



Orthodoxy redux

Religion is oft used as a tool to suppress women in the public sphere

Veteran Islamic cleric Kanthapuram A.P. Aboobacker Musliar’s directive to restrict Muslim women’s participation in public celebrations has unsettled Keralam because it strikes at a fundamental question: women’s right to participate in public life. This is not merely a quarrel over how Muslims should mark Prophet Muhammad’s 1,501st birth anniversary. It is a test of how far religious authority can intrude into the lives of women in a State that takes pride in its progressive social history. Kanthapuram says he is merely reminding followers of established religious norms. His supporters argue Milad celebrations have moved beyond mosques and madrasas into large public events, and that scholars have a duty to caution against such departures. That argument holds no weight. Communities have the right to preserve traditions and regulate religious practices, but they have to conform to the values enshrined in the Constitution. When women are told to remain at home because their presence could cause “chaos”, the issue is no longer about religious observance; it is at variance with constitutional equality and Keralam’s long struggle to expand the space in public life for women disadvantaged by social customs and religious traditions.

The Muslim community is not a monolith. It contains both orthodox and progressive currents. More Muslim women are breaking barriers in education, employment, politics and public life, but that progress is encountering a counter-current of renewed orthodoxy and social control. The CPI(M), Keralam’s main Opposition party and a decades-old ally of the Kanthapuram-led faction of Samastha Kerala Jamiyyathul Ulama, a body of Sunni scholars, has responded sharply. The Congress, which leads the ruling coalition, was largely guarded until Chief Minister V.D. Satheesan rubbished the decree as antediluvian. The Indian Union Muslim League’s silence is harder to defend. A party with an active women’s forum and a woman legislator for the first time in the State Assembly cannot equivocate when women’s right to public participation is open to challenge. Its caution may reflect political pressure over Waqf, *Vande Mataram* and PM-SHRI, or an attempt to improve ties with the Kanthapuram faction amid strained relations with the rival Samastha faction. Whatever the political calculation, silence carries a cost. Religious freedom does not confer on religious authorities the right to regulate women’s freedom of movement, association and degree of participation in society. During Onam, social media were awash with videos of young Muslim girls celebrating the harvest festival. Kanthapuram’s remarks drew criticism from a section of Muslim women on social media. Keralam cannot claim to be progressive while making exceptions for orthodoxy.

Many layers

Farmers need more storage facilities and better distribution networks

Since the 1960s, India has developed a balancing-act habit: between keeping food prices affordably low for consumers and assuring farmers of remunerative prices, with the state’s interventions focused on managing this volatility in the short term. This is also why the government banned onion exports from December 2023 to May 2024, then imposed a \$550/tonne minimum export price and a 40% export duty, reduced the duty to 20% in September 2024, and finally abolished it in April 2025. But erratic weather together with the lack of long-term relief has rendered the act increasingly awkward. From farmers’ point of view, the government often changes its mind after they have made important production-related decisions based on the expected price. On the other hand, during the bounteous *rabi* harvest, onion farmers in Maharashtra, the country’s principal supplier, had argued that the Centre’s procurement price of ₹12.35/kg would not cover the costs of cultivation. The Centre subsequently raised the price to up to ₹26.45/kg, but many farmers – including some who had had to sell at ₹1/kg earlier because of low quality and lack of storage, among other factors – were unable to capture the higher value, exposing the limits of intervening after prices have already collapsed and not reaching all farmers or grades of produce.

While the government has alluded to some price manipulation, the dominant issue remains that it keeps reacting instead of taking proactive measures, including improving storage options, maintaining a less erratic trade policy, moving stock more efficiently between regions, and protecting farmers against price shocks. The abnormal rainfall at the time of harvest and a 5%-7% drop in the *kharif* crop in Maharashtra, together with the well-known challenges associated with storing onions and maintaining large buffers, are simply among the pressures that highlighted the flaw this year. Further, Tamil Nadu’s targeted subsidy, to buy 1,000 tonnes of onions to distribute 1 kg per ration card at ₹35, will impose pressures on the Centre to maintain a steady supply. The move is commendably designed to discourage hoarding while allowing private retail prices to cool down. However, the State must also guard against the pitfalls of distributing onions through a dry-grain PDS network – its economic case could collapse if post-harvest losses, to which onion is more susceptible than, say, wheat or rice, exceed 10%-15% – and if the need arises to persist with the subsidy. Finally, if other States also adopt similar measures, the Central buffer could be quickly exhausted, more so given this year’s high storage losses of around 30%.

