recent months. A prolonged monsoon shortfall or an unusually warm winter affecting the subsequent rabi crop could add to these pressures. There is, however, little reason for panic at this stage. India enters this season with substantially stronger buffers. Government stocks of wheat and rice are comfortable, while pulses inventories have also improved. Global food supplies are similarly abundant after two consecutive years of bumper harvests. The risk, therefore, could be localised stress. The monsoon question is also inseparable from India's growing water challenge. Seasonal rainfall replenishes reservoirs, rivers and groundwater aquifers, which support both agriculture and urban consumption. Several cities have faced recurring water shortages in recent years. The problem is increasingly one of storage, recharge and management rather than aggregate precipitation alone.

What makes the situation a bit complex is that climate change is altering the relationship between rainfall and outcome. Even in years of near-normal aggregate rainfall, extreme weather events, prolonged dry spells, and short bursts of intense precipitation can damage crops and infrastructure. The distribution of rainfall across regions and time is becoming as important as the seasonal total. Policy preparedness, therefore, becomes critical. While comfortable food stocks provide a cushion, wider use of local weather forecasts, timely crop advisories, drought-resistant seed varieties and short-duration crops can help reduce losses. Equally important is investment in water conservation, groundwater recharge, and the restoration of local water bodies. India is better equipped than before to withstand a weak monsoon. But resilience over time will depend more on how effectively the climate change is managed.

Stress in state finances

The need for fiscal consolidation is back on the table



The recent Assembly elections have resulted in a change in political dispensation in three states — Kerala, Tamil Nadu and West Bengal. The new governments in two of these states have tabled white papers on "State Finances" to place on record the challenges they face. Identifying the challenges, one presumes, is the first step towards taking measures to mitigate them.

Apart from concerns of rising debt levels, both these documents (of the two states) throw light on a few similar concerns on receipts and expenditures. On the expenditure side, they flag the high share of

committed liabilities in revenue expenditure and the limited space left for capital expenditure, which constitutes the base for long-term growth in the economy. Kerala reports committed expenditure, including wages and salaries, pensions, and interest payments, at 77 per cent of revenue receipts while Tamil Nadu reports a figure of 64 per cent of revenue receipts. In contrast, capex is limited to 1.3 per cent for Kerala and 1.44 per cent for Tamil Nadu. Both states flag two other concerns on the expenditure side — liabilities on account of public-sector enterprises and challenges in covering the existing liabilities of the state in the form of outstanding dues.

On the receipts side, the white papers highlight slowdown in the growth of the own tax revenues of these states. The Kerala white paper reflects on the decline in the performance of own tax revenues both in comparison to its own past as well as in comparison to other similar states. The ratio of own tax rev-

enues to gross state domestic product (GSDP) has declined from 6.94 per cent in 2015-16 to 6.41 per cent in recent years, indicating a low buoyancy, largely attributed to SGST (state goods and services tax) performance. The Tamil Nadu white paper too flags a decline in the ratio from a historical high of 8.94 per cent in 2006-07 to a low of 5.45 per cent in 2025-26.

A few questions arise from a perusal of the white papers. First, are the identified fiscal challenges specific to these two states, or is this a more widespread phenomenon? Second, are there any concrete options available for addressing these challenges?

To understand the fiscal space available to states in the form of growth in revenue receipts, we look at the audited figures for years up to 2024-25 and the cumulatively 100 per cent for March 2026 (of 2025-26). The pre-Covid period witnessed an average annual growth rate in revenue receipts of over 10 per cent — all states taken together. During 2019-21, it dropped close to zero per cent. In the next two years, there is a sharp increase in the rate of growth — 25 per cent in 2021-22 and 13 per cent in 2022-23. Thereafter, there is a clear slowdown — the growth rate for 2023-24 is 8 per cent while that for 2024-25 is 6.8 per cent. Taking the monthly accounts figures, there appears to be a modest improvement to 7.3 per cent. Even for major states taken together, a similar trend is visible.

Turning to states' own tax revenues, once again, a similar trend is visible for major states — a growth rate over 10 per cent in the pre-Covid period, compression during the Covid period, followed by a

surge in growth for two years before it settles into a more modest growth phase — 13 per cent in 2023-24, 4 per cent in 2024-25 and 5 per cent in 2025-26. Taken together, with a nominal growth rate in gross domestic product (GDP) of 0.9 per cent in the last two years, it is clear that the ratio of own tax revenues to GDP for states would register a decline, as would revenue receipts.

On the utilisation of available resources, stress in state finances can be reflected in the extent to which states are utilising their fiscal deficit to finance the revenue deficit. Here too, the scenario shows clear improvement after the pandemic, with the number of major states reporting a revenue surplus increasing to nine in 2022-23. But subsequently the scenario changes. Fewer states report a revenue surplus — eight in 2023-24, six in 2024-25 and five in 2025-26. On the other hand, the number of major states using more than 50 per cent of the fiscal deficit to finance the revenue deficit has increased from four in 2023-24 to six in 2024-25 and eight in 2025-26.

In other words, there is evidence of increasing fiscal stress in state finances across states. The need for fiscal consolidation is back on the cards. The options are, as always, augmenting revenues and/or restructuring expenditures. There are two thoughts on this count. First, there are exceptions to this broad phenomenon of emerging fiscal risk. Some states have been able to consistently maintain revenue surpluses — these include Gujarat, Jharkhand, Madhya Pradesh, Odisha and Uttar Pradesh. These include high income and middle-income states, mineral-rich states as well as states dependent on the agricultural sector. On the other hand, Haryana, Maharashtra and Rajasthan report consistently good revenue performance with growth in revenues close to or over 10 per cent. Some sharing of experiences might be useful.

Second, while the big-picture questions on state finances have been flagged in white papers, one emerging concern seems to have been missed. Macroeconomic conditions in the economy are raising certain concerns, the foremost among them being the challenge in generating an adequate number of productive jobs. Technological change seems to suggest a further exacerbation of this challenge. In this context, there is a shift in policy in favour of expanded welfare programmes. These range from income supplements, to free food, to free electricity and transport as well as health care. While each of these is a worthy cause in and of itself, these initiatives imply a fiscal cost. One question that could have been asked is whether there could and/or should be a framework on the scale and composition of such schemes. This could be an important element in any proposed restructuring of expenditures.

The author is director, National Institute of Public Finance and Policy. The views are personal



R KAVITA RAO

Trump's un-American capitalism

President Donald Trump claims that electing "socialist" Democrats would put the United States on the path to becoming Venezuela or Cuba. But Mr Trump's own actions, as is often the case, fly in the face of what he says and what his Republican Party supposedly stands for. What has distinguished American-style capitalism is strict private ownership of firms. Under Chinese- and Russian-style capitalism, the government owns seemingly ordinary firms through corrupt arrangements that ultimately serve political leaders and their cronies — a system bearing little relation to the kind of economy that one studies in an introductory economics course. But now, the US is on the same path as Russia and China.

I have long argued that there is more scope for government intervention in the US economy through industrial policy, and that regulation is needed in many areas to align private interests and the public good. But I have always argued that such interventions must be institutionalised, following impersonal, transparent processes that avoid even the appearance of political favouritism.

The Republican Party, by contrast, has tacitly endorsed Mr Trump's thugish capitalism, a model nothing like the rules-based market economy that conservatives used to endorse. It is thus no surprise — but very worrying — that the Trump administration is reportedly in discussions that could lead Anthropic, OpenAI, and other AI firms "voluntarily" to cede "shares to the government", just as Vladimir Putin has "voluntarily" received support from Russia's oligarchs.

From Russia and China to Saudi Arabia, businesspeople have learned not to challenge the government. Alibab founder Jack Ma and former Russian oligarchs like Mikhail Khodorkovsky and Boris Berezovsky can attest to that. Mr Trump may not go to the same extremes as Mr Putin or Xi Jinping, but his basic approach is the same. His administration's treatment of Anthropic is reminiscent of

how the Chinese government dealt with Mr Ma when he dared to criticise regulators. After suddenly slapping an export ban on Anthropic's most advanced tools earlier this month, the administration is holding new "discussions", presumably to extract additional concessions from the country's fastest-growing artificial intelligence (AI) lab.

The administration already took decisive steps in this direction last August, when it demanded that Nvidia and AMD give the US government a 15 per cent cut of their sales to China in return for lifting export bans. In this case, Mr Trump openly traded national security (the purported justification for the bans) for a few billion dollars of extorted revenue. Meanwhile, in response to the growing public demand for AI regulation of some kind, Mr Trump recently signed an executive order calling for AI developers to subject themselves to regulation in limited contexts. But the text of the document clearly reflects the influence of tech oligarchs like Mark Zuckerberg and Elon Musk. For example, it states explicitly that:



JOSEPH E STIGLITZ

"In this section shall be construed to authorize the creation of a mandatory governmental licensing, preclearance, or permitting requirement for the development, publication, release, or distribution of new AI models, including frontier models." Administration officials claim that these moves toward state capitalism will ensure that everyone benefits from AI. But if that was really the goal, they would support taxes on corporate profits, which exist to ensure that the benefits of economic activity are shared, in recognition of the fact that corporations themselves have benefited from public goods. Instead, this administration has undermined corporate taxation. In the 1970s, taxes on corporate profits generated revenues equal to 2.6 per cent of gross domestic product (GDP), whereas today they raise only half that, even though corporate profits as a share of GDP have almost doubled.

In any case, for anyone who thinks Mr Trump and his cronies are acting out of concern for the average American, I have a bridge in Brooklyn to sell you. This is the most corrupt administration in US history — by orders of magnitude. Nothing this government does is above board. Every stake it takes in the private sector is driven by favouritism or senior officials' personal investments, and the resulting economic distortions will only continue to mount. The GOP's brand of capitalism has far-reaching implications. First, and most importantly, it undermines democracy, moving us ever closer to oligarchy. Second, it also undermines American prosperity. A core insight from modern economics and economic history is that strong institutions, including the rule of law, are essential to achieve sustained improvements in living standards.

Mr Trump's hubgurgery is the antithesis of the institutional foundation on which the US economy was built. The winners in the new oligarchic competition are not those who make the best products or are the most innovative (in terms of AI, that title would seem to belong to Anthropic at the moment). Rather, it is those who are the least principled, and the best at flattering the mad king.

The government's legitimate reasons both to promote nascent industries and to regulate those where private profits could be misaligned with the public interest — as is manifestly the case with AI. But these market interventions must adhere to the rule of law and submit to oversight from independent institutions, rather than being conducted through opaque, ad hoc self-dealing. With Mr Trump at the helm, America is doomed to join all the other countries suffering under crony capitalism, rather than those that have demonstrated what a successful industrial strategy looks like. Its economy, democracy, and national security are all being sacrificed to satisfy the bottomless cupidity of Mr Trump and his flatterers.

The author is a Nobel laureate in economics © Project Syndicate, 2026

The future is female



NEHA KIRPAL

British writer and human rights activist Natasha Walter's latest book speaks passionately about feminism, explaining how authoritarian states, online misogyny and climate breakdown are creating dangers for women all over the world. "Everywhere, women are struggling to defend their freedoms, everywhere, women's rights are under attack," she writes.

Ms Walter, who worked with refugee women, heard countless stories of

women who had fled across borders for their safety. These were stories from war zones, prison camps and detention centres. "But I could see that even in the most desperate situations, women were being exhorted to rely on their own resilience," she writes.

Despite these dark times, there has been a recent resurgence of energy, whereby "women forged new connections, women wrote new songs, women mobilised, women stood together, women spoke up about their experiences of violence, and women won some extraordinary successes", writes Ms Walter.

In 2011, women in Saudi Arabia publicly called for their right to drive. Back home in 2012, thousands of women marched in various cities across India following the rape and murder of a young woman. In 2016, there were massive demonstrations spread across

Poland when the government announced a proposal to ban abortion. "One of the most visible of all the protests led by women during the second decade of the twenty-first century took place in January 2017 to protest the first inauguration of Donald Trump," writes Ms Walter. Similarly in other countries too, there were many instances of women being drawn out onto the streets because of their rage against male violence embedded in daily life everywhere.

Further, the #MeToo movement seemed bigger than previous instances of feminist online organising that was spreading across the world. Though women's protest movements are often trivialised and marginalised, they have generated visible and undeniable change on many occasions. "As well as making concrete changes within countries, these waves of protest were connecting women across borders," writes Ms Walter.

Ms Walter also talks about the rising publishing trend for women's history — unearthing women's stories and experi-

ences — with an explosion of books about bossy women, rebel girls, warrior queens and the like. In 2017, the Merriam-Webster dictionary made feminism its word of the year. "At the same time, social media seemed to be providing a megaphone for feminism," she writes.

However, the author points out that being online now is more and more likely to be tied up with the experience of being harassed or threatened. "To exist in the online world is to be forced to watch and judge ourselves even more of the time, and to measure the response to our physical selves not only in the views of a small number of people we know, but in the approval or disapproval of millions of strangers," she adds.

Ms Walter goes on to explain how consumerism is sold to women as individual empowerment. For instance,



Feminism for a World on Fire by Natasha Walter Published by Virago 287 pages ₹699

Facebook algorithms use the vulnerabilities of young women to sell them more products. There have been several instances of young girls having taken their own lives, distressed by internet misogyny and online sexism. "Throughout the internet women are busy selling products to one another, drugging away in the service of this manic phase of capitalism," she points out. According to Ms Walter, this co-optation of feminism by marketing and branding has eroded the whole ethos of the women's movement.

Over the years, Ms Walter has observed that the women's movement has narrowed the focus of the individual's journey to success, which cannot take place independent of any political context. She believes that patriarchy is hardening its grip through culture as well as politics in this time of interconnecting

crises. Later in the book, Ms Walter also explains that women are not separate from what happens to the environment. According to her, the ecological crisis is amplifying every threat to women. "The work to build a society in which women can thrive and to heal the environment go hand in hand," she writes.

Ms Walter strongly reiterates the fact that society can be transformed by supporting women's efforts at the grassroots. Moreover, having many feminist men in her life, her experiences inspire her to believe in the potential for men to challenge patriarchy. She stresses on the importance of growing a feminism that connects us to others, that refuses to see some women sacrificed so that other women can be liberated, that recognises the humanity in every woman. "This experience of finding that one's own truth is shared by other women is at the heart of almost every woman's journey into feminism," she concludes.

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INTERNATIONAL EDITORIALS



اعملْ كأنك ميتٌ غداً،
ولا تجمعْ كأنك تعيشُ أبداً.
(الحسن المصري)

YOUR DAILY ARABIC PROVERB
Work as though death comes tomorrow, and amass nothing as though life were endless.
Al-Hasan Al-Basri
(Medieval Muslim preacher and judge)

Opinion

From interim deal to a permanent regional agreement

DR. ABDEL AZIZ ALUWAISEH

Critics had a field day last week when President Donald Trump signed the Islamabad Memorandum of Understanding between the US and Iran. Some picked on the US agreeing to lift sanctions, allowing Iran to resume exporting oil, withdrawing forces from its vicinity, and releasing its frozen assets.

Some focused on the agreement's implicit acceptance of an Iranian role in managing the Strait of Hormuz. This is the issue most Gulf commentators criticized, plus they were livid at the apparent suggestion in the agreement that "regional partners" would provide some funds toward Iran's development and reconstruction, even though those partners were the ones attacked by Iran, not the other way round.

Trump signed the document at the Palace of Versailles outside Paris in front of the G7 leaders, their guests and the media. The triumphal theatrics of the

signing ceremony served as an invitation to pick apart the agreement and highlight its weaknesses and loopholes.

Making matters worse for the US administration, which was trying to portray the deal as a singular success, every time Trump said that Tehran had agreed to some major concessions, Iranian officials rejected those claims.

Much of the criticism voiced by Gulf commentators was motivated by the appearance that the agreement is heavily slanted toward Iran, giving too many concessions to Tehran without clear guarantees that it will keep its end of the bargain.

To be fair to the administration's efforts, one must keep in mind that this is not a final agreement but a temporary negotiating framework, accompanied by a clear American threat to resume war more ferociously than before if Iran delays or fails to fulfill its obligations under the agreement.

What is probably more important than finding fault with a temporary



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arrangement is trying to shape the final deal to produce a durable win-win and fully take into account the GCC states' interests, including the following priorities.

First, the final deal must include a commitment to return the Strait of Hormuz to its status quo ante, without impediments, delays or tolls, according to the UN Convention of the Law of the Sea.

Second, in addition to dealing with Iran's nuclear, missile and drone programs, the agreement must address Tehran's regional proxies, which have undermined the states in which they operate, including Iraq, Lebanon and Yemen.

Third, the final deal needs to include fair compensation, according to international law, for the damage inflicted by Iran's attacks on GCC states.

Fourth, GCC countries must be part of the negotiations on the final deal and any future political, economic or security arrangements for the region.

Fifth, discussing investment and regional integration can take place only

in an atmosphere of trust, which has been shattered by Iran's attacks on GCC states. Accepting these priorities will go a long way toward restoring that trust between Iran and its Gulf neighbors and enabling trade and investment decisions to be made.

Regardless of the apparent shortcomings of the interim memorandum, the final deal, when properly negotiated, could serve as the first step toward a genuine regional dialogue in all areas. This dialogue should be based on the globally recognized principles enshrined in the UN Charter, including respect for the sovereignty of states, noninterference in their internal affairs and refraining from the use of force or threats.

Resorting to diplomacy instead of war and ensuring the peaceful settlement of conflicts will pave the way for real cooperation between Iran and its neighbors for the benefit of the peoples on the two shores of the Gulf, who will reap the benefits of normalizing relations in the form of shared prosperity, peace and stability.