On August 25, 2026, in Beijing, National Security Adviser Ajit Doval and China’s Foreign Minister Wang Yi held the 25th round of talks between the Special Representatives (SRs) on the India-China boundary question. That evening’s readouts from both sides were anodyne and notably avoided a phrase that has dominated this discussion for a year: early harvest. A day later, the two sides released an “Eight Points of Outcomes and Consensus”. Point 3 restored and enhanced the phrase: the Expert Group on Boundary Delimitation and the Working Group on Border Management, set up under the Working Mechanism for Consultation and Coordination (WMCC) a year ago, would “respectively advance discussions on an Early and Substantial Harvest of boundary delimitation and Border Management”. Their first task, it adds, is to agree on their own terms of reference, one year after they were constituted, suggesting that whatever is being contemplated remains at an early stage

An uncertain Early Harvest

The phrase “Early and Substantial Harvest” is significant because it is India’s own coinage. When Beijing first proposed settling the Sikkim Sector alone, India’s considered response, around 2019, was a counter-proposal on an “Early and Substantial Harvest” covering the Sikkim Sector together with the entire Middle Sector, with the boundary delineated along the watershed. China rejected the proposal. In subsequent discussions on an “Early Harvest,” China reportedly agreed only to include the Sikkim Sector and some undisputed areas of the Middle Sector – a proposal that was unacceptable to India.

The exact Indian formulation has now resurfaced in a joint document. This could mean that Beijing has accepted India’s terms – which this writer doubts – as that would involve China giving up its claim to approximately 2,450 square kilometres of territory in the Middle Sector, all south of the watershed boundary (Barahoti, Giu-Kaurik, Nilang-Jadhang, Sangcha Malla, and Lapthal). It could equally mean something the Indian side had rejected earlier: an “agreement with holes”, a settlement nominally covering both sectors but confined to stretches where the claims already coincide, leaving the trijunctions and contested pockets of the Middle Sector undefined.

If that is the case, we will have the same asymmetric outcome as with a Sikkim-only settlement – India conceding ground where its position is strong, without any progress in the Eastern and Western Sectors, where China maintains its hardline position, “dong tiao xi rang”, meaning “meaningful adjustments by India in the East and corresponding concessions by China in the West”. It would also jettison a key provision (Article III) of the 2005 Agreement on



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India-China boundary talks suggest movement, but hard questions remain over strategic costs and concessions

Political Parameters and Guiding Principles for the Settlement of the India-China Boundary, which calls for a “package settlement ...covering all sectors of the India-China boundary”, opting instead to bank the easy gains immediately while leaving the hard issues open on China’s terms. The package clause exists precisely because the boundary’s four sectors are strategically interlinked, requiring cross-sector give and take.

No open-and-shut case

The Sikkim Sector is also not the open-and-shut case that some suggest. The two sides agree that the Anglo-Chinese Convention of 1890 is the “basis of the alignment” of the boundary in this sector. However, Article I of the Convention contains two stipulations that are mutually contradictory. Its first sentence makes the watershed crest the boundary, while its second names Mount Gipmochi as the starting point on the Bhutan frontier. Yet, British Indian maps of 1907 and 1913 placed the trijunction not at Gipmochi but roughly 6.5 kilometres to its north, on the true watershed crest. India and Bhutan read the watershed principle as controlling and place the trijunction at Batang La; China seizes on the literal reference to Gipmochi to push the trijunction southwards, onto the Jampheri Ridge. A Sikkim delimitation built on the 1890 text, unless it repudiates Gipmochi, would be read by Beijing as conceding the southern trijunction.

Even a trijunction-reserved settlement would strip India of the standing to counsel Bhutan against a bilateral deal, having itself settled out of turn nearby. China’s “package proposal” to Bhutan – relinquishing roughly 495 sq km of claims in the north in exchange for Bhutan ceding about 269 sq km in the northwest, including the Doklam Plateau – would gain fresh momentum, deepening China’s presence in the Chumbi Valley and opening a path to the Jampheri Ridge, from which the entire Siliguri Corridor, India’s sole overland link to its northeastern States, would come under direct observation. This is not hypothetical: since the 2017 Doklam standoff, China has spent years building roads, villages, and military facilities across western Bhutan, gaining de facto control over Doklam.

A genuine “Early and Substantial Harvest” requires three things. First, delineation must proceed on the highest-watershed principle across the entire stretch in both sectors, rather than selectively along segments where the two positions already converge, which would serve no purpose for India. Second, trijunction points, at Batang La and any comparable third-country-adjacent points in the Middle Sector, must be explicitly excluded from the Expert Group’s mandate and settled only in consultation with the country concerned, as stipulated in the 2012 Common Understanding between the two SRs. However, unless the highest-watershed principle is accepted, silence

Reducing India’s exposure to U.S. tariff risks



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The Lindsey O. Graham Act puts India under pressure, but export diversification and domestic reforms can cushion shocks

the strategy has helped secure supplies, it carries diplomatic costs, particularly in managing ties with the United States, which seeks to strongly discourage these imports. The U.S. Russia Sanctions Act reflects this pressure.

On July 24, before the bill’s introduction, the U.S. imposed forced-labour tariffs on 60 countries, including India, under Section 301 of the Trade Act of 1974, imposing an additional 10% tariff, a replacement of the expired 10% duty under Section 122, on India. If the Russia Sanctions Act becomes law, India’s cumulative tariff could reach 110%, making it one of the most heavily tariffed countries. Such high tariffs could affect India’s price competitiveness in the U.S., a major export market, leading to economic losses. China’s cumulative tariff could reach 112.5%, as both countries are major importers of Russian crude.

Trade simulations and results

To analyse the trade dynamics and possible way forward for India, two global trade simulations were conducted using the GTAP dataset and model, a global general equilibrium model that captures global linkages and country-level shocks. The first (sanction scenario) models a 110% U.S. tariff on India, with other countries facing forced-labour tariffs and China facing 112.5%. The second (diversification scenario) applies the same tariffs while India pursues export diversification, proxied by a full India-European Union free trade agreement (FTA).

The simulation results suggest that the proposed U.S. sanctions could have adverse consequences for the Indian economy. Under the sanction scenario, India’s welfare declines by nearly \$47 billion, while GDP, output, domestic demand, exports, and imports all contract. Aggregate exports fall by 5.1% and imports by 5.2%, reflecting disrupted trade flows and weaker

on the trijunction will, on the ground, be filled in Beijing’s favour in Bhutan. Third, the terms of reference for the Expert Group must extend India’s 2019 proposal in good faith, rather than dilute it beyond recognition.

Several questions about these negotiations remain unanswered. The Chinese readout of August 25 reiterates a commitment to a “package” settlement, but how will that commitment be reconciled with a piecemeal approach to settlement? How is the setting up of an Expert Group on Delimitation consistent with the instructions given to the SRs in Article X of the 2005 Agreement, which require them to “continue consultations in an earnest manner with the objective of arriving at an agreed framework for a boundary settlement, which will provide the basis for the delineation and demarcation of the India-China boundary to be subsequently undertaken by civil and military officials and surveyors of the two sides”? There is no agreed framework yet, but it is proposed to commence the process of “delimitation”, a term that the Chinese use interchangeably with “demarcation”. Indeed, the 2005 Agreement does not use the term “delimitation” at all. Will the SRs earnestly pursue negotiations on the “agreed framework”, or will they, in effect, leave it in abeyance while officials grapple with a partial delimitation exercise without such a framework? The other elements of the Eight Points – additional meeting points and hotlines for the General Level Mechanisms in the Eastern and Middle Sectors, continued pilgrimage and border trade, and a September meeting on trans-border rivers – are useful, incremental confidence-building measures. But they belong to a different track from boundary settlement and should not be conflated in public discussion.

The Eight Points are silent on the Medog County project on the Yarlung Tsangpo River, while referring to both sides agreeing to “maintain communication on (trans-border river) issues, including hydrological data sharing and renewal of the relevant MoUs”, without reporting any progress. The September meeting should convey India’s concerns about the project – the world’s largest hydropower plant – being built close to the border in the Eastern Sector, in a highly earthquake-prone zone, a risk underscored by the flash floods in Nepal on August 26.

Avoid optics

Two points bear reiteration. First, the 2005 agreement – the only substantive outcome of 23 years of SR talks – must not be diluted; China has sought to reinterpret and undermine it since its conclusion. Second, Indian negotiators must guard against the temptation to project contrived progress. Diplomacy that trades long-term strategic interests for short-term optics is self-defeating.

economic activity. The results indicate that a prolonged tariff-based confrontation with the U.S. could impose substantial costs on India’s growth and trade performance.

The picture changes considerably when India responds through export diversification. With a functional India-EU FTA, the economy turns around despite the same tariff environment. Welfare improves by \$26.3 billion, GDP turns positive, and sectoral output and domestic demand recover by around 1%. Aggregate exports increase by 3.1%, while imports rise by a moderate 2.6%, indicating stronger production and trade integration with alternative markets.

The findings suggest that even if India continues procuring crude from Russia to strengthen its energy security, the adverse economic effects of U.S. tariffs can be mitigated to a large extent through export diversification. The India-EU FTA, used here as a proxy for diversification, demonstrates that India must increasingly look beyond the U.S. and expand its presence in alternative markets, even as the U.S. remains one of its largest export destinations.

The strategy to pursue

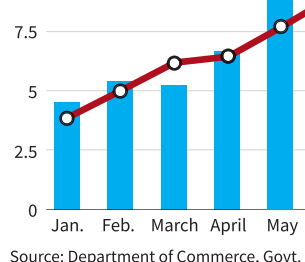
However, diversification is not a panacea. It depends on the ability of other markets to absorb additional Indian exports. Without adequate external demand, diversification may remain limited.