The theatrics of the signing ceremony served as an invitation to pick apart the agreement and highlight its weaknesses

ILLUSTRATION: HANAN AL-AWADI



The Palestinian issue has endured as the region's most persistent source of tension, frustration and instability

Regional stability requires a Palestinian state

HANI HAZAIMEH



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The US remains the world's foremost superpower, possessing unmatched political, economic, military and diplomatic resources.

Today, nowhere is its influence more evident than in the Middle East. For decades, the region has been trapped in recurring cycles of conflict, with one crisis often overshadowing another. Yet there is growing optimism that one of the region's most dangerous flashpoints — the long-running confrontation between the US and Iran — may finally be approaching a political resolution.

The negotiations between Washington and Tehran have been difficult, slow and, at times, frustrating. Nevertheless, both sides appear to recognize that continued confrontation serves neither party's long-term interests.

Should an agreement ultimately emerge, it would mark a significant geopolitical shift. It would lower the risk of military

escalation in the Arabian Gulf, reduce tensions across the region and open a new chapter in US-Iranian relations. Such an outcome would undoubtedly be welcomed by Gulf states, whose economic prosperity and national security depend heavily on regional stability.

Washington has both the capability and the motivation to discourage military adventures that threaten its broader strategic objectives. This raises an important question that extends beyond the US-Iran relationship itself: If America can exert pressure to prevent a wider conflict with Iran, can it also use its influence to address the conflict that lies at the heart of Middle Eastern instability?

Can Washington persuade — or if necessary pressure — Israel to engage seriously in negotiations aimed at resolving the Palestinian question?

This remains the defining challenge of regional diplomacy.

For decades, successive American

administrations have invested enormous political capital in managing crises across the Middle East. Yet management is not the same as resolution. While conflicts have come and gone, the Palestinian issue has endured as the region's most persistent source of tension, frustration and instability.

The reality is that no amount of progress on other fronts can fully compensate for the absence of a just and lasting solution to the Palestinian-Israeli conflict. Diplomatic breakthroughs elsewhere may reduce tensions temporarily, but they cannot eliminate the underlying grievances that continue to resonate across the Arab and Muslim worlds.

The Middle East's stability will always remain fragile as long as the Palestinian people continue to live without the realization of their legitimate national aspirations. The occupation remains a central political and moral issue that no regional realignment, security

arrangement or diplomatic agreement can permanently sidestep.

Attempts to marginalize the Palestinian issue do not make it disappear. Instead, they merely postpone the moment when it must once again be confronted. Every effort to build a new regional order without addressing Palestinian rights ultimately encounters the same obstacle: the unresolved conflict at the heart of the region.

The region deserves more than temporary calm. It deserves a comprehensive peace built on justice, sovereignty and mutual recognition.

An agreement between Washington and Tehran may help close one chapter of Middle Eastern instability. But the book will remain unfinished until the Palestinian people achieve their rights, the occupation comes to an end and an independent Palestinian state finally sees the light of day.

Only then can the Middle East begin building a lasting and inclusive peace.

Opinion

Has the UK become ungovernable?

MOHAMED CHEBARO



Mohamed Chebaro is a British-Lebanese journalist with more than 25 years of experience covering war, terrorism, defense, current affairs and diplomacy. For full version, log on to www.arabnews.com/opinion

The UK and its ruling Labour Party ought to have thought twice before rushing to push an unpopular prime minister to resign. Keir Starmer's large parliamentary majority and his government's early green shoots of progress did not protect a PM who was supposed to lead until 2029, as apparently he was becoming unpopular and his government lacked direction.

Britain is not unique, as charisma is increasingly preferred to competence and appeals to grassroots party supporters are seemingly more important than capabilities in office. This appears to be the fate of state and society post-Brexit, compounded by the shocks of the COVID-19 pandemic and the costly Ukraine war. And 14 years of Conservative blunders and austerity have now left the UK ungovernable, it seems.

To be fair to Starmer, things were looking up. His government's immigration curbs have yielded a falling number of arrivals. The waiting lists in the National Health Service have been getting shorter. Even the economy has been showing early positive signs despite the US-Iran war and

the trade and energy disruptions it caused. On the international stage, the UK's posture has remained steadfast in its search for mature and responsible policies on Ukraine and the wars in the Middle East that are compliant with international law. Starmer has also overseen a rapprochement with the EU in terms of defense, security and the economy.

Starmer's record in office was overall less than perfect, with some disastrous decisions and U-turns, but nothing significant enough to warrant ousting him. Even the saga concerning his choice of Peter Mandelson, who was badly tarnished by the Epstein files, as US ambassador and his party's performance at last month's local elections did not warrant his ousting. Nor did the fear that many in the Labour Party have been sensing as a result of the rise of Reform UK.

Yes, maybe Starmer failed in terms of charisma, popularity and political intrigues. And above all, he failed to inspire and give hope to the electorate. But one wonders if the UK is governable today, as the traditional two-party system is giving way to a five-party system, with the public ever more impassioned and impatient,

wanting a small state — yet a generous one — amid a shrinking national purse.

Replacing Starmer could be an easy task. Andy Burnham — the former mayor of Manchester dubbed the "King of the North" — could add presentation, inspiration and hope. But that will not necessarily translate into Labour unity, governance, growth or stability in a highly fractured country 10 years on from the fateful Brexit vote.

Against such a backdrop, Burnham might not be the solution, unless he comes with a clear program of reform and a government that can satisfy the electorate.

Burnham's potential leadership will be put to the test early on, as the country and the markets closely watch his posture concerning three key issues. One is his level of commitment to fiscal discipline and balancing the books. Then it will be whether he can find the necessary spending increases for defense and trim the welfare bill within the Labour Party's fiscal rules.

The adversities facing the UK are colossal and its new leadership must have the ability to deal with the perennial problems of growing the economy while ensuring its compassion through funding the

welfare state. The country is also seeking to position itself to capitalize on the technological possibilities associated with artificial intelligence amid a shifting world order and geostrategic landscape, in which the relationships between allies and foes are in constant flux.

Burnham, who is seeking to become Britain's seventh prime minister in a decade following his return to Parliament this week, must prove that he can

occupy center stage, win over restless voters and overcome the economic constraints that hamstring his predecessors.

His pitch is that only he has the political charisma and the vision in Labour to connect with voters

and defeat Reform, which has led in every poll for more than a year. But will that be enough?

A lot is being written about the UK and its failures, about why, increasingly, nothing seems to work, and who and how to fix it. But a small state and huge welfare spending are becoming unsustainable regardless of who occupies 10 Downing Street. Above all, whoever succeeds Starmer must find out if there is still a place for grown-up government.

Starmer made some disastrous decisions and U-turns, but nothing significant enough to warrant ousting him

Burnham must come up with a clear program of reform and a government that can satisfy the electorate

To avoid climate peril, the world must electrify

MURAT KURUM



Murat Kurum, Turkey's Minister of Environment, Urbanization and Climate Change, is President-designate of the 2026 United Nations Climate Change Conference (COP31). Copyright: Project Syndicate. For full version, log on to www.arabnews.com/opinion

A glimpse of our new reality has been offered by the cascade of shocks to the global economy seen over the past few months. The Gulf conflict has taken an extraordinary — and dangerous — amount of oil, gas and fertilizer off the market, and now a possible "super" El Niño cycle could bring more extreme weather. That means this year's UN Climate Change Conference — COP31 in Antalya, Türkiye — will come just as millions of people have been pushed deeper into energy and food poverty, forced to suffer truly terrible conditions as they endure more severe natural disasters.

These perils underscore the danger of continuing to depend on imported fossil fuels. About 80 percent of the global population live in countries that remain net importers of fossil fuels and we have just witnessed how vulnerable this reliance leaves our economic security.

This latest global crisis further reinforces the need for cleaner, more resilient sources of energy. Three years ago, at COP25 in Dubai, governments agreed that a just, orderly and equitable transition away from fossil fuels is a top priority. Now, we must

come up with a roadmap. To that end, my goal as president-designate of COP31 is to spark a global conversation about electrification. We must move away from abstract debates and address the real decisions that ordinary people face. Think of the family considering whether to buy an electric car; the landlord installing solar panels, batteries or heat pumps; the city planner investing in electric buses; or the paper producer electrifying its heating process.

This topic is critical, because while 45 percent of global direct emissions come from buildings, transport and industry, only about 20 percent of energy demand is met by electricity rather than direct fossil fuels. Thus, one of our core objectives at COP31 will be to forge an agreement on how everyone

can contribute to a new global electrification target of 35 percent by 2035.

These targets are not pulled out of thin air. The data shows that they can be reached if policymakers heed the assessments by the International Energy Agency and the International Renewable Energy Agency of the steps needed to limit global warming to 1.5 degrees Celsius above preindustrial levels, as set out in the Paris Agreement. That overarching ambition is

now more than a decade old and this new target is an important steppingstone.

But simply electrifying daily life is not enough. We also must rapidly scale up renewables, so that electrified economies are powered by clean energy. We need expanded and resilient grids to manage the new load. And we need more financial support for developing countries to bring them along.

Previous COPs have set targets for each of these needs. At COP28, everyone committed to tripling the world's renewable power capacity by 2030. At COP29 in Baku, 74 countries recognized the need to boost energy storage capacity sixfold and to add or refurbish 80 million km of grids by 2040. And donors committed to mobilizing at least \$300 billion annually by 2035 for developing countries.

All these targets matter. Together, they form the architecture for the energy transition. They send strong market signals and provide a shared basis for rallying global collective action in a fractured world. They are meaningful precisely because they are "stretch goals" — ambitious but achievable.

In 2026, two additional developments give us hope. The first is the extraordinary collapse in the costs of essential ingredients

like batteries and solar panels. Owing to this trend, Türkiye has now provided permits for more battery storage than any EU member.

Second, historic events like the war in the Gulf can lead to historic movements, as the 1970s oil crises did by driving unprecedented energy efficiency gains. The current crisis has unleashed powerful market forces that we can harness, at COP31 and beyond, to accelerate electrification.

There is no one-size-fits-all model. Each country will make a different contribution and each sector will map out its

own pathway. Africa's challenges and opportunities are not the same as Europe's. Electrifying transport networks is not the same as electrifying industrial processes and buildings. No one can or should try to impose solutions on anyone else. But everyone must recognize that electrifying daily life is how we move away from fossil fuels. It is how we can make these volatile commodities superfluous. And it is how we can shield families from the effects of spiraling energy prices.

We will use the convening power of the COP presidency to focus minds, forge stronger partnerships and move into implementation mode. Our world is in peril and electrification is our salvation.

We must move away from abstract debates and address the real decisions that ordinary people face

There is no one-size-fits-all model. Each country will make a different contribution and each sector will map out its own pathway



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Opinion

The clash at the core of the Iran deal

How the world views of Jared Kushner and the founder of the Islamic Republic of Iran can help explain the issue at the heart of the negotiations.

Thomas L. Friedman
Daniel J. Wakin

The divide between Iran and America is the Opinion columnist Thomas L. Friedman argues, ultimately about the difference between "Kushnerism" (named for the president's son-in-law Jared Kushner) and "Khomeinism" (named for the founder of the Islamic Republic of Iran). In conversation with the Opinion editor Dan Wakin, Friedman explains what he means and discusses what he sees as President Trump's recent string of failures.

Below is a transcript of an episode of "The Opinions." It has been edited for length and clarity.

prices would determine this war as much as events on the battlefield, really played out. He basically sold out the State of Israel and the Arab Gulf states for the swing states of Michigan, Pennsylvania and Georgia.

Trump understood if gasoline prices and food prices kept soaring, as they've been since the start of this war, there would be a very high likelihood that he would lose those states.

If he loses the House, and if he loses the Senate — less likely, but a possibility — Trump would then be exposed to impeachment over the way he has enriched himself since he's become president.

I think there's a link between all of these things, and the reason we know this, Dan, is because Trump told us so. He said he was not going to be Herbert

here. I'm thinking about Vance. This is a man who sold his soul, his every principle, to be vice president to Donald Trump, and it's like the Greek gods have punished him by making him responsible for ending a war that he opposed, started by Donald Trump.

That said, Iran needs to be careful not to overplay its hand.

WAKIN: Donald Trump, a president who has said, if things don't go well, it's going to be JD's fault and not mine.

FRIEDMAN: Absolutely. So, you're really only going to be able to see what is true and what is Memorex, what is not true, on the basis of what you see happening on the ground. I tend to discount all of these public statements.

At the end of the day, there are some very large, powerful forces at play, Dan. One is the one we alluded to

allowed under the M.O.U. to the I.R.G.C. What are the implications of that?

FRIEDMAN: Well, I want to take you to 30,000 feet if I could, Dan, to really understand the clash that's at stake here that we're watching. I describe it as a clash between Kushnerism and Khomeinism.

So, what is Kushnerism? Let's go back to the Hamas-Israel war and the cease-fire agreement. After that agreement in Davos this year, Jared Kushner, the President's son-in-law, made a presentation to the Board of Peace that Trump had created to oversee that cease-fire. It was a presentation of what he called New Gaza, a city built for coastal tourism with 180 towers, areas for residential buildings, industrial complexes and data centers.

he thinks the future can bury the past, or the followers of Khomeini, who know only the history and insist that the past must always bury the future?

WAKIN: Would you extend Kushnerism to President Trump himself?

FRIEDMAN: Oh, I think Trump is a variant of Kushner. I see Trump as a different kind of character in this play. Trump One was, we know, surrounded by buffers, and Trump Two is surrounded by amplifiers. What we've been seeing in Trump Two is that everything he does is a no-bid contract.

To me, Dan, there is a parallel between Trump's failure to clean up the Persian Gulf and his failure to clean up the Reflecting Pool at the Lincoln Memorial. Both, to me, are failures of a commander in chief, because both



SHANNA HEITMANN FOR THE NEW YORK TIMES

DAN WAKIN: I'm Dan Wakin, an international editor for New York Times Opinion. When President Trump signed an initial peace agreement with Iran last week, in some ways, it didn't seem like much of a deal at all. The biggest problem remained unresolved: what to do about Iran's nuclear program.

Vice President JD Vance was just in Switzerland to meet with the Iranians, trying to come to a lasting agreement. They've given themselves 60 days to get it done. It's worth noting that the Obama nuclear deal took over a year and a half to negotiate. To discuss the latest, I'm here with my colleague, Opinion columnist Tom Friedman.

Hello, Tom. Thanks for joining me.

THOMAS L. FRIEDMAN: Dan, great to be with you.

WAKIN: Before we get into this week's news, I want to go back to something you wrote in a column soon after the war started. You wrote, "We must remember that the timing of the end of this war will be determined as much by the oil markets and the financial markets as by the military state of play inside Iran."

So, here we are with Trump nervous about high gas prices in the midterms. We have the same Iranian regime basically in place, but now with a younger leader. And Iran is well aware of the power they hold over the Strait of Hormuz. Given all that, what kind of negotiating position is the U.S. in, and what are your hopes for the outcome of this negotiation?

FRIEDMAN: Well, I would say that Trump ended this war with a TACO trade — the famous TACO trade described by Wall Street analysts: Trump Always Chicksens Out.

In the end, Trump basically calculated that he had to end this war now in order to get oil prices down in time for the midterm elections.

So, what I predicted early on, that oil

Hoover and preside over a recession.

WAKIN: I want to talk a bit about how the negotiations have been going. I know there are conflicting reports depending on who you listen to, whether it's U.S. officials or Iranian officials. But as of Tuesday morning, what do we know for certain has happened so far?

FRIEDMAN: There's been a memorandum of understanding signed by the parties to forge a cease-fire in the war that would allow for the opening of the Strait of Hormuz and for Iran to sell oil for dollars and begin to repair its economy.

This is a prelude for wider talks on removing Iran's nuclear near-bomb-grade-ready fissile material.

That is the general headline, I would say. But we know the details are all to be determined.

Now, Dan, one of the rules I developed as a reporter in the Middle East is that in the Middle East, what people say to you in private is irrelevant. All that matters is what they'll say in public in their own language.

The Middle East is a funny place. It's kind of the opposite of Washington. In the Middle East, people lie to you in private and tell the truth in public in their own language. In Washington, people tell the truth in private and lie in public.

We already saw a demonstration of this rule just in the last 48 hours. Vice President Vance came out and said: Hey, the Iranians have promised to let in nuclear observers from the International Atomic Energy Commission. And the Iranians said: No, we've offered no such thing. So, I think this is going to be an ongoing problem for the administration. Whether the Iranians did say it in private in English, they're clearly contradicting it in public in their language.

And there is a bit of divine justice

earlier: Donald Trump needs this war to be over politically.

The prime minister of Israel, Bibi Netanyahu's interests are just the opposite. His interest is that the war goes on for his politics. He needs to show that he is a war prime minister because the end of war brings for him a whole Israeli investigation and election over how he has conducted all of Israel's policies since the Hamas invasion.

And Iran is divided, I believe, between Revolutionary Guards, who'd like to see the war go on because they benefit and they gain power the more there's tension with the

Americans, and the new politicians who've emerged in Iran after the previous generation was decapitated, who may actually have an interest in peace coming about. This

second group may be stronger than he originally thought.

These are the hard realities I'm looking at, and how they manifest themselves on a daily basis. I think you're going to see a lot of contradictory behavior. It's going to take us a while to see what is the real signal in the noise.

WAKIN: Speaking of hard realities, one of them is that the U.S. has promised to unfreeze Iranian assets. That means a flow of dollars to the I.R.G.C., as well as a flow of oil income now

Kushner's view of the world is, basically, people just want condos and hotels and beachfront property, and girls just want to have fun. He really doesn't have any deep understanding of the passions and grievances that have motivated people in this region, for centuries.