Therefore, export diversification must be complemented by sustained domestic reforms, including trade facilitation, removal of non-tariff barriers, improved logistics and standards, and movement up the goods quality ladder. Such a strategy would not only enhance India’s resilience to future geopolitical shocks but also strengthen its long-term export competitiveness.

The views expressed are personal

India’s crude import from Russia

Quantity (MMT)
Share in total crude imports (%)



Source: Department of Commerce, Govt. of India

Impact of tariffs and export diversification

	Sanction scenario	Diversification scenario
Welfare (\$ billion)	-46.6	26.3
Change in GDP (%)	-0.02	0.01
Sectoral output (%)	-1.9	1.2
Domestic demand (%)	-1.8	1
Aggregate export (%)	-5.1	3.1
Aggregate import (%)	-5.2	2.6

Source: Writer’s analysis using GTAP

LETTERS TO THE EDITOR

The north-south lens

The main article (Editorial page, September 2) risks turning a complex federal question into a simplistic north-versus-south narrative. India’s political influence has never been determined by geography alone; it reflects population, electoral mandates, governance, economic contribution and the ability of States to build national

coalitions. The southern States continue to exercise considerable political, economic and institutional influence, while several leaders from the region have shaped national policy. Portraying elected southern governments as “suppliant” or “submissive” is subjective and needlessly polarising. Delimitation deserves rigorous constitutional

debate, but framing it primarily as northern domination may deepen regional divisions rather than strengthen India’s federal compact.

Venkat Parthasarathy, Hyderabad

Austerity call

The call to citizens of the country to avoid unnecessary foreign travel and destination weddings

abroad to conserve foreign exchange would carry greater weight if accompanied by restraint from those at the top. Overseas travel by national leaders may often be necessary in the public interest, but when citizens are asked to limit their foreign expenditure, similar prudence from those in positions of authority would strengthen the message.

Leadership is not only about asking citizens to sacrifice, but also about setting an example.

Tharcus S. Fernando, Chennai

Football’s great artist

Legend Lionel Messi’s retirement from international football marks the end of one of modern sport’s most extraordinary chapters. For two decades,

he transformed football into an art form, carrying Argentina’s expectations through years of heartbreak and criticism. He leaves the international stage not only as a statistical giant, but also as a symbol of humility, grace and vision.

R. Sivakumar, Chennai

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

River-linking is not the solution

The Union Minister for Home Affairs Amit Shah's speech at the Southern Zonal Council's meeting last month in Mamallapuram has provided a few takeaways on the contentious issue of water sharing. His emphasis on the need for an early resolution of water-related issues in the southern region appears well meaning but it is easier said than done. He had also talked about linking major rivers from the Brahmaputra to the Godavari and the Cauvery, an option that, according to Mr. Shah, can ensure that India faces no water shortage for 100 years.

However, water issues are not that easy to solve. This is evident from the Centre's response to Tamil Nadu's demand for the constitution of a tribunal to adjudicate the Pennaiyar river water dispute. Aggrieved over the "violation" of the 1892 inter-State agreement by Karnataka, Tamil Nadu, in November 2019, requested the Centre to establish a tribunal. It had also moved the Supreme Court with the same demand. Since then, two negotiation committees have been formed and 11 meetings held. Eventually, the top court, this February, directed the Centre to form the tribunal within a month and, later, extended the deadline by six months.

Still, the adjudicatory body is yet to be put in place. Meanwhile, the Centre asked the court whether the Pennaiyar dispute could be referred to the Mahadayi Water Dispute Tribunal instead of constituting a new tribunal. This suggestion defies logic as there is nothing in common between the two



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disputes. Moreover, the Interstate River Water Disputes Act, 1956 does not permit it. This suggestion in the Pennaiyar case gives the impression that the Centre is not keen on expeditiously implementing a judicial verdict in an inter-State river dispute. To cite one more example, the Central government has not yet replied to Tamil Nadu's demand, in March this year, to constitute a tribunal on the Mekedatu dam project proposed by Karnataka.

A complex problem
Given this background, one need not delve much into the complications that would entail by the inter-linking of rivers. Proponents of river linking, including Tamil Nadu, have been saying that the idea is not to disturb the natural flow of any river but to divert a portion of the surplus water. Many experts are not convinced about this argument as they are worried that once the linking is allowed, regions that benefit may become vociferous in demanding water even in times of distress, eventually depriving original beneficiaries of their quota. This is apart from the concerns over the possible adverse consequences on ecology. In fact, Keralam has been stoutly opposing the Pamba-Achankovil-Vaippar link proposal, which, if implemented, the State says, will affect the Vembanad wetland system, where the Pamba and Achankovil rivers drain. However, the National Water Development Agency says that it has accounted for improving the flow of rivers in lean periods.

In the last 130-odd years, the country has seen only a handful of inter-basin transfer projects, most of which are in south India

Mullaperiyar dam, the Parambikulam-Aliyar project, the Krishna Water Supply Project, and the Indira Gandhi Canal Project are regarded as successful examples of inter-basin transfer of river waters.

After the Bharatiya Janata Party's return to power in 2014, the Union government formed a Special Committee for Interlinking of Rivers, which has held over two dozen meetings since then. Needless to say, there has not been much headway.

However, in 2024, Prime Minister Narendra Modi laid the foundation stone for the ₹44,000 crore Ken-Betwa Link Project. This has now led to agitations by the tribal populations in Chhatarpur.

What the governments, both at the Centre and in States, and civil society should focus on is demand side management, instead of perpetually looking for supply side interventions. With land becoming scarcely available and resistance growing among people when it comes to land acquisition, the days of implementing mega irrigation projects are almost over. The priority has to be towards conserving what is available and using it judiciously. A massive programme of sensitising and incentivising farmers on the optimal use of water has to be launched. Indiscriminate extraction of groundwater, facilitated by schemes of free electricity for agriculture in many States, is paving the way for ecological disaster and has to be curbed immediately. Unless water conservation becomes the mantra of all the stakeholders and is practised genuinely, disputes will be the norm.

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Mental health must anchor public health

India stands at a defining moment in its journey towards the vision of Viksit Bharat 2047. Under the Healthcare for All pillar, the government has rightly prioritised strengthening Ayushman Bharat, expanding primary healthcare, reducing out-of-pocket expenditure, and promoting preventive care. Yet there is one element that cuts across all these ambitions and determines their success: mental health.

Mental health is not a niche concern. It influences educational attainment, workforce participation, social cohesion, and physical health outcomes. A healthier and more productive India cannot be built without placing mental well-being at the centre of public health.

Major implications
The scale of the challenge is substantial. Mental illness affects one in seven Indians, with nearly 200 million people living with a diagnosable mental health condition. The contribution of mental disorders to India's total disease burden has doubled over the past three decades. Yet the national treatment gap remains 84.5%, meaning that more than four out of five people who need care do not receive it. The reasons are well known. India has only 0.3 psychiatrists per 1,00,000 population, alongside significant shortages in clinical psychologists, psychiatric social workers, and psychiatric nurses. These shortages are the result of decades during which mental health received insufficient attention, both in India and globally.

Mental disorders significantly increase the risk



Indu Bhushan

Founding CEO of India's National Health Authority and Ayushman Bharat



Anisha Padukone

CEO of The Live Love Laugh Foundation

of chronic diseases, while chronic diseases in turn increase the risk of mental illness. More than 60% of people attending primary care facilities have a diagnosable mental disorder. Rates of anxiety and depression are substantially higher among people living with diabetes, hypertension, tuberculosis, and HIV/AIDS. Ignoring mental health, therefore, undermines efforts to control non-communicable diseases and reduce healthcare expenditure.

The economic implications are equally compelling. A 2025 modelling study by researchers from PGIMER and NIMHANS estimated that integrating universal depression screening into India's primary healthcare system could generate net savings of ₹291 billion to ₹482 billion annually, equivalent to as much as 0.32% of GDP. Mental health is not a social welfare issue alone – it is also a human capital investment and an economic growth strategy.

The encouraging news is that India has already built many of the foundations required for transformation. More than 1.73 lakh sub-centres and primary health centres have been converted into Ayushman Bharat Arogya Mandirs, with mental healthcare included among the essential service packages. The District Mental Health Programme now covers more than 90% of districts. Tele-MANAS, launched in 2022, has expanded across all States and Union Territories.

Three main priorities
The task now is not to start from scratch. It is to build on this foundation at scale. First, one must empower

frontline health workers to become the backbone of community mental healthcare. India's one million ASHA workers represent the world's largest community health workforce. Evidence from Madhya Pradesh and other States demonstrates that, with appropriate training and supervision, ASHAs can successfully identify, support, and refer individuals with common mental disorders. Expanding this model through validated screening tools, digital learning platforms, and performance-linked incentives could expand access to care.

Second, India must invest more systematically in community-based care. Models such as Zimbabwe's Friendship Bench, Atmiyata in India, and programmes implemented by The Live Love Laugh Foundation demonstrate that trained community workers can bridge the gap between awareness and treatment, particularly in rural and underserved populations. These approaches improve access and reduce costs, and deserve wider adoption and funding. Third, the country must fully realise the promise of financial protection. Extending outpatient mental health benefits under the Pradhan Mantri Jan Arogya Yojana and strengthening the implementation of insurance parity as per the Mental Healthcare Act, 2017, would make mental healthcare affordable for millions who currently go without care.