Opposed to him is Khomeinism. Ayatollah Khomeini, Iran's religious leader who succeeded and toppled the shah. Very early on after the revolution, he said: We didn't make this revolution to lower the price of melons. In other words: We really believe what we say. We're trying to create an Islamic republic based on Shariah law, where women will be covered and we want to spread this ideology around the region.

And what you're seeing here is really a clash of which of these two ideologies is going to predominate.

Trump keeps saying, in effect, Look, I wiped out the old leadership, so the new leaders will buy into Kushnerism. But we haven't seen that with the new leaders yet at all.

Now, let me say that I'm actually glad there's a Kushner out there, basically saying to the two sides: I don't know anything about your history. And you know what? I don't care to know anything about your history, because it's just a bunch of grievance-driven people who have been turning this region into the Stone Age, and I'm going to paint a different vision.

I'm actually good with that. Whether it's realistic or not, you need someone out there doing it. But whether he has any buyers for what he is selling is something that's going to take time to see, and that's how I'm looking at the future.

Who's going to win this story: Jared Kushner, who knows none of the history and doesn't care about it because

were done, in their own way, through no-bid contracts — and no-bid contracts, which don't allow any other bidders than the one the president appoints, always get you in trouble.

In the case of the Reflecting Pool, we know that the National Park Service bypassed competitive bidding and gave the \$1.7 million contract to a firm called Greenwater Services, which happened to be run — shock, are you sitting down, Dan? — by a Trump campaign donor. But not any Trump campaign donor, one who had been convicted twice — once for bribery and once for some other campaign donation shenanigans.

What happened? Instead of turning the Reflecting Pool blue the way Trump wanted for the Fourth of July, it's turned into an algae of green blooms that have basically wrecked the whole scene.

Now, why do I compare that no-bid contract with the U.S.-Israeli war against Iran?

Because in a way, Trump approached it, too, in a no-bid fashion. Let's go back to the reporting of our colleagues Maggie Haberman and Jonathan Swan from the key decision making meeting in the Situation Room at the White House.

Trump invited in Bibi Netanyahu, the prime minister of Israel. He was in the Situation Room. It was a no-bid moment where Netanyahu then brings onto the screen the head of the Mossad, and the Mossad tells Trump that through aerial bombing, they can decapitate the regime and trigger a popular uprising in Iran.

And, of course, none of that happened.

Trump didn't even have in the room his energy secretary or his Treasury secretary. And his own experts, the director of the C.I.A., called the Israeli **FRIEDMAN, PAGE 10**

OPINION

The New York Times

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If you love America, cringe for it. Meloni must have.



Bret Stephens

My father was fond of the Spanish expression "en los pequeños detalles se ve la persona" — the person is revealed in the small details. Last week, at the summit of the Group of 7 leaders in France, two details revealed two people in two starkly different lights.

The first — who else? — is Donald Trump, the world's most powerful man yet possibly the world's smallest. Speaking to a journalist, the president claimed that Giorgia Meloni, the right-wing prime minister of Italy, with whom he was once friendly but has since fallen out, "begged me to take a picture with her. She wanted a picture with me so badly" before adding, "I wouldn't have done it, but I felt sorry for her!"

Meloni's response came swiftly, Trump's statement, she said, was "totally invented."

"I don't know why the president of the United States behaves this way toward his own allies," she said in a video posted to social media.

"After all, this is not the first time it has happened. I can only say that it's upsetting that he doesn't have the same respect toward the enemies of the West, toward the enemies of the United States, toward leadership to which he instead proves much more indulgent."

"There is one thing he should remember," she concluded. "I never beg — and neither does Italy."

No prizes here for guessing who's telling the truth — or who, despite their very considerable difference in physical size, is the bigger and braver person. But there is also a lesson in this relatively trivial but telling episode that it behooves Americans to learn on the eve of their semiquinquennial: If you love America, now is the time to cringe for it.

Cringing is not simply a physical reflex stemming from embarrassment or disgust. It also involves a mix of compassion and empathy. You cringe when someone's child flubs lines in a school play. You cringe for a spouse trying to calm an abrasively drunk partner at a dinner party. You cringe when you feel implicated, if only as a human being, whenever someone humiliates those close by, even when they're the last to know it. It's how I felt for Jill Biden the night of her husband's debate debacle.

To exist as a sentient American in the age of Trump is to live in a perpetual cringe — morally, aesthetically,

intellectually, politically. If the administration were a play or film script, it would be neither farce nor tragedy but instead a kind of absurdist travesty, "Waiting for Godot" meets "Pulp Fiction" meets "Dumb and Dumber."

However much we Americans may disdain him, the president has the rest of us on the hook, as the face and voice of a country that ought to know better. Trump's angry visage draped between the exterior columns of the Department of Justice? That's us. His gilded, meretricious redecoration of the White House? That's us. His repeatedly avowed admiration for Vladimir Putin? That's us. His laughable claim about having achieved regime change in Tehran? That's us. His Mafia-like threats against NATO allies? That's us. His indescribably vain (and pathetically fruitless) effort to affix his name to the Kennedy Center? That's us. His venal family profiting off his presidency in ways both transparent and tacky? That's us.

The same goes for his insult of Meloni, which may be far from the worst of his sins but is also the most emblematic for being at once so utterly unnecessary as well as dementedly self-defeating. That's us. The same country that freed its slaves, welcomed immigrants, invented airplanes, liberated concentration camps, landed men on the moon and challenged the Soviet Union to tear down this wall now bids to be the global equivalent of the expensively dressed man soiling his pants at a cocktail party.

For 10 years, I've watched my former political party work overtime not to cringe; to pretend that the Vesuvius of verbal infamy erupting daily from Trump's mouth is either unimportant, or hilarious, or calculating and shrewd. Republicans turned their tolerance for the president's mental go into a short-drinking contest — the more you drank, the manlier you were supposed to be. John McCain and Mitt Romney refused to play, to their everlasting credit; other Republicans, less admirably, did so only after Trump had ended their political futures.

But for 10 years, too, I've also watched the president's opponents fail to appreciate the necessity of cringing — by understanding their role in Trump's rise. The Democrats and their media friends who, until June of 2024, insisted Joe Biden was fit for a second term (surely knowing, somewhere in the dim recesses of their minds, that this could only help Trump) are complicit. So are the progressives who, on one cultural issue after another, showed the Democratic Party so far to the left that it became the very caricature of what MAGA-world said it was.

Here, then, is our American challenge: Let's not be afraid to cringe. Ronald Reagan predicted, correctly, that the Soviet Union would end up on the ash heap of history; now it's our turn to risk winding up on the ash heap of idocy.

So let's not look away from the parts we played in bringing America to this moment. Let's remember who we once were, because that's what we may yet be again — if only we feel the sting of our present shame.

The clash at the core of the Iran deal

FRIEDMAN, FROM PAGE 9
 idea farcical, and his secretary of state, Marco Rubio, reportedly called it bull-shit.

But Trump went with his gut, with his no-bid contract with Bibi Netanyahu, and the result has been the Strait of Hormuz with the fate of Iran's proxy militia, Hezbollah, in Lebanon.

No-bid contracts get you in trouble, whether they're in the Mall or in the Gull.

WAKIN: Tom, tell me about how you think the situation in Lebanon fits into this whole story.

FRIEDMAN: Well, one thing that really worries me about this agreement is how the Iranians have maneuvered Trump into linking the opening of the Strait of Hormuz with the fate of Iran's proxy militia, Hezbollah, in Lebanon.

Basically, Iran says that if Israel continues to try to destroy Hezbollah, we will choke off Hormuz going forward. That is a terrible linkage because Hezbollah is simply an extension of the Iranian Revolutionary Guards.

One has to ask, "Hey, Iran, what the hell are you doing in Lebanon? What right do you have to protect a nonstate, illegal, armed militia in Lebanon?"

The fact that Trump has allowed that kind of linkage — where the Iranians can say at any time they want going forward, "Hey, if Israel doesn't stop beating up Hezbollah, then we're going to choke off Hormuz again" — I find that very troubling, most of all for the Lebanese people who so want to be done with this, who are ready to make peace with Israel.

You also have to ask, "What's going on inside Israel now?" Driving in this morning, Dan, I'll spend very personally. I was listening on the radio about the primaries going on in New York and elsewhere, in which there's a competition now for who can bash Israel the most.

When you think of where Israel was 15 years ago in America and where it is across these 15, 16 years that Netanyahu has been in power, it's one of the greatest disasters for the Jewish people.

Netanyahu's policy right now is that we're going to kill our way to peace. We're going to not stop in Lebanon until we've killed all of Hezbollah's fighters. We're going to take over the demilitarized zone in Syria. We're going to remain in permanent war against Hamas.

And people in my right-wing government, says Netanyahu, are basically engaged in a project of quiet ethnic cleansing in the West Bank to drive as many Palestinians as they can into Jordan to turn Jordan into a Palestinian state.

Think for a second, Dan, what Israel is sacrificing. If it actually had a different policy, one of at least trying to forge a two-state solution with the Palestinian Authority, albeit a new form that we wouldn't be recognizing, the primary we're having in New York today, where it's a competition of who can bash Israel the loudest.

Israel could have normalization with Saudi Arabia. Israel could now have peace with Lebanon. It could have peace with Syria. American Jews and Jews all over the world have to stop and think what this Israeli government is trading away by not having an approach for peace with the Palestinians — how they are imperiling the future of Israel and the future of Jewry all over the world.

WAKIN: Let's turn to what President Trump has called his central goal, which is eliminating Iran's nuclear capability. What do you think the chances are that a deal to do that will emerge that would be any better for the U.S. than the deal struck by the Obama administration known as the J.C.P.O.A.?

FRIEDMAN: Well, let's go back since I covered the administration. Actually, the morning the agreement was signed, I got a call very early from the White House, 3 a.m., that President Obama wanted to see me in the Oval Office that day. And I came in, and I had the first interview with him about the J.C.P.O.A.

I will tell you, I'd just broken my shoulder and I was on strong medication. I was really in pain. But my head was clear enough to understand this, Dan. Iran is a wicked problem. In fact, Iran is like the definition of a wicked problem, and a wicked problem is a problem that defies any kind of easy solution.

So, what was President Obama's approach? He said this is a wicked problem, so I'm going to cut through the wicked thick and try to identify what is the key U.S. interest.

The key U.S. interest is that Iran not be able to amass enough fissile material to ever build a nuclear bomb that could threaten the region, trigger nuclear proliferation in the Middle East and one day even threaten American interests. So, I'm going to strike a deal with them that'll be grounded in the most stringent inspections that will keep them away from a bomb for at least 15 years, if not more. And who knows, in those 15 years, Iran might change.

That was the simplicity of Obama's approach.

Now, Trump tore up that agreement. I'm sure he never read it, but he tore it



Jared Kushner, President Trump's son-in-law, in between Iran's foreign minister Abbas Araghchi, left, shaking hands with Prime Minister Shehbaz Sharif of Pakistan during talks between the United States and Iran in Lake Lucerne, Switzerland, on Sunday.

up out of his, I think, hatred and jealousy of Obama and said: "I'll deliver you a better alternative. Of course, he didn't, and in the intervening period, Iran amassed enough fissile material for nine or 10 bombs that it could assemble actually very quickly, and that's what brought us to this place."

Now, Trump's approach was, Oh, this is easy. This isn't a wicked problem. It's just a question of will, of toughness, and you need a genius like me. So, what did he do? He basically relied on Netanyahu and Netanyahu's Mossad director's analysis, which is that if we topple the regime, we'll quickly trigger a popular uprising.

Dan, I've been covering the Middle East my whole adult life, almost 50 years. I've actually learned something observing the Mossad. If you want someone assassinated in Beirut or Tehran, Dan, call the Mossad. If you want to understand political and social trends in Beirut or Tehran, do not call the Mossad, OK?

Because the same reason they're good on the first, they're bad on the second. What is that? They've pen-

etrated these regimes by relying on people who are turning against their own country, who are spying for you. In other words, they're people who hate the regime, and because they hate the regime, what do they do? They exaggerate the weakness of the regime.

So, there's a lot of complicated, contradictory tugs and pulls at work here. You have to be just humble — on one side by avoiding saying everything Trump is doing is wrong.

Look, there's a big part of that would like to see this work. I would love to see this Iranian regime changed or reformed because nothing, I think, would improve the Middle East more — both the lives of Iranians and the opportunities for Lebanese, Israelis, Syrians, Iraqis and Yemenis — than if this regime were removed or reformed radically.

So, as much as I detest Trump and what he's doing to American democracy, I'm not sitting here saying I hope he fails, because if he succeeds, that would be a great thing. It really could be good.

I think, as an analyst, you have to hold out the possibility that you could be surprised by what happens here. So, I've got that on one side of my head, and on the other side, I'm watch-

ing a president who may have big ideas, but I don't trust that he has an administration behind him that can implement anything, that can follow up anything.

One day it's the vice president leading negotiations, the next secretary of state or the national security adviser — who's the same person in Rubio. There's no government bureaucracy behind him. They've destroyed all that. He doesn't believe in any of that.

We operate on his gut. He's tweeting left, right and center contradictory things. No one in this administration trusts each other because they're all worried that he will shoot them or toss them in the back.

So, I'm saying you've taken on this big project, but who here has the competence, the patience, the focus to actually do what Obama did, which is negotiate a detailed agreement and then deliver on it?

Frankly, Dan, I'd have a lot of sympathy for Trump in this situation — because the end project is one I'd love to see work for the future of the region, which is a different Iranian regime — if Trump had shown one ounce of humility and dignity to cut Obama some slack for the difficulty of what he was trying to pull off. . . . I end here I began. This was a no-bid war.

Trump never really enlisted his own intelligence community. He relied on a no-bid contract from Bibi Netanyahu and the Mossad, and now he's gotten himself in trouble, and he's turned over delivering on this no-bid contract to his vice president, who opposed the war to begin with.

WAKIN: What do you think the significance is of Vance leading the negotiations and not the secretary of state, Marco Rubio?

FRIEDMAN: Very good question. Let's go back to 1973, that October war. Back then, you had Henry Kissinger, who was running everything for Richard Nixon — a president deeply sophisticated about foreign policy.

If you remember the story of the '73 war and the negotiations that followed, Kissinger had one hand on the dial of weapon supplies to Israel, which he was actually dialing up and down to make sure Israel won the war but didn't humiliate the Egyptians because he was already thinking about what would be required to create a disengagement agreement between Israel and Syria, Israel and Egypt.

So, the same single character, someone deeply steeped in the history of foreign policy, was controlling the dial of the military and the dial of diplomacy at the same time.

What do you have here? You have a president — again, relying on the intelligence and predictions of a for-

eign power — overriding his own military who told him Iran could take over the Strait of Hormuz, could actually attack our Arab allies, but Trump thought that the regime would collapse before they could ever do that.

Now he's trying to end the war by turning over the diplomacy to his vice president who opposed it, who has no real experience in that part of the world in the diplomatic sense and doesn't have the vast team you need to do this.

Meanwhile, Marco Rubio, the secretary of state, as far as I can tell, is in a witness protection program somewhere, trying to stay as far away from this thing as he possibly can.

And what's happening today when I got up in the morning? The man Trump named to take over the Directorate of National Intelligence from Tuli Gabbard, Bill Pulte — who comes from the housing industry and whose experience in foreign policy, I believe, is the breakfast menu at the International House of Pancakes — is over at the Directorate of National Intelligence, as we speak, firing intelligence analysts.

This whole crew is just so not serious about such a serious situation, and it forces me, at least as an analyst, to hope somehow against all hope that they find their way through this and that in the end, Kushnerism does actually defeat Khomeinism, because it will be better for the world and better for everyone.

But at the same time, I'm saying to myself, "If you bring clowns, you get a circus." I just don't see this team pulling this off, but I really deeply hope I am surprised.

WAKIN: This reminds me of a lovely literary moment in your last column in which you quote "The Great Gatsby." It's the line about Tom and Daisy Buchanan, and the quote is, "They were careless people, Tom and Daisy — they smashed up things and creatures and then retreated back into their money or their vast carelessness." And then the passage ends, they "let other people clean up the mess they had made."

You compare the situation in Iran and in this war with that passage. My question is, who's going to clean up this mess? How will it get cleaned up?

FRIEDMAN: That's what I'm worried about, because not only have they broken something, but they've broken something in a vast area that now has so many different shards, so many different empowered actors — Israel, Hezbollah, the Lebanese government, the Iraqi militias, the militias in Yemen, the Iranian Revolutionary Guards inside Iran, the politicians who've succeeded them.

There are so many moving parts here. If Henry Kissinger were alive today, he would be deeply challenged trying to navigate a way out of this, and we do not have Henry Kissinger today.

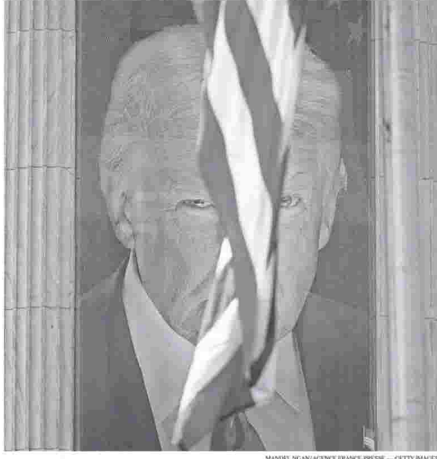
WAKIN: And we have no one to clean up the mess.