If India is to become a truly developed nation by 2047, mental health must move from the margins of public policy to its centre.

If India is to become a truly developed nation by 2047, mental health must move from the margins of public policy to its centre

Decoding Russia's reliance on Indian petroleum products

Ukraine's recent relentless attacks on Russia's oil refineries has led the country to rely on India for petroleum imports

DATA POINT

Nitika Francis

Recent Ukrainian attacks on Russia's oil refineries has resulted in the latter importing refined petroleum products from India in significant quantities for the first time, at least since the Russia-Ukraine war started in February 2022.

As per multiple media reports, including one by the *Press Trust of India*, Indian refiners sent about one million barrels over the last two months, alongside Turkey and Morocco. Russia's import of petroleum products from India has remained negligible in the past, accounting for less than one per cent of India's petroleum exports. The bulk of exports went to countries like the Netherlands, Australia and the UAE (**Chart 1**).

Though the Indian government's export and import-related data for the last two months is yet to be released, reports have confirmed that the country's export of refined petroleum products to Russia has sharply increased in the last two months. This has tilted the huge imbalance that existed between the two countries in oil trade, albeit marginally. India continues to remain hugely dependent on Russia for crude.

One-fourth of India's petroleum imports since January 2022 were from Russia and this number remained high before U.S. President Donald Trump imposed additional tariffs on India in October 2025 for buying crude from Russia.

Though this resulted in India sharply cutting down its crude import from Russia, the imports resumed in full swing soon after. In fact, after the U.S. and Israel launched a war with Iran in February this year, the former did a U-turn in its stance and tacitly encouraged Russian crude supplies into the market to negate the impact of Iran's blockade in the Strait of Hormuz.

Chart 2 shows how Russia accounted for nearly one-third (31.6%) of India's crude imports as of June 2026. India imported \$531 million worth of crude from Russia in June 2026, which is roughly double that of its import from the country in January 2022, a month before Russia's invasion of Ukraine.

Amid Ukraine's continued targeting of Russia's oil refining infrastructure, the Russian Federation's Deputy Prime Minister Alexander Novak said in July that the country would begin importing oil products to help stabilise the domestic market.

Consistent attacks

According to the International Strategic Action Network for Security, there were at least 17 attacks on 16 different oil refineries in Russia. Eight attacks were targeted at oil depots and oil pumping stations in July (**Chart 3**). Though reliable data on similar attacks in August are not available yet, they seem to have continued at the same rate, resulting in petrol and diesel shortages.

Data from the Organization of the Petroleum Exporting Countries (OPEC) show that Russia's refinery crude throughput went from about 5.18 million barrels per day in Q12026 (January to March) in the beginning of the year, to about 3.88 million barrels per day in Q32026. The attacks also seem to have contributed to a surge in crude exports from Russia, as unplanned refinery outages diverted higher volumes of crude to the export market. India, which ranks fourth in oil-refining capacity in the world, has utilised Russia's sudden demand to export refined petroleum products, mainly from private refineries (**Chart 4**). Considering the time it would take for Russia to bring its refining capacity back to its earlier capacity, the surge in exports could continue, which will help India in easing its pressure on foreign exchange in the coming months.



A refining relationship

The data were sourced from India's Ministry of Commerce and Industry, the International Strategic Action Network for Security, the Statistical Review of World Energy BP, and the Organization of the Petroleum Exporting Countries. With inputs from Gandla Sneha, who is interning with The Hindu Data Team

CHART 1: Russia's share in India's petroleum exports has traditionally been less than 1% (not visible in the chart)

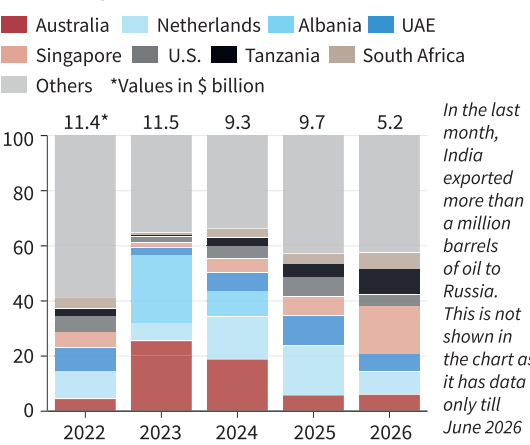


CHART 2: Russia accounted for more than one-fourth of India's total crude imports since January 2022

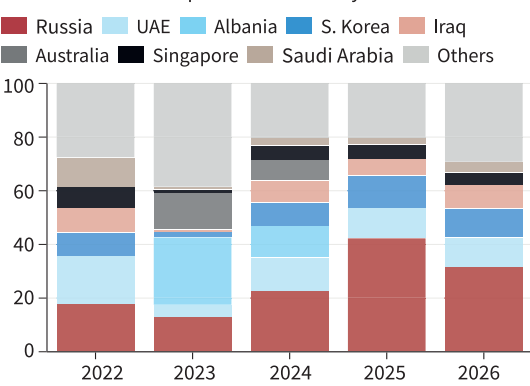


CHART 3: A total of 17 attacks were recorded against 16 different oil refineries in Russia in July

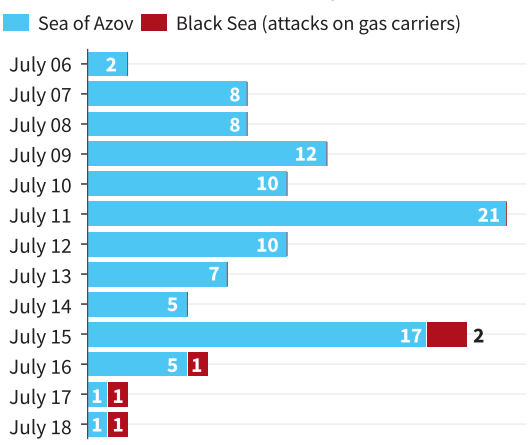
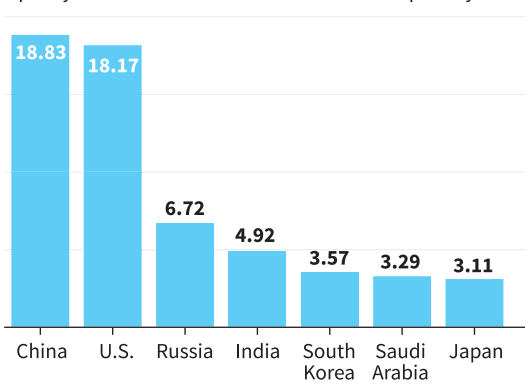


CHART 4: The seven countries with the highest oil refining capacity in the world. Values in million barrels per day



FROM THE ARCHIVES

The *Hindu*.

FIFTY YEARS AGO SEPTEMBER 3, 1976

Tip-off leads to underground vault

Madras, September 2: Sixteen exquisite bronze idols and 17 puja utensils all valued at Rs. one crore have been recovered from an underground vault in the ancient Kalyanasundarar Temple in Nallur, Papanasam taluk in Thanjavur district. The temple is under the control of the Tiruvaduthurai Adheenam.

Officials of the Hindu Religious and Charitable Endowments Department and State Directorate of Archaeology, led by Dr. R. Nagaswami, Director of Archaeology, acting on a hint thrown by the temple executive searched and found the vault. A representative of the Tiruvaduthurai Adheenam was present during the search. The Math's records indicate that these valuable images and jewels had been deposited in the safe vault in 1942.

These rare pieces of art were retrieved earlier this week after securing an order from the State Government to rummage the underground cell in the temple precincts.

Apart from the discovery of the valuable pieces from the subterranean chamber, this probe has given a clue to the traditional method of safeguarding precious idols and ornaments of a temple and the care bestowed on preservation of art forms.

A HUNDRED YEARS AGO SEPTEMBER 3, 1926

Slavery in Burma frontier

Rangoon, September 2: *The Rangoon Gazette* says that the successful emancipation of slaves in Hukawng valley last season will, it is said, be followed this cold season by an expedition to that part of unadministered territory between Malikha and Nmaikha rivers, north of their junction to the Irrawaddy river and locally known as the triangle where the same system of slavery as existed in Hukawng valley still prevails. The triangles though not as extensive a territory as Hukawng valley, is more densely populated and the number of slaves to be liberated will be more numerous. It is expected that Mr. J.T.O. Barnard, Deputy Commissioner, Burma, Frontier Service, who was principally responsible for the arrangements for the emancipation of the slaves in the Hukawng valley will be placed on this duty and in charge of the expedition. *The Gazette's* statement is yet unconfirmed.

THE HINDU

98 in thousands. The State Public Service Commission has received over 98,000 applications for police constable recruitment till September 1, 2026, Himachal Pradesh CM Sukhvinder Singh Sukhu told the Assembly on Wednesday. He said the September 5 deadline for application would not be extended. PTI

COMPILED BY THE HINDU DATA TEAM

CM
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BOOK EXTRACT



Fisherwomen cast a large traditional fishing net into the Indravati river on the outskirts of Jagdalpur in Bastar district, Chhattisgarh. PTI

A colonial gaze: how the British imagined Bastar and its people

Colonial accounts portrayed Bastar as a primitive, isolated woodland whose inhabitants were ‘rude and barbarous,’ while a flawed census produced wildly unreliable population figures and recorded a plethora of colourful yet inaccurate professions

Shantanu Nandan Sharma

For years, Bastar remained an enigma to the British, who erroneously and conveniently dismissed it as a mysterious woodland inhabited by cannibals, painting it as an island of primitiveness amidst civilisations. In his enthusiasm to author a two-volume work on India, East India Company official Henry Harpur Spry went so far as to describe the people of Bastar as those who ‘sacrifice and eat their fellow creatures’.