FRIEDMAN: What worries me is that Trump, who has no patience, who's bored, just wants to declare victory and move on.

Remember during the war when Trump tweeted, Open up the strait, you crazy bastards? I just read that and thought, "It's the Middle East, Jake." It's Chinatown, baby. You walked into Chinatown, and you broke up the whole neighborhood, and now you're screaming at people, "Open up the streets, you crazy bastards?" It's Chinatown, Jake. Good luck.

WAKIN: Tom, this has been a real pleasure. Thanks so much.

FRIEDMAN: Always, Dan. Thank you.



MARCEL MANAGNOLI/FRANCO/PIRELLA GÖTTSCHE LOWE



The Iranians have maneuvered President Trump into linking the opening of the Strait of Hormuz, seen here from Musandam, Oman, with the fate of Hezbollah in Lebanon.

The FT View



FINANCIAL TIMES

"Without fear and without favour"

ft.com/opinion

Latin America's shallow shift to the right

Colombia and other recent polls highlight polarisation rather than a decisive swing

With his rival now conceding defeat in Sunday's presidential run-off, Colombia's Abelardo de la Esparriella has become the latest rightwing populist to sweep to power in Latin America. Modelling himself on both El Salvador's Nayib Bukele and Argentina's Javier Milei, de la Esparriella has promised to build a series of mega-prisons to house drug traffickers and to cut the size of the Colombian state by 40 per cent.

His victory extends a series of successes for rightwing candidates in the region, from Chile to Honduras to Bolivia in recent months, many of them running on Donald Trump-like themes. Indeed, of the past 15 presidential elections in Latin America, candidates of the right or centre-right have won 12. Many of these rightwing candidates

have been helped by strong structural forces. Electorates across the region are irate at the seemingly unchanging growth of organised crime groups. In some countries, the rise of evangelical churches has dovetailed with greater social conservatism. The three most radical leftwing governments in the region – Cuba, Venezuela and Nicaragua – have, meanwhile, been such abject failures that they have tarnished the image of many of the more moderate leftwing governments.

Yet it is increasingly clear that these victories do not add up to a new ideological wave of support for a rightwing agenda, especially on the economy. In the 1990s, voters ushered in a series of governments across the region that pushed deep reforms, opening to foreign trade and privatising state-owned businesses. Apart from steps to tackle violence and crime, there is much less appetite now for anything so ambitious.

The constraints of the current political environment have been evident in

two of the countries that held recent elections. In Chile, José Antonio Kast took office in March but saw his approval rating plummet within just a few weeks after he refused to use public spending to limit fuel price rises caused by the Iran war.

In Bolivia, centre-right president Rodrigo Paz thought he had a mandate to reduce fuel subsidies after bringing an end to nearly two decades of socialist governments. But in recent weeks the capital La Paz has been brought to a standstill by protests and blockades led by labour and farming unions.

In Colombia, de la Esparriella is also promising to slash public spending but has given few indications of where he intends to find the savings. A former criminal lawyer, he has no administrative experience and has shown disdain for the traditional parties whose support in Congress he will now need.

The one striking exception is Milei, Argentina's iconoclastic libertarian, who has implemented dramatic spend-

In the 1990s, voters ushered in a series of governments across the region that pushed deep reforms, but there is much less appetite now for anything so ambitious

ing cuts since taking over in 2023 and yet still saw his party emerge stronger from legislative elections in October. But the willingness of Argentine voters to accept his radical approach was shaped by the desperate economic circumstances he inherited.

If anything, the most recent elections have demonstrated extreme polarisation rather than a lasting shift to the right. De la Esparriella won by less than one percentage point – the narrowest win in Colombia's modern history. In Peru's presidential election, the race is so tight that two and a half weeks after the run-off vote on June 7, a victor has yet to be declared with the last few votes still being counted. Keiko Fujimori, another rightwing populist, is eventually expected to win, but is currently just 45,000 votes ahead of her leftwing rival. Rather than signalling a rightwing wave, the results from both elections suggest they are countries with a sharp political division. Both could easily now descend into gridlock.

Opinion Middle East

The emigrants Israel can't afford to lose

Maria Harju



Justin Gest

Before the attacks on Israel by Hamas militants on October 7 2023, Iran's then Supreme Leader Ayatollah Ali Khamenei had asserted that Israel would not survive the next 25 years. He was not telegraphing the murderous assault from the Gaza Strip into southern Israel. He was anticipating something much slower and less visible: the steady departure of Israeli citizens disenchanted with their country's political trajectory.

The remarks came after months of protests against reforms to Israel's judiciary proposed by the government of Prime Minister Benjamin Netanyahu. The laws would have undermined the Supreme Court's power to check government excesses while giving politicians greater sway over judicial appointments. Their

Those leaving are disproportionately liberal, secular and attached to democratic norms

proposals sparked fury and mass demonstrations across Israel for months.

Israel's enemies have long sought to damage it from the outside. But a country can also weaken itself from within if it alienates the citizens most committed to its liberal character.

According to Israel's statistics bureau, about 400,000 Israelis moved abroad between 2013 and 2023. In a small country, that is still a striking number: roughly 5 per cent of the population. In recent years, the pace has quickened: there were 55,300 departures in 2023, 82,700 in 2024 and 69,300 in 2025. Although some new immigrants entered the country during this period, more people left the country than moved to it in the past two years.

By comparison, only 1 per cent of US citizens were estimated to live abroad in 2022. Nearly 3 per cent of Israel's population has moved abroad in each of the last two years.

These are not trivial fluctuations. A 2025 study concluded that the departures represent a significant "brain drain", disproportionately involving doctors, engineers and other highly educated, high-earning workers. For a country whose prosperity and security depend heavily on technological sophistication, professional expertise and a dynamic innovation economy,

that would be troubling enough. But the deeper danger may be political.

What Israel is experiencing is not only a brain drain but also what I call a "democratic drain": an outflow of citizens who are not politically representative of the population as a whole. Instead they are disproportionately liberal, secular and attached to democratic norms and institutions.

Since the 2023 reforms, Netanyahu's government has pursued other illiberal actions – broadening control of the occupied West Bank, curtailing press freedoms and barring entry to supporters of boycotts against Israel. All of this has taken place during Israel's brutal offensive in Gaza.

A survey last year found much higher interest in leaving among secular Jews than among religious or ultra-Orthodox Jews. The overwhelming majority settle in liberal democracies. About one-third went to the US, 18 per cent to Germany, 9 per cent to Canada and 8 per cent to the UK. That matters because democracies are sustained not only by constitutions, courts and elections, but by the social groups willing to defend them. When a country loses disproportionate numbers of its secular, educated, liberal-minded citizens, it loses the civic and electoral constituency on which democratic resilience depends.

That loss may be especially significant in Israel, where the country's liberal-democratic character has always depended on a complicated balance of secular and religious communities, often with competing visions of what the state is for. Remove enough citizens from one side of that balance, and the system begins to tilt, perhaps irreversibly.

We usually think of democratic erosion as something done by leaders to institutions: courts are packed, the press is bullied, legal norms are bent and electoral rules are manipulated. But democratic systems can also be hollowed out in a quieter way – when a significant number of those people most committed to liberalism decide that leaving is easier than staying and fighting for democracy.

Israel's distinctiveness has long rested not only on military strength and economic performance, but on its claim to be the only liberal democracy in a region of authoritarian regimes and theocracies. If it continues to alienate its secular, educated, democratic-minded citizens, it will not merely be harming its economy. It will be thinning out the very constituency most likely to defend the institutions and political culture that have distinguished it from its adversaries for generations.

The writer is a professor at George Mason University and the author of *Democratic Drain: Global Migration and the Struggle for Democracy*

Letters

Talk of an EU return ignores a plainer question about Britain

Your coverage of the 10th anniversary of Britain's EU referendum ("We need to talk about Brexit", The FT View, June 22) asks whether Britain should one day rejoin the EU. I think it asks the wrong question first.

The question that comes before it is plainer. How is the UK now governed, and how should the home nations hold together in a period of constitutional change? England cast the largest vote to leave in 2016, and England is where the deeper movement is now taking place.

In my study of governance and constitutional change, the pattern repeats. A question is raised, falls quiet, then flares decades later in an altered form. I saw this closely when I co-authored a book chapter on the UK's relationship with the EU with Baroness Gisela Stuart, who chaired Vote Leave and sat as one of the two parliamentary representatives on the convention that drafted a constitution for the EU in the early 2000s. What surfaced then is surfacing again, and this time it's structural.

Andy Burnham has won Makerfield and opened a metro that seems certain to carry a path to No 10 Downing Street for the first time. The English Devolution and Community Empowerment Act has given England its first consistent national model of devolved power. Read these alongside the Act of Union Bill that Lord Lisvane introduced to the Lords in 2018 and they stop looking like separate stories. They are the same question of England, asked through different doors.

Before we debate rejoining anything, we should look at the new settlement forming inside England, at what it is doing to the constitutional fabric of the Union, and at the people it is shaping, consciously and unconsciously, through the way they are now governed.

Joanna George
Research Associate, University of Cambridge, 2021-22, and Steering Committee, Constitution Reform Group (2016-22) which proposed a new Act of Union Bill, Paris, France

Shared ownership is the key to future AI security

I noted with interest your article on the Anthropic export ban last week (Report, June 15).

The sudden suspension of Anthropic's models comes at a time when the competition over AI is intensifying. Europe is realising that it will have to adopt a survival mindset.

It is no longer possible for an enterprise to rely on a single model that is based in another country.

In the immediate future, I expect a multinational investment in open-source foundation models and alternative infrastructure. Only a handful of countries can match the money and compute behind the leading models, so the nations and enterprises that refuse to depend on AI they cannot control will pool resources and build in common.

It's not about a French model or a Canadian model or a UK model: a model that many countries build together cannot be shut down by any single nation because whoever shares the ownership shares the control.



That's achievable within the next 18 months, but it goes beyond the EU or Europe.

AI is too important. Users need the peace of mind.

Florian Douetteau
Co-founder and CEO of Dataiku
London EC2, UK

How Europe can talk trade in multiple tongues

Europe can be an efficient trade negotiator while preserving multilingualism. In his article "Rome and Paris oppose 'anglicisation' of trade deals" (Report, June 16) Andy Bounds reports on the claim by EU trade commissioner Maroš Šefčovič that translation in all 24 EU languages would unduly slow down the entry into force of trade agreements.

I agree that in today's geopolitical environment, speed is of the essence, but at the same time cultural and linguistic diversity is a core value of the EU, all the more so since the European parliament has been given a greater say on trade negotiations.

The progress made by automatic translation in the past few years should provide the answer to this dilemma. It is worth noting that Europe has actors in this field, namely Reverso, DeepL and Translated, all of which are at the cutting edge. So Europe need not be dependent on any US service provider.

Philippe Huberdeau
Secretary General of Scale-Up Europe,
Paris, France

UK should step on the gas in the North Sea

Professor Nicholas Stern (Letters, June 3) makes the familiar point that "drilling for more oil and gas in the North Sea will not stop the UK being vulnerable to volatile prices in international markets". This need not be the case if new licences were granted on the basis of long-term contracts, as Professor Dieter Helm has suggested. Moreover, there are arguments in favour of North Sea drilling.

The first is that production in the UK sector of the North Sea would generate tax revenues and well-paid jobs. The second is that if we persist in running down North Sea production, the result will be increasing imports in the form of liquefied natural gas, especially from the US, which is associated with much higher carbon emissions than gas production in the North Sea.

So no gain overall for the climate in terms of reduced carbon emissions and economic loss for the UK in terms of tax revenues and jobs. There's a clear conclusion: drill, baby, drill!
Christopher Smallwood
London SW20, UK

OUTLOOK
NEW JERSEY

Why is getting to a World Cup game so hard?



by Gregory Meyer

The Maracanã stadium, scene of the 2014 World Cup final, opens on to a neighbourhood in Rio de Janeiro. Park paths surround the Moscow site where the 2018 championship was played. Reaching the gates of Lusail stadium in 2022 required a walk under the Qatar sun.

Then there is this year's venue. If you were considering a saunter to New Jersey's MetLife Stadium, think again: walking and biking are "illegal," according to local authorities.

The site sits four miles from the nearest Manhattan river ferry at the edge of a densely populated New Jersey county whose finely grained street grid is lined by sidewalks. But while that grid was laid down in the late 19th century, the sports complex that surrounds the stadium was built in the car-dominated 20th century.

The arena is hemmed in by high-speed freeways. A chain-link fence lines a concrete median to block would-be pedestrians from crossing the road. Signs inside hotels surrounding the stadium warn guests about the dangers of walking there.

MetLife, renamed New York New Jersey Stadium for the duration of the tournament, is in the Meadowlands, an area of marshland once known for pig farms, mafia hits and rubbish dumps before state officials pushed to develop it in the 1970s.

It was built as a suburban-style drive-in, park, drive-out stadium," says Moses Gates, vice-president at

the Regional Plan Association, a non-profit policy group. "From a transportation accessibility standpoint, it's a bit of a relic."

Making the area more accessible is not an outlandish proposition. An analysis published in 1978 by the Hackensack Meadowlands Development Commission identified an "unprecedented opportunity for development of a comprehensive bikeway network". When MetLife opened in 2010, replacing an older stadium, builder Skanska declared that "bicycle racks have been installed to encourage visitors to cycle to the stadium."

But the bike network was never joined together, and the stadium's press office contradicts the contractor. "Bike racks have never been installed at the stadium, nor have visitors ever been encouraged to cycle," it was told. "It sits in the middle of three major highways on which bicycles are bikeway network", so bicycling to it is not possible.

The idea of walking or cycling to the stadium has received outsized attention this year because football's governing body, Fifa, has also banned people from driving there in order to set aside room for security and booths of corporate sponsors dispensing beer, fizzy drinks and crisps. (Full disclosure: I attended the France-Senegal match last week as a guest of PepsiCo, manufacturer of said crisps.)

The remaining transport options include parking at a shopping mall connected by footbridge to the

stadium (\$225); taking a shuttle bus (\$20, but with limited seats); or taking at least two trains on New Jersey Transit (\$98). That last figure is marked up from the regular fare of \$12.90, as New Jersey state governor Mike Sherrill has claimed that Fifa "will not cover the cost of transporting its fans despite making \$13bn from the World Cup".

On my visit, I took the train from my home in New Jersey eight miles away. The journey was festive if leisurely, with carriages full of fans in green and blue jerseys.

The trip back after the game began well as our train snaked through the reeds and truck terminals of the Meadowlands. French fans celebrated their team's 3-1 win, while the Senegal fans took it all in good part.

But spirits soon deflated at our transfer station in Secaucus. I watched my westbound train blow past without stopping, another train was a no-show and a third spent a scramble up the escalator after pulling in at the wrong platform. I was reminded of the tourism adverts my state posted in advance of the World Cup: "New Jersey: Where the World Meets Its Match". Journey time: 125 minutes.

Legally or not, as an experiment I pumped up my bike tyres a few days later and pedalled to the stadium, staying on the sidewalk for the final mile alongside a busy highway. A state trooper idling in an SUV ignored my arrival. Journey time: 36 minutes.

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Opinion

Credible deterrence requires a new Nato bank

Mark Carney and Luc Frieden

The essence of deterrence is credibility. Since Russia's unlawful invasion of Ukraine, Nato allies have come a long way in strengthening their military capabilities. But it is not enough. Credible deterrence needs more: it needs to be backed by financial and economic power.

Our ability to mobilise capital must be just as reliable as our armed forces. The answer is a bold multilateral solution: the creation of the Defence, Security and Resilience Bank (DSRB).

The need for additional financing is obvious. Together with Nato allies, our countries have pledged to substantially increase defence budgets. This will require more than €850bn in additional annual spending across the alliance in Europe and Canada, which cannot come at the expense of other

investment priorities at home. Our new proposal builds on the tried and tested model of multilateral financial institutions such as the World Bank or the European Bank for Reconstruction and Development. While regulations limit commercial banks to lending about €12 for every €1 of capital into defence, the DSRB's multilateral guarantee architecture will allow them to lend more than twice as much.

The same principle that governs participation in the World Bank or EBRD will apply here too. Countries will be both paid-in and callable capital. The former is provided immediately upon joining, giving the bank liquidity straight away. As this represents a balance sheet asset, it is recorded in debt figures, not annual deficit figures. Importantly, it also counts towards the Nato defence spending target of 5 per cent of GDP.

Callable capital, on the other hand, takes the form of guarantees, which are essential to secure a triple A rating. This is a sovereign promise from governments to the bank in case of need. Increased spending is just one side of

the equation. Our industrial base – especially SMEs such as precision engineers, drone start-ups and cyber specialists, who represent the essential components in defence supply chains – must be ready to meet the moment. They need to be prepared to ramp up production, seize export opportunities and accelerate the pace of innovation. But right now, they must contend with a

Capital rules prevent defence receiving financing at the volume it needs from commercial lenders

structural market failure that limits crucial access to capital.

Despite strong signals from governments, capital management rules prevent the defence ecosystem from receiving financing at the volume it needs from private banks. As increased demand meets limited supply, prices increase – hurting all our efforts.

By issuing loan guarantees to private

financial institutions, the DSRB will play a key role in reducing risk for the private sector and make it possible to crowd in sizeable amounts of additional capital for defence supply chains. It fills an important gap in the current architecture, tackling the structural issues that prevent the large-scale deployment of capital across defence supply chains.

The DSRB will lend exclusively to companies domiciled in the bank's member states, including the downstream supply chain. It will also lend directly to its member states. The bank can finance the most urgent categories of rearmament, while other financial institutions are prohibited from even investing in conventional weapons systems, ammunition or lethal munitions.

Our proposed model will make it possible to pool capital from member countries without reducing their fiscal space. In turn, it will help mobilise private capital, reduce the cost of financing and provide long-term solutions at better rates. It will enable us to move fast and decisively – key amid current ruptures in the world order.

As we prepare for the forthcoming

Nato summit in Ankara in July, we are committed to helping allies rally around a defence bank ready to deploy capital within a 12-month timeframe. Canada and Luxembourg are proud to be leading this effort. We share a commitment to multilateralism. Both our countries host major financial centres with expertise in cross-border solutions and the backing of triple A rated sovereigns.

Joining the DSRB at the moment of its founding is an unequivocal signal of cohesion among allies who seek to amplify their collective financial firepower. Founding members will get to shape the bank's governance and norms, as well as to frame its initial operating arrangements. This will contribute to building the future of our collective defence for years to come.

We believe this can be another milestone in the Nato partnership, opening a new era in transatlantic relations. Together, we will turn financial guarantees into security guarantees, and finance into deterrence.

The writers are the prime ministers of Canada and Luxembourg

Lessons from Brexit for the world economy

ECONOMICS

Chris Giles



This week's tenth anniversary of the Brexit referendum offers a moment for reflection on the economic arguments made and the lessons that should be learnt.

Mainstream economists are still asked whether their consensus that leaving the EU would be bad for the UK was accurate. A strange question for the referendum's losers? Yes. But there is a clear two-part answer. The short-term predictions of immediate harm and likely recession, as summarised by the Treasury's analysis, were wrong. But the longer-term forecast that Brexit would undermine UK economic performance was right.

There have been some surprises since 2016, such as the remarkable strength of UK services exports. But the swift drop in the value of sterling cut real incomes, then the uncertainty of the withdrawal process amid political turmoil undermined business investment. Higher barriers to trade have reduced the dynamism of the UK economy.

History cannot be rerun, so no one can be certain of the exact Brexit effect. But the most careful analyses now estimate that the UK economy is 6 to 8 per cent smaller than it would have been had the country voted to stay in the EU. This was also the Treasury's own 2016 estimate of the damage Brexit would cause by 2030 if there were a negotiated bilateral agreement between the UK and EU. Brexiters used to complain that the UK was "shackled to a corpse" when

Ten years on, no other country is seeking to copy the UK, but that has not stopped wishful thinking

Britain's economy regularly outperformed Europe; those days are past.

What is outlandish is that while these consensus predictions have been chewed over for a decade, those of the Leave side are forgotten. Economists for Brexit was a loose group of like-minded souls with a profound inability to understand the likely consequences of the rupture. In forecasts that are now very hard to find, they saw a Leave vote creating a rapid improvement in economic performance with growth rates just shy of 3 per cent a year up to 2020. They expected the UK to offer other countries unilateral free trade and thought this would boost GDP by 4 per cent over time.

Instead of the "Nike swoosh" in which a little bit of post-referendum volatility would be replaced by permanently better economic performance, we have had the reverse. The UK economy started its post-referendum years with some resilience which has faltered since.

Why did mainstream economics broadly get it right? The simple answer is that although the fashionable view is to say that economics has far too narrow a view of human behaviour, it is wrong. Empirical economics tries hard to understand human and corporate actions and uses sophisticated techniques to produce nuanced estimates of the relationships between policies and outcomes. This work found that proximity, trade and integration mattered for economic dynamism. Forecasts will never be wholly right, but economics understood that erecting barriers to doing business was likely to be costly.

Of course, it should never have been controversial to say so. Doctors would be nervous about predicting that if you smoke one packet of cigarettes, it will give you a heart attack, but they would be pretty confident that if you continued, it would shorten your life.

Ten years on, although Europe accepts that the UK made a big mistake and no other country seeks to emulate Brexit, that has not stopped the spread of bad economics and wishful thinking. The resilience of the global economy after President Donald Trump's tariffs and attack on Iran is a triumph of modern capitalism, not trade barriers. The system of trade and co-operation can withstand a lot, but efforts to undermine the rules-based international order also undermine this strength, adding extra layers of fragility.

Brexit is a warning not to ignore mainstream economics. It is one that, sadly, is still not being heeded.

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TV's future: lots of choice, lots of hassle

COMPANIES

Robert Armstrong



This year there have been two media deals bold enough to transform the strategic and financial footprint of the companies involved. The market hates both. Lack of enthusiasm for Paramount Skydance's \$11.1bn February purchase of Warner Bros Discovery is evident in a share price that remains at half the 2025 highs, and eight sell ratings from Wall Street against just two buys. This month, Fox Corporation's \$22bn acquisition of the streaming TV platform Roku was followed by a 25 per cent decline in the buyer's shares.

These bad reviews are not, or not only, indictments of the logic of the deals. They also reflect the long, grinding transformation of the TV industry. This is still far from complete, even as another wave of change is set to roll over the industry.

To mix metaphors: cable TV in the US used to be a goose that laid golden eggs, and now it is a shrinking pie. Consumers once paid a fat monthly fee for a package of dozens of linear channels. The gold came from forcing customers to pay for channels they hardly watched. If they wanted the best content – sports on

ESPN, movies on HBO, news on Fox – they had to buy a "long tail" of obscure networks. Advertising was sold against the whole bundle, too. It was a high-margin, stable business. The studios and distributors cashed in, and the customer took what they were given.

Netflix's streaming service offered something better: all-you-can-eat entertainment on demand, from a wide menu and at a low (if now rising) price. In response, customers have been dumping the old model: today, 62mn US households have a traditional pay TV subscription – 3.5mn fewer than a year ago, and 36mn fewer than a decade ago, MoffetNathanson Research shows.

The old studio companies and distributors have experimented with various new models, and have settled on running their dwindling linear businesses for cash while investing in their own on-demand streaming services – HBO Max, Paramount+, Disney+, and so on. But the pie is shrinking. A streaming subscriber generates less revenue and profit than a cable subscriber. And tech companies such as Apple and Amazon like the business of making and streaming content, too. The competition means prices will stay low. The industry will never again be as profitable as it was.

For viewers this is something to celebrate. Cable TV was a bad deal. Netflix took a chunk of oligopoly profits and handed it back to consumers. For the industry, though, it has forced hard choices. Streaming original content is only sustainably profitable at scale. Paramount+ didn't have it, so combining it

with HBO Max, by buying Warner Discovery, became a necessity for Paramount Skydance. This drove them to overpay. Even Fox, whose mix of sports and news has proved the stickiest of the old distribution models, struggled with the perception that it lacked a bridge to the post-cable world. So it paid above the odds for Roku, giving them a popular TV operating system that connects households to various streaming platforms, and a free ad-based streaming service to combine with its own.

Eventually, the industry will reach a new, stable equilibrium at a lower profit level, perhaps with fewer players. The question is whether this equilibrium will serve customers optimally. The current state of affairs does not.

The mishmash of platforms operated

The mishmash of platforms has left viewers with a fractured and annoying user experience

by content creators, telecoms companies and tech groups has left viewers with a fractured, confusing and annoying user experience. Multiple remote controls. An Apple TV in the living room, a Roku TV in the basement and a third set-up on laptops and mobiles. Switching between multiple subscriptions in search of shows. Sports fans have it the worst, chasing their teams from one place to another. Yes, some digital distribution platforms (Apple, Charter, Amazon) bundle together assorted linear channels and streaming options for a single price, but customers still have to switch around, and producers of the highest quality content have an incentive to keep it on their own platforms, ensuring that the industry remains a jumble. It's almost enough to make a person miss the ABC-NBC-CBS oligopoly – a world of less choice, but a pleasure to use by comparison.

Meanwhile, the viewing habits of young people, fostered by social media, are letting a new set of competitors in by the side door. YouTube now has the second-largest share of total TV viewer-

ship, a hair behind the combined Paramount and Warner, according to MoffetNathanson. Short video, in the style of TikTok, has given rise to microdramas, shows with episodes a minute or two long aimed at habitual scrollers. They are already a big business in China. As Laurent Yoon of Bernstein has argued, similar formats will allow social media platforms to steal eyeballs from the streamers. Add steadily improving AI production to the mix, and there is a formula for even more choices – spread across an even more fractured industry landscape.

Might the industry come together to solve this problem? Or some digital Switzerland develop a neutral super-platform that cuts out the complexity? It's hard to imagine this happening, when almost all the competitors are struggling with their own restructurings and the social media companies are bent on further disruption. The future of TV will be interesting, diverse – and even more annoying to use.

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Putin's system is in a state of slow implosion

Alexandra Prokopenko

The west looks for signs of Russian President Vladimir Putin's weakness in the form of a high-profile split in the elite, or falling popularity ratings as the public mood sours. Yet while the regime is under real pressure, it remains resilient. The erosion that matters is easier to miss – perhaps even a little dull. Fiscal discipline slipped long ago, and now budgetary processes and parliamentary checks are also being quietly set aside.

It took Russia's parliament just 72 hours this month to grant the finance ministry the power to spend more and borrow past the legal debt ceiling without formally rewriting the budget or obtaining parliamentary approval. It needs to react to a worsening environment "not every month or every quarter, but every day", the ministry

explained. In the fifth year of a costly war, even a rubber-stamp legislature has become an obstacle to be removed.

No wonder the Kremlin is in a hurry. By the end of May, the federal deficit had hit 6tn roubles (\$83bn). That is 2.6 per cent of GDP, twice last year's level and already past the Rb5.8tn meant to cover the whole of 2026. The liquid portion of its National Welfare Fund (Russia's sovereign wealth fund) has been run down to about Rb5.4tn, a fraction of its prewar self. The central bank's main benchmark interest rate stands at 14.25 per cent, and it has warned that more state borrowing will keep it there for longer. Value added tax has already been raised to help pay for the war.

These changes do not amount to printing money. Any new borrowing is, in effect, a short-term overdraft against cash already in the Russian treasury. The shift is subtler: a rule has quietly given way to discretion.

For almost two decades, fiscal restraint was one of the Kremlin's proudest boasts – low debt, a balanced budget averaged over the period, a sovereign wealth fund and an

internationally respected economic team. Those virtues were a large part of why the economy was able to weather the storm of sanctions. That discipline is now being unwound. A cornered autocracy is rewriting the fiscal rules as it goes, cutting parliament out of the loop, and will not admit to dangers it cannot control. It's less dramatic than a palace coup, but this is what decline looks like.

A cornered autocracy is rewriting the fiscal rules as it goes and will not admit to dangers it cannot control

And the bill is still mounting. In a letter to the government earlier this year, finance minister Anton Siluanov warned the military and security services might need an extra Rb2tn this year. Much of that is related to the numbers of dead and wounded. An estimated 552,000 Russian soldiers have been killed since 2022, and each confirmed death triggers a Rb14.2mn

federal payout. For a wounded soldier it can be up to Rb5.4mn. The death and injury toll is now affecting the budgetary process itself.

The same rationale, of avoiding formally budgeting for the costs of the war, runs through the whole system. Russian companies have installed steel cables over oil refineries to act as improvised air defences the state refuses to provide. The government will not even let them write off the cost against tax. When businesses asked the Kremlin to share the costs of air defence, the answer was no, with the reason that such spending was a "one-off".

Companies have spent more than \$1bn defending themselves against Ukrainian attacks. Nor is it just about the money. The state would sooner let companies arm themselves than officially classify Ukrainian drone strikes as a "military risk". To concede that would shatter the fiction of a contained "special military operation" and the pretence that life goes on as normal.

But the bill for the war can only be postponed. Regions have had

COMMENT & FEATURES

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Never outsource security

Israel must deepen its alliance with the United States while making clear that responsibility for Israeli security rests with Jerusalem alone.

The US-Israel relationship is one of the most important strategic partnerships in modern history. American support has helped Israel militarily, diplomatically, technologically, and economically. It has strengthened deterrence, improved defenses, and given the Jewish state backing in hostile forums.

That alliance should be protected. At the same time, Israel cannot confuse friendship with a security guarantee. The US is Israel's closest ally, but American presidents are elected to serve American interests. Israeli prime ministers are elected to serve Israeli interests. Often, those interests overlap. Sometimes they diverge.

This matters now because Washington pursues regional diplomacy that affects Israel's security. Israel should listen, coordinate, argue when necessary, and preserve the alliance. It should also remember that no foreign capital, however friendly, can be expected to carry the burden of Israel's survival.

Israel's founding generation understood this. David Ben-Gurion spent years confronting the limits of international sympathy. He knew declarations of support could disappear when hard decisions arrived. He believed Israel's fate would depend on its own strength, moral clarity, and willingness to act. His view was shaped by Jewish history and by the bitter lesson that Jews who depend on others for protection may be abandoned at the decisive hour.

That thinking became part of Israel's national security doctrine.

Menachem Begin gave that doctrine its clearest expression in 1981, when he ordered the destruction of Iraq's Osirak nuclear reactor despite international opposition. The principle that followed became known as the Begin Doctrine: Israel would not allow an enemy committed to its destruction to acquire the means to carry it out.

The same logic guided Israel's 2007 strike on Syria's al-Kibar facility, which Israel later acknowledged and which the International Atomic Energy Agency assessed was very likely a nuclear reactor.

In both cases, Israeli leaders understood that outside approval was valuable, but national survival could not wait for consensus.

That lesson is urgent again. The challenge facing Israel is larger than any single agreement or diplomatic track. Iran remains the central regional threat. Its proxies continue to surround Israel. Hezbollah, Hamas, the Houthis, and other Iranian-backed forces have shown that declarations, understandings, and ceasefires do not erase hostile intent.

Diplomacy can buy time. It can reduce pressure. It can create openings. It cannot replace Israeli power. Israel is strongest when it comes to Washington as a capable partner with independent options. It is weaker when it appears unable to act without American approval, resupply, or political cover.

Israel needs greater domestic production of munitions, stronger stockpiles, deeper air-defense capacity, wider cyber and intelligence capabilities, and a defense industry able to sustain long wars. It also needs economic resilience and diplomatic reach, because military independence cannot exist without national resilience. This is an argument for seriousness inside Israel.

Every Israeli government should ask what happens when Washington is distracted, hesitant, divided, or pursuing a deal that Jerusalem sees as dangerous. Every defense budget should be tested against that question. Every procurement decision should consider whether it increases Israeli freedom of action or narrows it.

The US will remain Israel's most important ally. That relationship must continue to flourish. Israel should work with Washington, consult with Washington, and strengthen every channel of cooperation.

But the lesson, from Ben-Gurion to Begin, remains clear: Allies are essential, and responsibility for Israel's security belongs to Israel alone.

That principle should guide doctrine, budgets, procurement, diplomacy, and national debate. It is the price of sovereignty.

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Newsrooms are not courtrooms

Why New Yorkers must reject the media's presumption of Israel's guilt

• By DARCIE GRUNBLATT

Like most born and raised New Yorkers, I believed my home was the center of the universe. Since I've moved to Israel, I've watched how New York congressional candidates have made my new home their epicenter rather than their future districts.

Between June 20 and June 21, 2026, MS NOW aired no fewer than four interviews with New York congressional candidates and a campaign strategist on its panel show "The Weekend: Primetime". In every interview, either the guests themselves or panelist Ayman Mohyeldin raised the subject of the "genocide" in Gaza.

In doing so, the network's panelists demonstrated a dangerous trend in modern journalism: media personalities acting as judge and jury, flattening strict international law into a political talking point.

The only candidate MS NOW interviewed who refused to label Israel's war in Gaza a "genocide" was Jack Schlossberg, running in New York's 12th congressional district.

IT WAS hard to ignore Mohyeldin's dismay after Schlossberg refused to capitulate to this narrative, even after the anchor pushed back twice.

Yet Mohyeldin's passionate advocacy for the label ironically revealed how little he, or his co-panelists Elise Jordan and Catherine Rampell, understand about what the word actually means. Genocide is not a colloquialism, a feeling, or a matter of opinion; it is a legal charge with a stringent threshold. Under the 1948 UN Genocide Convention, the crime requires a specifically proven "intent to destroy, in whole or in part, a national, ethnic, racial or religious group."

In the newsmoos of MS NOW, however, the burden of legal proof appears entirely optional.

For instance, when Mohyeldin attempted to corner Schlossberg, he pulled up a recent social media post by Minister Itamar Ben-Gvir calling to "burn" Lebanon. Mohyeldin triumphantly asked if this rhetoric was genocidal. While this rhetoric is undeniably



DEMOCRATIC CONGRESSIONAL candidate Claire Valdez speaks during an election eve rally at Silo in Brooklyn, on Monday. (Michael M. Santiago/Getty Images)

incendiary, using a quote about Lebanon to prove a legal charge of genocide in Gaza reveals a profound misunderstanding of how specific evidentiary standards work. The legal definition of genocide requires the intent to destroy a distinct, specified group; a post about a completely different country is legally irrelevant to the charge at hand.

Furthermore, Israel's prime minister quickly and explicitly refuted Ben-Gvir's statement. By weaponizing selective, irrelevant details, Mohyeldin demonstrated both his ignorance of the evidentiary standard and a clear agenda to malign Israel regardless of the facts.

The panel's legal illiteracy was compounded when Schloss-

berg himself stumbled, incorrectly stating that the International Court of Justice (ICJ) found it "plausible" that Israel was committing genocide. Strikingly, none of the panelists corrected him. Had they done their journalistic homework, they would know the ICJ issued a narrow ruling in January 2024 on the "right to be protected," not on the merits of the genocide charge itself. Former ICJ president Joan Donoghue explicitly corrected this widespread media error on the BBC in April, stating: "The court did not decide... that the claim of genocide was plausible."

The nadir of the interview arrived when Jordan challenged Schlossberg. Acknowledging his Juris Doctor from Harvard, she asked him what

he "sees" as a situation that "qualifies as genocide." Jordan fundamentally misunderstood that a legal definition is a fact, not a matter of personal opinion.

IN A very clear double standard, the MS NOW panelists abandoned this rigorous cross-examination when interviewing other guests over the last weekend — such as candidates for NY-7 Antonio Reynoso and Claire Valdez, and strategist Morris Katz. When they casually dropped the phrase "genocide in Gaza," the panelists never asked them to justify their accusation.

Consider Valdez, who claimed to stand up for the dignity and security of "people everywhere." The hypocrisy of

her interviewers was obvious when they failed to ask if that dignity and security extended to Israelis. They gave her a complete pass, ignoring both her admission to protesting Israel just after the October 7 Hamas massacre and her pledge to block Iron Dome funding, a policy that endangers Israeli lives.

Likewise, when Katz declared "taking money from AIPAC" and "sending taxpayer dollars to fund more of Netanyahu's wars" as signs of corruption, the panel simply nodded along. They failed to question his hyper-fixation on an American lobbying group lawfully advocating for pro-Israel policies, while ignoring hostile foreign governments like Russia, Iran, and China that attempt to sway US elections. The MS NOW panelists only sought to scrutinize the one candidate who insisted on maintaining a fact-based, legally accurate argument.

Genocide is a legal term, and whether a state committed it must be proved in court, not in the newsmoos. The architects of the post-World War II order envisioned international law as the bedrock of a liberal democratic world, empowering courts to pursue justice against perpetrators of the ultimate evil based on rigorous evidence.

When media personalities bypass this process, deciding Israel's guilt in a studio rather than a courtroom, they set a dangerous precedent. They cease to act as journalists and instead mimic the outlets run by authoritarian regimes, where guilt is presumed before innocence and verdicts are decided by political narratives rather than evidence.

New Yorkers who value democracy and the liberal world order should consider what kind of world they seek to live in and remember this: when they watch complex, legal realities co-opted into colloquial smears.

The writer is a US media researcher at the Committee for Accuracy in Middle East Reporting and Analysis (CAMERA) in Israel. She was previously a Breaking News Desk Manager at The Jerusalem Post. She grew up on the Lower East Side of Manhattan.

When JD stood for 'Jews' Demonizer'

• By MARTIN OLINER

Imagine what would happen if a known antisemite like New York Mayor Zohran Mamdani, Maine Senate candidate Graham Platner, Louis Farrakhan, or David Duke mocked Israel's right to self-defense when attacked. There would undoubtedly be a legitimate uproar.

Imagine if the vicious criticism vilifying the Jewish state was uttered with a smirk during a war of defense that began with the most Jews murdered in one day since the Holocaust.

There would certainly be a well-deserved public outcry.

And imagine that the nasty condemnation of America's most dependable ally was said to a media outlet known for besmirching Israel exuberantly.

It would of course have ruffled some feathers.

But that uproar, that outcry, and that feather ruffling have been conspicuously absent since one of the most antisemitic and outrageous comments ever made was uttered on Thursday.

Perhaps because they happened to have been said by the man who is unfortunately the vice president of the United States, JD Vance?

I understand why Jewish organizations would be reluctant to challenge such a powerful man, who could become our commander in chief in a heartbeat, if our 80-year-old president does what a lot of 80-year-olds do every day.

But listen to what Vance told *The New York Times* when asked how he would respond to Israeli cabinet ministers who oppose the memorandum of understanding he reached with Iran.



US VICE President JD Vance is seen before boarding Air Force Two at Emmen Military Air Base, Emmen, Switzerland, on Monday. (Nathan Howard/Pool/Reuters)

"I guess my response to them would be 'What is your exact proposal?' Vance said. "You're a country of nine million people. You can't just kill your way out of solving every single national security problem that you have." Excuse me? That is pure antisemitism. The world's greatest experts on urban warfare have concluded that Israel has done more to avoid civilian deaths among its enemies than any army in the history of mankind on this earth. We want peace more than anyone. But to achieve it, we are not willing to lay down our arms, surrender, drop dead, and disappear without a fight.

Our low numbers are not a coincidence, and they should never be

ridiculed. We have endured pogroms, plagues, a Holocaust, and an October 7 massacre that our enemies have pledged to repeat again and again with the support of their sponsors whom you met at a summit in a Swiss castle.

This was not the only outrageous statement Vance said ahead of the summit.

"If I was in the cabinet of the Israeli government, I might not be attacking the only powerful ally that I have anywhere left in the entire world," he said during a White House news briefing.

That is not true. Israel maintains many alliances with many countries, especially the many countries threatened by the prospects of a nuclear Iran. "The other thing that I would say is

that over the last three months, two-thirds of the defensive weapons that have protected your homeland have been built by American hands and paid for by American tax dollars," he said, forgetting the strong cooperation between the Israeli and American allies in Iran during Operation Epic Fury.

So where is the ADL? Where is the National Jewish Democratic Council? Too busy celebrating Juneteenth and repeating their mistakes that led to American Jews not being ready for the aftermath of October 7.

The only one who responded to Vance's vicious attack was one of the Israeli cabinet ministers who had called him out.

"This is the proposal, @JDVance," National Security Minister Itamar Ben-Gvir wrote to him on X/Twitter. "To deal with the Nazis of the 21st century, just as the United States dealt with the Nazis of the 20th century."

The Culture for Peace Institute that I head seeks nothing more than a just peace. But the vice president's memo does not and will not promote or advance peace.

What Vance said should still be slammed by every Jewish organization, or he will believe he could get away with his antisemitism.

After October 7, Vance's initials became "Jews' Demonizer."

The writer is chairman of the Religious Zionists of America and president of the Culture for Peace Institute. He was appointed by former US president Donald Trump and serves as a member of the United States Holocaust Memorial Council. The views expressed are his own. Martinoliner@gmail.com

Starmer decides to resign at 'Chequers'

• By NIGEL LITHMAN

Chequers is where UK Prime Minister Keir Starmer spent the weekend deciding his own fate before resigning on Monday.

That is Chequers, the stately home known as the "Grace and Favour home" at the disposal of the British prime minister, in the same way that the US president uses Camp David and the pope, Campo Gandolfo, when he takes some time off from being pope.

Last Wednesday, under the title "Rearranging deck chairs won't save a sinking ship," I wrote about what has been described as the most important and far-reaching By-election in UK history, at an unknown place called Mounterfield.

At that time it was undecided. I explained how the election was designed to propel the former Manchester mayor Andy Burnham into parliament, there to oust and replace the incumbent leader of the Labour Party and become prime minister himself. And without wishing to say I told you so, I told you so. Burnham's victory has led directly to Starmer's resignation.

Let us look at the events chronologically. First, the By-election itself.

Had the consequences not been so important, it would have been as entertaining as any other such election. One of the delights that remains about the UK is every election night. For a small deposit, almost anyone can stand as a candidate in an election. And almost anyone does.

When the votes have been counted, the candidates all stand in a line to hear the results announced. One by one their names are read out, and their vote numbers are given. So it has become a tradition for some candidates to adopt ridiculous (spoof) names, titles and costumes to embarrass the person reading out the result and entertain those in the audience at the town hall and on the television.

For Example:



BRITISH PRIME Minister Keir Starmer announces the timeline for his resignation outside 10 Downing Street, in London, on Monday. (Jack Taylor/Reuters)

Howling Laud Hope – Monster Raving Loony Party – 45 votes

Lord Buckethead – 100 votes

Court Binface – 95 votes

Mad Cow-Girl – 60 votes and so on and so forth

I have to confess to finding this all very entertaining, but as a French person I once knew used to say: "British humor is like British gastronomy, it does not exist."

But what of the real election result? I had posited the fact that only a combined opposition could beat Burnham, the populist candidate, believed to offer all the things that Starmer lacked – primarily a personality. In fact, the combined num-

bers of votes of the opposition would not have beaten Burnham, but together they would have created a momentum that probably would have done. Had they done so, it would have left a powerless Starmer as the most unpopular prime minister in history, and brought him and his government down, rather than just changing leader.

So in fact the opposition parties and Sir Keir Starmer wanted the same thing – Burnham to lose. But the actual result of the election placed Andy Burnham first, whilst in second, third and fourth came the opposition right-wing parties: Reform, Restore, Conservative. The result was a crushing victory for

Burnham, leaving him free to enter parliament and launch a leadership challenge.

Meanwhile Starmer was left contemplating his fate. His choices were to carry on in office until he was challenged for the top job by Burnham and stand against him, or resign, thereby jumping before he was pushed. Starmer, realizing the whole of his party were against him, jumped.

Where did Starmer go to lick his wounds and decide his future? A part of the British landscape for those in High office, including the prime minister, foreign secretary and various Church leaders such as the archbishop of Canterbury,

have at their complete disposal what are referred to as "grace and favor homes".

You would rightly guess that the prime minister's assigned home is amongst the most splendid. A 16th-century house, Oak beams, cleftured and manicured gardens with a mere 10 bedrooms.

THE HOUSE is named Chequers after the family who owned land thereabouts. The first prime minister to spend time there was David Lloyd George, a garrulous Welshman who had everything the current prime minister lacked – namely a personality.

And the prime ministers would go there from time to time to take advantage of its serenity. Winston Churchill would go there to write his wartime speeches. Boris Johnson went there to greet foreign guests, such as Angela Merkel, his German counterpart.

Starmer, after the bruising result of the Makerfield By-election, bolted to the sanctuary of the country house at his disposal to contemplate his future. He would have played mental chequers at Chequers.

He would have immediately realized he was likely to face political extinction. All

he had to do was decide by what method. By the time he left Chequers, this prime minister had done something that he seemed unable to do during the last two years: make his mind up.

That then brought us to outside the prime minister's home at 10 Downing Street on a warm Monday. There followed the symbolic significance of bringing out the lectern that prefaces all important announcements.

In this case, Starmer announced that he has heard that his party does not think he is the man to lead them into the next election and intends to stand aside.

I then listened as Starmer listed his "achievements" over the last two years. I truly believed I was hearing things. Of course he did not mention his 16 "U" turns on policies, nor how he had become a slave to spending vast sums of money on welfare to hand out to those that had journeyed to the UK in rubber dinghies.

But as Shakespeare said, "here's the rub". He listed first in his achievements his combating antisemitism, overlooking his recognition of Palestine at the time Hamas held 52 hostages, without demanding their return. And overlooking the fact that he was dubbed "Starmer, Starmer, the Jew harmer".

The point of this part of the article remains the same as the first article and is directed toward Israel in the coming months to say be careful what you wish for and even more careful as to how you achieve it. Only unity in opposition parties has any chance of changing the status quo.

Meanwhile, like Moses, Sir Keir Starmer will not bring his people into the promised land, whatever that looks like, but it will be Burnham who adopts the role of Joshua.

The writer is an author and a former judge and barrister in the United Kingdom.

THE IRAN CAMPAIGN PROVED IT:

Time to upgrade the Israel-UAE partnership

• By RONEN LEVI (MAOZ) and NOA LAZIMI

The recent confrontation with Iran underscored the strategic value of the partnership between Israel and the United Arab Emirates and highlighted the potential for expanding it well beyond its current scope.

Unlike some regional actors, Abu Dhabi has consistently demonstrated that its commitment to regional stability extends far beyond rhetoric.

This has been evident not only during the conflict with Iran but also through its sustained engagement across the Middle East and the Horn of Africa, where it has worked to counter extremist actors and secure critical trade routes.

During the war, the UAE was reportedly targeted by more than 2,200 attacks directed at its territory.

Among the Gulf states, Abu Dhabi stood out for adopting a particularly firm public stance toward Iran.

Beyond its statements, the UAE actively pursued practical measures on the international stage to help reopen the Strait of Hormuz, explored participation in a US-led military effort, and, according to investigative reports, carried out a number of strikes inside Iranian territory.

At the same time, Abu Dhabi reportedly implemented administrative measures against Iran aimed at increasing pressure on Tehran.

This involvement helps explain why the Emirati leadership is unlikely to view the end of the fighting as the end of the story. Although Abu Dhabi issued positive statements following the digital signing of the memorandum of understanding on June 17, diplomatic messaging likely masks a considerable degree of unease.

That concern stems both from the UAE's firm position toward Iran throughout the conflict and from its geographic proximity to Tehran, which made it a primary target for Iranian attacks during the war.

From Abu Dhabi's perspective, even if current tensions subside, the risk of renewed drone attacks, missile



SMOKE BILLOWS from Jebel Ali port in Dubai after an Iranian attack, earlier this year. During the war, the UAE was reportedly targeted by more than 2,200 attacks directed at its territory, the writers note. (Ragheed Waked/Reuters)

strikes, or indirect operations by Iran and its proxies is unlikely to disappear.

Yet alongside the risks created by the UAE's confrontational stance toward Iran, this reality presents a significant opportunity to deepen cooperation with Israel.

The recent war has opened a window for advancing long-term initiatives that can strengthen the security and economic resilience of both countries while contributing to the development of a new regional architecture built on stability, security, and

economic growth.

The importance of this partnership becomes even greater in light of the possibility of a reduced American footprint in the region.

In such a scenario, strong ties with the UAE would allow Israel to rely on an increasingly influential regional partner that shares key strategic interests: containing Iran, countering political Islam, and responding to the growing influence of regional power centers led by Turkey and its allies, which seek to promote a regional order rooted in movements affiliated

with the Muslim Brotherhood.

For Abu Dhabi, deeper cooperation with Israel aligns closely with its national vision of establishing itself as a regional hub for innovation, advanced industries, and strategic infrastructure.

BUILDING ON these shared interests, Israel, the UAE, and the United States should work together to elevate the existing partnership across several key areas.

The first is expanding security and technological cooperation, particu-

larly in air defense, counter-drone capabilities, advanced early-warning systems, and artificial intelligence-based solutions.

Combining Israeli technological expertise with Emirati resources and industrial ambitions could generate a significant strategic advantage for both countries.

A second area is advanced technology. Israel and the UAE are already participating in American-led initiatives designed to strengthen cooperation in artificial intelligence, semiconductors, cloud computing, and

data centers.

By combining Israel's strengths in innovation and research with the UAE's capital, infrastructure, and global connectivity, the two countries can position themselves as leading players within the Western technology ecosystem.

A third priority is advancing the India-Middle East-Europe Economic Corridor (IMEC). The recent war exposed the vulnerability of global trade routes and the risks associated with dependence on maritime chokepoints such as the Strait of Hormuz and the Suez Canal.

Developing IMEC as an integrated corridor for trade, energy, data, and innovation would provide both countries with substantial strategic and economic benefits while enhancing the resilience of regional and global supply chains.

Finally, the partnership must not rest solely on governments and security establishments. Business ties, private investment, and collaboration among entrepreneurs and companies have become some of the most important drivers of the Abraham Accords' success.

Expanding the role of frameworks such as the UAE-Israel Business Council and encouraging greater two-way investment would strengthen the civilian foundations of the relationship and help ensure the long-term durability of a partnership that has been years in the making.

The Iran conflict demonstrated that the Israel-UAE relationship is far greater than a diplomatic achievement. It is a partnership forged under fire – one grounded in shared sacrifice, common security challenges, and a mutual commitment to regional stability. The challenge now is to translate that reality into a deeper, more institutionalized partnership capable of shaping the future of the region.

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Influence Israeli, Palestinian elections for peace



ENCOUNTERING PEACE
• By GERSHON BASKIN

At the end of October, Israelis will vote for a new government. At the beginning of November, Palestinians are expected to do the same. It is rare that both peoples will go to elections, almost at the same time, to choose their leadership and national direction.

This creates a huge opportunity and responsibility, mainly for Israelis and Palestinians, and they can be assisted by the United States, the Arab states, Europe, and the wider international community.

No foreign leader or outside power should choose the leaders of Israel or Palestine. That is the task of Israeli and Palestinian voters. But the international community can make clear what kind of future it is prepared to support. It can tell both peoples that peace is not an empty slogan, that a diplomatic horizon exists, and that leaders who provide hope by choosing courage over fear will not stand alone.

In the interest of peace in the Middle East, US President Donald Trump should embrace this opportunity and make a simple, direct, historic statement:

- The United States supports Israel's security and full integration into the Middle East.
- The United States supports Palestinian freedom, statehood, democracy, and dignity.
- The United States will work with regional and international partners to advance and implement a two-state solution.
- The United States expects both Israelis and Palestinians to elect leaders capable of making peace.

Such a statement would not be interference. It would be strategic clarity. Delivered now, months before the elections, it could influence the outcome not by telling people whom to vote for but by showing them what kind of future their vote can make possible.

It would tell voters that there is an alternative to war, occupation, siege, terrorism, repression, revenge, and despair. It would make clear that their next leaders will be judged by their ability to secure freedom, security, dignity, and peace.

BUT TRUMP'S message alone would not be enough. Its real importance would depend on how Israeli and Palestinian candidates

respond.

Israeli candidates seeking to replace the current government should say clearly: Israel's security is essential, but it cannot be achieved by permanent occupation. Israel must defeat terrorism and insist on strong security arrangements, but it must also offer Palestinians a political horizon and recognize their right to freedom, sovereignty and dignity. Israel's future is not as a fortress surrounded by enemies. Its future is as a legitimate, secure, integrated state in the Middle East.

They should say to Israeli voters: The path of recent years has failed. It brought catastrophe, war, isolation, economic damage, internal division, and far too much death and destruction. We cannot manage this conflict forever. We cannot believe that the Palestinian issue can be bypassed through force or normalization with some Arab states. Israel can be accepted into the region but not while millions of Palestinians remain under occupation, without freedom and without a political future.

Israeli candidates should also speak indirectly, but unmistakably, to Palestinian voters: You are not our enemy as a people. We recognize the historic and religious connection of the Palestinian people to this land. You also want to live, raise your children, build your economy, and control your future.

We are ready to negotiate with Palestinian leaders that you elect: leaders who reject violence, accept mutual recognition, support democracy, and are prepared to build a state alongside Israel, not instead of Israel. Our security and your freedom must be built together.

Palestinian candidates and parties must be equally clear. They should say: The last years have shown the terrible futility of violence. Armed struggle has not liberated Palestine, ended occupation, or brought sovereignty. It has brought suffering, destruction, isolation, and loss.

The Palestinian people need a new path: democracy, nonviolence, institution-building, international legitimacy, and a political strategy that can gain regional and global support. The Palestinian people also recognize the historic and religious connection of the Jewish people to this land

— this is even recognized in the Holy Quran.

Palestinian candidates should say: Our goal is freedom and statehood, not revenge. Our goal is ending occupation, not destroying Israel. Our goal is to build Palestine—in Gaza, the West Bank, and east Jerusalem—as a democratic, accountable, sovereign state living in peace next to Israel. We will demand our rights firmly, but through diplomacy, persuasion, law, popular nonviolent action, international alliances, and negotiations.

Palestinian candidates should also speak indirectly to Israeli voters: We understand that Israelis need security. We understand the trauma and fear Israelis carry. We do not ask Israelis to trust words alone. We are prepared to build institutions, security arrangements, and political commitments that prove that a Palestinian state will be a partner for peace, not a platform for war. We want our children to live next to your children in dignity and safety.

THIS INDIRECT dialogue could change the election atmosphere. For years, the central argument against peace has been the same in both societies: "There is no partner on the other side." Israelis say there is no Palestinian partner. Palestinians say there is no Israeli partner. Each side uses the extremism of the other as proof that peace is impossible. That circle must be broken.

The main challenge is to rebuild confidence that there are partners for peace. That will not happen through secret diplomacy alone. It must happen in public, during the election campaigns themselves.

Israeli parties that support peace should say that Palestinian freedom is part of Israeli security. Palestinian parties that support peace should say that Israeli security is part of Palestinian freedom. These are not concessions. They are the foundation of any realistic future.

Political agreements are not enough. Candidates on both sides must also address other fundamental issues—such as what we teach our children. Education curricula is in the hands of the state and therefore is the true reflection on the values of the society.

The next generation of Israelis and Palestinians must not inherit only graves, walls, checkpoints, rockets, sirens, hatred, and fear. They must inherit the



AN ISRAELI man and a Palestinian man are seen voting in their respective elections. (Amir Cohen/Mohammed Torokman/Reuters)

tools of coexistence: language (Hebrew and Arabic), knowledge, empathy, critical thinking, historical honesty, and the belief that the other people is not destined to be an eternal enemy.

Elections are not only about who holds office. They are about what societies tell themselves is possible. If Israeli candidates run only

on fear, they will produce more fear. If Palestinian candidates run only on grievance, they will produce more despair. But if candidates on both sides speak about peace, partnership, democracy, security, freedom, hope, and regional integration, the political environment will begin to change.

There are moments in his-

tory when timing matters. The time for action is now—before the end of October and the beginning of November. Israelis and Palestinians will soon be voting almost at the very same time. They should not vote in darkness. They should understand that their vote will affect not only their own future but also the choices

made by the other side. The door to peace will not open by itself; it will open only if leaders on both sides tell their people the truth and voters choose the future over the fear.

The writer is the Middle East Director of the International Communities Organization and the co-head of the Alliance for Two States.

Trump's team of losers



WASHINGTON WATCH
• By DOUGLAS BLOOMFIELD

Elections have consequences, and one of the first is that presidents get to pick their own team to run the government. One of Donald Trump's first and most repeated promises on entering politics was to hire only "the best and most serious people."

Historians agree that the best cabinet in these 250 years was Abraham Lincoln's team of rivals. They had been his competitors for the 1860 Republican presidential nomination. He said they were chosen for their intelligence, competence, judgment and integrity.

Doris Kearns Goodwin, the Pulitzer Prize-winning author of *Team of Rivals*, said that in contrast, Trump has chosen personal loyalty over competence and expertise.

There is a consensus among historians and scholars ranking Trump's team the worst in history, scraping bottom with the scandal-ridden Grant and Harding administrations. Presidents of all parties have had their duds, but Trump's appointments stand out.

The fault is not Trump's

alone. Blame also belongs to the Republican cowards in the US Senate who shirked their Constitutional duty to advise and consent on each nomination, rubber-stamping every nominee with little vetting or examination.

Many Republicans have privately admitted to journalists that they felt compelled to hold their noses and vote for some nominees to show loyalty to the new administration and out of fear of a president with a well-known penchant for vengeance.

Trump's second cabinet already has a high turnover rate; nearly all the departures have been high-profile women. In his first term, 20 of 24 cabinet appointees didn't make it to the end.

A rare exception was Rep.

Matt Gaetz (R-Florida), whose nomination to be attorney general was quickly yanked because he was under an ethics investigation for sexual misconduct and drug use. His replacement, Pam Bondi, didn't last long, and Trump wants his former criminal attorney, Todd Blanche, to take over. (The client was convicted on 34 felony counts.)

Blanche, now the acting attorney general, seems comfortable continuing to act as Trump's personal lawyer, not the nation's, and be the chief investigator and prosecutor of his client's political enemies. The *New York Times* editorial board has declared him "unfit for office," citing his history "disdaining the law and using law enforcement as a partisan weapon."

Some Republican senators are publicly having heartburn over Trump naming the grossly unqualified and inexperienced Bill Pulte to be the acting director of national intelligence.

He was chosen for the enthusiasm he has shown in investigating and prosecuting Trump's enemies as the head of the Federal Housing Finance Agency, a job he will continue to hold. Like Trump, his background is in the real estate and construc-

tion industry, not the highly specialized and even more vital realm of national intelligence.

Trump reportedly expects him to investigate possible foreign interference in US elections to fortify the president's demands for sweeping voting restrictions.

I can understand why people want to serve in presidential cabinets. The power, prestige, and profits can be milked for a lifetime. Some get rich while in office, though most are patient enough to wait until they leave to cash in.

In one distinct way, Trump's team is like none other in history: his Cringe Cabinet Meetings, televised show-and-tell performances with participants taking turns reporting how much they've done serving his inspired leadership.

Among the most obsequious is Defense Secretary Pete Hegseth, who is widely considered the worst ever to hold that post. What he lacks in competence he makes up for in swagger. He has been known to inject his Christian nationalism into his job and in a Pentagon service, confused old movie dialogue with scripture.

Most recently, his order to eliminate the military's universal flu vaccine mandate is being blamed for an influenza outbreak at a Texas air base that infected hundreds. He has been waging a war on diversity, blocking promotions or firing generals and admirals, disproportionately non-whites and women. He has claimed that white, straight men have been discriminated against in the military.

FBI Director Kash Patel seems more skilled in creating scandals than investigating them. The Secret Service was upset with him for "jumping the gun" by prematurely rushing to tweet about the ongoing investigation of a possible attack on the president's 80th birthday celebration.

Under the transparent guise of official business, he flew on his government plane to Italy, where he was seen around the world chugging beer in the locker room to celebrate the US Men's Hockey Team victory.

There have been published reports of his excessive detail for personal events, providing FBI security for his girlfriend, and rewarding his inner circle of loyal agents with cash bonuses.

AS THE administration moves to meet its goal of dismantling

the Department of Education, responsibility for special education programs has been transferred to the Department of Health and Human Services. This has outraged parents and advocates for students with disabilities in view of HHS Secretary Robert F. Kennedy Jr.'s discredited claims about autism.

It is troubling enough that this vaccine skeptic who has boasted of harvesting meat from roadkill and having snorted cocaine from a toilet seat oversees the nation's health care.

And don't forget the man running the nation's Medicare and Medicaid programs, Dr. Mehmet Oz. He has a long and controversial history of promoting questionable health treatments on television.

Homeland Security Secretary Markwayne Mullin is a former professional mixed martial arts fighter, Trump's favorite spectator sport and centerpiece of his recent birthday celebration.

Commerce Secretary Howard Lutnick has his own ties to Trump's pedophile pal Jeffrey Epstein.

Russell Vought, the Office of Management and Budget director, used US AID funds to pay for his personal security, MS NOW reported.

Energy Secretary Chris Wright was ordered by a federal court to restore funding for energy projects in Blue states that government attorneys admitted had been cut as political revenge for having voted against Trump in 2024, the *Washington Post* noted.

These are all the president's choices. Others may have recommended them, but the crypto-buck stops at his Resolute desk. As noted, it is his right and responsibility to pick them. Historians already have begun to judge them as the worst cabinet in history. If for nothing else—though there is much more—history will judge his presidency harshly.

It doesn't take much to figure out that this cabinet is not the best people this nation has to offer, not the best conservatives, not the best Trump supporters, not the best MAGA believers. Because in the end, this isn't about serving the nation and its people; it's about Donald Trump and his infantile craving for cult-like devotion.

The writer is a Washington-based journalist, consultant, lobbyist, and former legislative director at the American Israel Public Affairs Committee.

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COMMENT

Editorials

'China Opportunity 2.0' means more widely shared development benefits from innovation

As Chinese high-tech products gain global market share, some Western armchair strategists have slapped a new label on their "bogeyman": "China Shock 2.0".

Catchy perhaps, but with a hollow ring. Speaking at the opening of the Summer Davos in Dalian, Liaoning province, on Wednesday, Chinese Premier Li Qiang offered a precise description of the moment. Rather than a shock, he pointed out, the world is experiencing "China Opportunity 2.0" — a new phase of development driven by the country's innovation, technological upgrading and deeper integration with the global economy.

The difference between the two narratives is revealing. One views China's technological rise as a "threat". The other sees it as a boon. One incites fear. The other invites engagement.

The "China Shock 2.0" alarm is being sounded on the fabricated assumptions that China's economic success is somehow "artificial" and designed to be "pernicious". Yet the evidence is nothing but a house of cards. China's competitiveness is the fruit of its long-term input in innovation. The country now spends nearly 4 trillion yuan (\$586 billion) annually on research and development. Its R&D intensity has surpassed 2.8 percent of GDP, exceeding the OECD average. Chinese entities filed more than 73,000 international patent applications in various fields last year, more than any other country in the world. These are not the statistics of a country relying on "subsidies", "overcapacity" or "currency manipulation"; the cards that allegedly support "China Shock 2.0".

Instead, China's progress stems from its super-large competitive domestic market in which enterprises constantly innovate to survive. Companies face relentless pressure from rivals at home and abroad. Competition has acted as a catalyst for innovation. This reality is inconvenient for some Western policymakers because it shifts the focus away from China and back to themselves.

For decades, some advanced economies have prioritized finance over manufacturing, short-term returns over long-term investment and political theater over industrial strategy. The result: infrastructure aged, vocational training weakened, and industrial capacity hollowed out. When the consequences arrived, blaming China proved easier than meaningfully addressing the real causes.

The irony is difficult to miss. Many of the policies now criticized when practiced by China — industrial planning, infrastructure investment, support for emerging industries and strategic technological development — were once central features of the development strategies pursued by today's advanced economies themselves.

Even more striking is the policy response. Rather than rebuilding competitiveness through investment in education, infrastructure and innovation, some Western countries have increasingly turned to tariffs, sanctions and technology restrictions to "subsidize" the competitiveness of their enterprises. Such measures do little to address underlying structural weaknesses. In many cases, they raise costs for domestic consumers and businesses while fragmenting global supply chains.

Shutting China out while insisting that China stays open is not reciprocity; it is hypocrisy. Policymakers intoxicated by unilateralism should remember that no one has ever stopped spring by cutting the flowers. China's development is not a seasonal anomaly but the result of decades of investment, innovation and hard work. Efforts to isolate China will not isolate the country from the world; they risk isolating their own economies from growth and opportunity.

The broader point Li made in Dalian deserves attention: Innovation-driven cooperation, not technological containment, offers the most promising path out of the current global growth slowdown. In a world grappling with mounting geopolitical uncertainty, the challenge is not how to contain the world's second-largest economy, but how to engage more effectively with it and harness the opportunities its continued development creates.

In May alone, China's foreign trade in yuan-denominated terms grew 16.9 percent year-on-year, exports rose 13.8 percent from the same period last year and imports increased 21.5 percent, underscoring China's role not only as a producer but also as a major source of demand.

The real lesson of the "China Opportunity 2.0" is that longtermism in the development of technology, human capital and productive capacity still matters. China's innovation gains, as Li noted, were earned through years of strengthening domestic capabilities and relentless endeavor.

Smears against ethnic unity law groundless

In a major step to strengthen national cohesion and social harmony, China's top legislature adopted the Ethnic Unity and Progress Promotion Law in March, which is set to take effect on Wednesday next week.

The law embeds the vision of fostering a strong sense of community for the Chinese nation into the legal framework, advancing the law-based governance of ethnic affairs. Its core value lies in its ensuring the effective implementation of the regional ethnic autonomy system and its guarantee of efforts to promote high-quality development in ethnic regions. It is structured to promote interaction, exchanges and integration among the various ethnic groups, ensuring common prosperity and development. It directs governments to strengthen infrastructure, foster industrial growth, enhance public services and protect the environment, laying a comprehensive foundation for ethnic regions to thrive.

From 2012 to 2025, the gross domestic product of the five autonomous regions — Guangxi Zhuang, Inner Mongolia, Ningxia Hui, Xizang and Xinjiang Uygur — increased from 3.25 trillion yuan (\$477.5 billion) to 8.66 trillion yuan, and public services in these regions have seen remarkable improvements. Xizang led the nation in providing 15 years of publicly funded education from kindergarten to high school since 2012, with similar programs in Xinjiang.

Yet some external forces are maliciously misinterpreting the law. For instance, the European Parliament has passed a resolution criticizing the law, groundlessly claiming it will intensify what it considers to be the "suppression" of ethnic peoples in the country. This absurd allegation doesn't have a leg to stand on as the law stipulates that upholding national unity and ethnic solidarity is the responsibility of all Chinese nationals, and it prohibits discrimination and suppression. While promoting the use of standard Chinese, the law strictly safeguards the right to study and use ethnic minority languages. This approach ensures cultural diversity is preserved while promoting national unity.

The baseless allegations of certain forces exist largely to sustain the illusion that they are "champions of human rights". Yet if they genuinely cared about the development and well-being of China's ethnic regions, they would not willingly serve as

political brokers for anti-China forces. What makes their performance particularly absurd is that their rhetoric on China's ethnic affairs has barely changed in decades, while the regions they claim to care so much about have undergone profound economic and social transformation. The gap between their talking points and reality has grown wider with each passing year.

Notably, the law stipulates that organizations and individuals outside China who engage in actions undermining ethnic unity and progress or inciting ethnic division will be held legally accountable. This clause can be applied to terrorist groups such as the East Turkestan Islamic Movement, which are based overseas and pose a serious threat to the security of China's ethnic regions.

But some China naysayers pick fault with that clause, hyping it up as evidence proving their allegations. For them, opposition to China appears to be the only qualification needed to confer "moral legitimacy". When separatist, extremist and terrorist forces fomented unrest in Xinjiang and Xizang years ago, they went so far as to portray them as "freedom fighters". But when confronted with separatism, extremism or terrorism within their own borders, these politicians suddenly discover the language of "law and order". They demand that such actors be held accountable at once. This selective "morality" reveals a troubling double standard. To condemn the three forces at home while romanticizing them in the context of China is a distortion of "human rights".

China's ethnic regions will continue to preserve their cultural heritage and ethnic traditions that will be better safeguarded by the law. The regions are also embracing sustainable development, digital transformation and the artificial intelligence era. Against this backdrop, the recycled anti-China clichés resemble political caricatures divorced from realities on the ground.

The implementation of this law is purely China's internal affair. The legislative process was conducted in accordance with established legal procedures and was open, transparent and fully compliant with China's constitutional and legal framework. No external force has the right to use this legislation as a pretext for interfering in China's domestic affairs.

Cai Meng



Opinion Line

Better governance simply by going where people are

In Urumqi, Ili and Kuqa in the Xinjiang Uygur autonomous region, legislative outreach offices are now physically embedded within comprehensive service centers, mediation hubs and even public plazas. At the lower administrative level, these liaison points share space with township government halls, neighborhood committee offices and routine administrative service counters.

As a result, in an office building in Urumqi, the capital of Xinjiang, judges, lawyers, community officials and local legislators can be seen collecting feedback on a draft neighborhood management regulation — not in a separate hearing room, but in a common area where residents come for totally unrelated matters, such as property registration or passport applications. The idea is simple: crowded places will have people with a broader and more diverse range of opinions, while allowing citizens to participate in legislative consultation without making an additional trip.

In Baiyang village, Kuqa, local farmers and herders attend a village night school three times weekly, devoting one hour to learning Putunghua and another hour to legal education. The legal segment serves to explain upcoming laws — such as the Ethnic Unity and Progress Promotion Law set to take effect on July 1 — and to gather opinion on bills that are under review.

By taking legislative outreach to an existing educational program, the village reduces duplication of staffing,

facilities and funding, while also ensuring a smooth consultation process. As the village head put it, when people understand what a law says and how it affects their lives, they become more attentive, more capable of identifying problems and more likely to offer constructive suggestions — thus improving both participation and legislative quality.

Such outreach is an innovative initiative launched by the Legislative Affairs Commission of the National People's Congress Standing Committee in 2015, with the aim of bridging the gap between the public and lawmakers, as well as seeking opinions on legislative items from people in various walks of life. To date, China has established 60 such offices, soliciting over 77,000 public opinions on 224 pieces of legislation.

The model contrasts with an earlier practice in which government agencies operated in relative isolation, each maintaining separate offices, staff members and budgets. For many residents, this often meant confusion over which office handled which matter, and unnecessary travel between multiple locations. The newer integrated approach reduces red tape.

Underlying this change is a reorientation in how government performance is understood. In late February, the Communist Party of China launched a Party-wide campaign to guide its members, especially officials, in establishing and practicing a correct understanding of governance performance. The cam-

aign will run until July.

Under the campaign, Party members and government officials are urged to proceed from reality, act in accordance with the laws, and deliver results that can stand the test of practice and history, truly benefit the people, and earn public recognition through sound decision-making and solid work. It highlights a principle that essentially measures policy outcomes not through visible or large-scale projects, but by whether they serve public needs sustainably and practically.

Placing legislative outreach in busy service halls, or embedding legal education into village night schools, may lack spectacle, but these choices reflect a deliberate calculation: that saving people's time, lowering administrative costs and making government services more approachable are themselves valid measures of effective governance.

This may not appear to be dramatic institutional reform. Yet the change is less about slogans or infrastructure than about reorganizing existing resources to reduce unnecessary movement, lower overheads and open more accessible channels for public input. Whether viewed from within or beyond, there is a practical logic to a system that meets people where they already are — both physically and in their daily routines — and that treats efficiency and responsiveness not as secondary concerns, but as integral to public service itself.

— CAO YIN, CHINA DAILY

What They Say

Emissions reduction challenging balancing act

Editor's note: Shanghai-based Wenhui Daily hosted a seminar earlier this month, inviting experts, including Li Jin, deputy general manager of the Shanghai Environment and Energy Exchange, and He Kebin, dean of the Institute for Carbon Neutrality at Tsinghua University, to share their insights on China's green transition. Below are excerpts of their presentations at the seminar's round table session, as reported by Wenhui Daily. The views don't necessarily represent those of China Daily.

As China has established the world's largest domestic carbon market, many emerging and developing countries that seek to develop their own carbon markets, such as in Southeast Asia and BRICS member states, are communicating with China to learn from its experience.

China is ready to share its expertise in designing carbon market mechanisms with other emerging economies. At last year's 30th Conference of the Parties to the United Nations Framework Convention on Climate Change in Brazil, China, together with the European Union and Brazil, launched the Open Coalition on Compliance Carbon Markets to share its experience.

Regarding the connectivity in the international carbon market, Articles 6.2 and 6.4 of the Paris Agreement make it clear that countries may transfer emissions reduction credits to assist each other in fulfilling their nationally determined contributions. Standards and infrastructure for the international trading of emissions reduction credits

are gradually being developed.

Carbon mitigation presents both challenges and opportunities for countries. It is not only an obligation under global climate agreements but also an opportunity for transforming economies. A key topic in the discussion over the green transition is how countries can strike a balance between emissions cuts and economic growth.

Local governments in China face several pressures regarding emissions reduction requirements. First, China has a carbon-intensive energy mix, in which fossil fuels, particularly coal, account for a relatively large share.

Second, industry is a major contributor to China's GDP. China produces a large quantity of construction materials, petrochemicals and metallurgical products for the global market. Researchers are exploring consumption-based accounting for greenhouse gas emissions for these products, but the current international standard is production-based. This drives up China's emissions figures while it is still undergoing industrial transformation.

Third, China has maintained high economic growth rates. Aligning economic growth with emissions cuts is therefore a challenge.

Fourth, unlike Europe and the United States, which have traveled on "a gentle slope" to reduce carbon emissions, China faces a "steep slope" because it has a tight timeline for achieving carbon peaking before 2030 and carbon neutrality before 2060.

Technological advancement and breakthroughs are crucial to addressing these challenges. Shanghai plans to roll out measures for evaluating the "green performance" of companies, including energy consumption, carbon emissions and pollutant discharge. Enterprises will make self-declarations for evaluation and the results will influence the granting of green credit and financial guarantees. The city is also working to allow enterprises that use carbon as collateral to enjoy interest subsidies on loans. This will encourage enterprises to utilize carbon financial tools and engage more effectively in green financing.

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VIEWS

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Zero-tariff lifts Kenya up the value chain

China's decision to grant zero-tariff access to exports from 53 African countries from May 1 is a turning point in Africa's economic relationship with the world's second-largest economy. Announced by President Xi Jinping, the measure has been widely welcomed across the continent as a bold step toward deepening trade and economic cooperation.



For Kenya, however, this development is more than just an open door to a vast market. It is a rare opportunity for businesses to rethink their export strategies, move up the value chain and position themselves more competitively in global markets.

Historically, many African economies have remained heavily dependent on exports of raw commodities. Coffee, tea, minerals, horticultural products and other agricultural goods leave African shores with little processing, only to return as finished products that command significantly higher prices.

While this model has generated export earnings, it has done little to create sufficient jobs, develop industries or build economic resilience.

No country has achieved lasting prosperity by only exporting raw materials. The world's most successful economies industrialized by processing their resources, developing manufacturing capabilities and creating value-added products for domestic and international markets.

Kenya's path to long-term growth should be no different.

China's zero-tariff offer provides a powerful incentive for Kenyan enterprises to accelerate this transition. With tariffs removed, Kenyan products can now enter one of the world's largest consumer markets on more competitive terms.

But the greatest beneficiaries will not be exporters of raw commodities. The real winners will be businesses capable of producing processed foods, manufactured goods, textiles, pharmaceuticals, consumer products and other higher-value exports.

Consider coffee, one of Kenya's most celebrated exports. While Kenyan coffee beans enjoy a strong global reputation, much of the value is captured elsewhere through roasting, packaging, branding and retailing. The same is true for tea. Kenya is one of the world's largest producers but exports

much of its tea in bulk form. The zero-tariff arrangement is an opportunity for Kenyan firms to export branded, packaged and finished products to Chinese consumers rather than simply supplying raw materials.

The agricultural sector presents similar opportunities. Instead of exporting only fresh produce, Kenya can expand into processed foods, fruit concentrates, juices, canned products and specialty consumer goods tailored to the growing demand from China.

Manufacturing firms can explore opportunities in leather products, textiles, apparel and household goods, where Kenya has the potential to develop competitive advantages.

This opportunity aligns with China's shift toward a consumption-driven economy. A growing middle class with rising purchasing power is fueling demand for high-quality imported products, including premium food items and consumer goods. Kenyan businesses that understand these trends and invest in quality standards, branding and innovation stand to benefit significantly.

Yet, market access alone is not enough. To fully leverage the zero-tariff initiative, Kenya must address the long-standing constraints that have hindered its industrial growth.

These include high production costs, expensive energy, logistical bottlenecks, limited access to affordable financing and weak value-chain development. Government and the private sector must work together to improve competitiveness and create an environment that supports export-oriented manufacturing.

Special economic zones, industrial parks and targeted incentives for value-added production can help accelerate industrialization. Investments in infrastructure, skills development and technology transfer will also be critical.

Equally important is ensuring that Kenyan products meet the quality, safety and certification standards demanded by Chinese consumers and regulators.

The opportunity also aligns with the objectives of the African Continental Free Trade Area. As African countries deepen regional integration, businesses can build larger production networks, source inputs across borders and achieve economies of scale.

Kenyan enterprises should see the Chinese market as part of a broader strategy to develop globally competitive industries capable of serving both regional and international markets.

The responsibility now lies with governments and businesses to ensure that increased market access translates into industrial development rather than simply higher volumes of raw commodity exports.

China has opened a significant door for Africa. What happens next depends largely on Africa itself. The

zero-tariff policy should not be viewed merely as a trade concession but as a catalyst for industrial transformation, value addition and export diversification.

For Kenyan enterprises, this is a moment that demands ambition, innovation and long-term thinking. If Kenya's businesses seize this opportunity by investing in processing, manufacturing and branding, the benefits could extend far beyond increased exports.

More jobs could be created, local industries strengthened and greater value retained within the economy.

In doing so, Kenya would not only expand its presence in the Chinese market but also take a meaningful step toward achieving the industrialization and economic transformation that have long remained central to its development aspirations.

The author is the editorial director of Capital FM, a Kenyan media group. The views don't necessarily reflect those of China Daily.



LI MIN / CHINA DAILY

Zhang Manan

Innovation needs open doors, not high walls

The global innovation system is undergoing its most profound transformation since the end of the Cold War. Once driven by openness, cross-border collaboration and optimal efficiency, global innovation chains are now being reshaped by "national security" strategies and "de-risking" policies, raising unprecedented concerns about fragmentation and division.

Yet, amid growing security anxieties, one fundamental reality remains unchanged: no country can sustain technological leadership behind closed doors.

Pitting security against openness and innovation is conceptually flawed. Innovation flourishes through openness, not isolation. Progress in frontier fields such as artificial intelligence, biomedicine and clean energy relies heavily on the flow of talent, sharing of knowledge and collaboration across industrial chains.

Recent data from the World Intellectual Property Organization show that global international patent applications filed through the Patent Cooperation Treaty system reached 275,900 in 2025, marking the second consecutive year of growth.

The increase is a clear indicator that modern technological development transcends national borders. The trend is driven not only by the dynamism of sectors such as digital communications and semiconductors but also by the deep integration of global innovation networks.

Generative AI offers a vivid example. Foundational open-source communities such as Hugging Face bring together hundreds of thousands of developers from around the globe. Without cross-border code sharing, open datasets, and distributed collaboration, the pace of AI technological iteration would

slow down considerably.

The lesson is clear: innovation advances fastest when knowledge circulates rather than when it is confined.

The same logic applies to supply chains. Excessive localization and efforts at "decoupling" do not eliminate risks but create new vulnerabilities.

A diversified supply system and an integrated global division of labor are, by themselves, the best ways to mitigate risk.

If nations erect barriers and engage in redundant development, global supply chains will shift from a state of "efficient interconnection" to one of "fragmented islands." This would not only push up inflation and drag down global growth but also expose every economy to the systemic risks associated with reliance on single markets or single technological pathways.

The challenge is compounded by what economists Henry Farrell and Abraham L. Newman have described as "weaponized interdependence." In their view, the global economy is not a flat landscape but a network of nodes and hubs.

Nations that control key nodes and set the rules can leverage financial systems, technical standards, data flows, energy transport and supply chain hubs to restrict or even sanction other countries.

This has turned global interdependence from a source of mutual benefit into a potential instrument of strategic competition. Weaponized interdependence has created a global collective security dilemma.

The first challenge is collective action. While a "security-first" approach can enhance a nation's resilience, it undermines the foundation of international cooperation.

Countries seek the benefits of openness yet fear being subjected to "choke-points" where access can be cut off. At

the same time, major countries find it increasingly difficult to mobilize coordinated responses to transnational challenges such as climate change, financial stability, digital governance and the provision of global public goods.

The second challenge is coordination. Divergent national approaches to technical standards, data governance, digital currencies and supply-chain security make it harder to harmonize international rules.

In emerging fields such as AI governance, cross-border data flows and critical infrastructure security, countries often prefer to establish their own regulatory frameworks rather than seek unified international mechanisms.

Such regulatory fragmentation reduces efficiency and complicates global governance.

Finally, there is the issue of assigning responsibility. Too often, countries tend to shift the blame and responsibility for conflicts onto other nations. This tendency reinforces a system in which power is concentrated but responsibility is diffused.

Such imbalances in the international system undermine the institutional foundations of shared global security.

The rise of economic security should not be seen as the end of open innovation. Rather, it is a stress test for the international community's ability to preserve openness while addressing legitimate security concerns.

Amid geopolitical realities, preserving the necessary space for global innovation requires more than just unilateral actions; it demands the collaborative participation of national governments, multilateral mechanisms, market entities, and the scientific community.

The world urgently needs to reach a

consensus. Unnecessary barriers must be dismantled to ensure the flame of global innovation continues to burn.

Efforts should be made within multilateral frameworks — such as the World Trade Organization and the Organization for Economic Cooperation and Development — to establish common standards that clearly define the scope of national security reviews, export controls and investment restrictions.

Such measures should remain narrowly focused on genuinely sensitive areas related to national defense and critical infrastructure.

Equally important are institutional safeguards that prevent security concerns from becoming a broad justification for economic and technological restrictions. Major countries must provide policy leadership and demonstrate a sense of responsibility.

As key economies, they should provide global public goods and act as stabilizing forces in innovation governance. By shunning unilateralism, they can prevent policy confrontations among major countries from causing a systemic fragmentation of the global innovation system.

In emerging fields such as AI and cyberspace governance, dialogue and consultation are especially important.

If major countries take the lead in establishing channels for dialogue on innovation policy, and reach a basic consensus on security boundaries and fundamental rules, they can preserve the strategic space necessary for global innovation cooperation.

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Chen Guigang

DPP must abandon separatist agenda for a better future

Recent changes to cross-strait policies because of the separatist stance of the Democratic Progressive Party authorities on Taiwan island have invited criticism both within the island and among international observers. More voices have urged the DPP authorities to face reality, move away from the outdated "Taiwan independence" platform, and return to the political foundation that can safeguard peace and stability across the Strait.

A recent article published by Foreign Policy also warned that the DPP needs to distance itself from radical "pro-independence" positions and avoid moves that can deepen cross-strait tensions. The message from the different voices is increasingly clear: Persisting with the "Taiwan independence" platform does not serve the interests of Taiwan residents, nor does it conform to the broader trend of regional peace and international relations.

Only by abandoning separatist positions and stopping provocative activities can the DPP remove obstacles to cross-strait exchanges and create conditions for Taiwan's long-term growth.

Since taking office, the DPP authorities have promoted the approach of "seeking independence through military means" and relying on external forces, increasing military purchases from the United States and expanding military preparations.

These actions have increased risks, and a region that should have seen peace, stability, communication and cooperation has, instead, been pushed closer to what has been described as "one of the most dangerous places on Earth."

The DPP's pursuit of separatist policies has also affected Taiwan's economic prospects and people's livelihoods. Obstacles to cross-strait economic cooperation, restrictions on people-to-people exchanges, uncertainties facing investors, challenges to industrial development, rising living pressures and fewer opportunities for young people have become increasingly visible. It is becoming increasingly clear that the "Taiwan independence" platform is not a commitment to values, but a burden that undermines Taiwan's future.

Every political attempt to advance separatism places the interests of ordinary Taiwan residents at greater risk.

As the dangers from "Taiwan independence" become increasingly clear, its social foundation on the island is eroding rapidly.

Several recent polls show that more than half of Taiwan residents are dissatisfied with the Lai Ching-te authorities' cross-strait policies; more than 60 percent support restoring regular cross-strait consultations; and nearly 70 percent favor stronger people-to-people, economic, trade and cultural exchanges.

Peace, cross-strait exchanges and stability have become the mainstream expectations among people on the island, who are also recognizing the need to face the issue of reunification.

A more notable shift is in the attitude of the so-called "Formosa Alliance," a political force on the island that once strongly advocated radical "Taiwan independence" but has now accepted the broader trend toward cross-strait reunification. Their adjustment reflects the declining appeal of extreme separatist positions.

At the same time, more young people in Taiwan are seeing through the false narrative of "Taiwan independence," rejecting separatist rhetoric and choosing to study, work and start businesses across the Strait.

The direction of public opinion demonstrates a simple reality: confrontation cannot represent the future of Taiwan. The interests of the people should not become tools for political manipulation by a small number of politicians.

Meanwhile, the international environment, particularly the clear signals from the US, has further weakened the DPP's separatist illusions. Shortly after the China-US summit in Beijing in May, US President Donald Trump told Fox News in an interview that "I'm not looking to have somebody go independent," adding that Taiwan should not expect a "blank check" from the US military, directly exposing the DPP's long-promoted fantasy of "seeking independence by relying on the US."

It also shattered the illusion that external forces would stand behind "Taiwan independence."

In fact, US policy on the Taiwan question has always been shaped by its own interests. Peace and stability across the Taiwan Strait serve Washington's broader Asia-Pacific strategy, while turbulence caused by radical "Taiwan independence" moves would run counter to US interests.

That is why the US has repeatedly sent signals to cool tensions and restrain separatist provocations.

From a global perspective, opposing "Taiwan independence" and recognizing the one-China principle remain the prevailing consensus of the international community.

Today, 183 countries have established diplomatic relations with Beijing on the basis of the one-China principle. Attempts to promote separatism run against this international reality and have no future.

Fundamentally, "Taiwan independence" and peace across the Strait are incompatible.

The separatist agenda represents the greatest threat to Taiwan's stability and development, while the DPP's "Taiwan independence" platform remains a major obstacle to the restoration of normal cross-strait interaction.

If the DPP authorities and Lai continue to cling to an outdated separatist position and act against public expectations and historical trends, they will only deepen confrontation, increase risks across the Strait and damage the fundamental interests of Taiwan residents.

The path forward requires political courage and a clear understanding of reality. The trend toward national reunification and rejuvenation is irreversible, while people across the Strait increasingly hope for peace, exchanges and cooperation.

The DPP should remove its separatist illusions, listen to people's expectations, abandon the "Taiwan independence" platform, return to the common understanding that both sides of the Strait belong to one China, and take concrete steps to safeguard peace, stability and Taiwan's future.

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