Spread of misinformation
Consider this: Spry never set foot in Bastar, relying instead on hearsay from Company officers like Captain Crawford of the Bengal Artillery, who oversaw Chhattisgarh. Spry’s armchair account reads more like lengthy chatter rather than a valuable historical document. Further, there is no evidence to suggest that Crawford himself had any first-hand experience in Bastar. It is important to put it on record that Spry also made a glaring mistake on Bastar when he called its Rajput Raja a Gond. This mistake was possibly carried over from the past. While translating the *Tarikh-i-Firishta*, a medieval Persian history of the Deccan with intriguing references to the Bastar of 1610-11, John Briggs added an asterisk to the Bastar raja, mistakenly labelling him as a Gond chief.

The isolation of Bastar fostered the spread of misinformation. A report from the East India Company in 1812, for

example, provided a skewed perspective of the area and the people therein. The inhabitants were described as ‘rude and barbarous’, yet they were paradoxically praised for the staunch defence of their ‘ancient rightful inheritance’ - the lowlands. The report says that they, ‘although rude and barbarous, may yet be denominated warlike, as they have always distinguished themselves bold, persevering champions of the great law of nature’.

It further adds: ‘Being driven to their wild unwholesome fastness, among the mountains, they frequently descend in harvest time, into the lowlands, to dispute the produce of their ancient rightful inheritance with their present possessors...’ Clearly, the report’s author had not visited the territory.

Counting the people
The first attempt to quantify Bastar’s population came on November 5, 1866 during a census in the Central Provinces. This inaugural headcount yielded a figure of 2,69,684. However, the census was plagued by significant anomalies. The administration faced a dilemma when the next census in 1872 showed an inexplicable 70 per cent drop in the population, bringing the total down to 78,856. The breakdown of this figure included 29,060 Hindus, 1,704 Muslims, and a substantial category of 48,092 classified as ‘others’.

A deadly combination of cholera and famine ravaged central India in 1869, undoubtedly impacting Bastar. However,

this alone would not explain the population plunge – a staggering 1,90,828 residents vanishing in just six years. The numbers reeked of error.

J.W. Neill, officiating secretary to the Central Provinces’ chief commissioner, echoed these concerns in his report on the 1872 census. He pointed out glaring inconsistencies: The 1866 Bastar figures were likely mere estimates based on area, while the 1872 census, despite claiming a more rigorous method, also appeared flawed, as in many villages ‘the children were not enumerated’. The report quotes comments from the deputy commissioner of Upper Godavari district, under whose jurisdiction Bastar fell for census purposes.

Neill’s report continued to expose the flaws of the 1872 census in Bastar. While forms and instructions reached the raja, ‘there is no means of knowing whether houses were numbered or lists of inhabitants taken previous to the night of the Census’. Some areas, such as Jagdalpur, Bhopalpatnam and Bijapur, showed decent efforts, but the rest carried errors.

Most alarmingly, children under twelve were entirely omitted. While the Central Provinces overall saw a modest increase (from 9.06 million to 9.25 million), Bastar’s dramatic decline remained an enigma. In the census exercise of early British days, a headcount was conducted on a single day.

The 1872 census wasn’t just plagued by regional discrepancies; there were some structural errors too. The sheer number

of categories (caste, occupation, race, religion, remarks, etc. – a whopping nineteen) gave printers nightmares. Worse yet, a lack of training on open-ended questions led to a plethora of colourful yet inaccurate professions across the Central Provinces. Imagine finding entries like ‘con man’, ‘pimp’, ‘prostitute’, ‘idiot’, and ‘thief’ – a reflection more on the confusion of the enumerators than the reality of the population.

Neill’s report candidly highlighted the hilarious mishaps. He blamed some of the bizarre entries on overzealous enumerators who seemed determined to write something or the other in the occupancy column against every individual. Infants, for instance, were listed as ‘sucking’, children as simply ‘playing’, and newcomers to a village as ‘guests’.

Further confusion arose with the term *pesha-i-khud*, loosely translated as self-employed. Its frequent appearance left senior officers scratching their heads, unsure of the specific occupations it indicated. Neill even documented the enumerators’ struggle to differentiate between lunatics and idiots, wryly noting ‘it having been impossible to separate them, as the enumerators did not appreciate the distinction between the two classes’.

(Excerpted with permission from Hachette India from Shantanu Nandan Sharma’s *Rebel Bastar: History, Maoism and the Search for Answers in India’s Heartland*)

THE DAILY QUIZ

A look at Lionel Messi’s international career in the wake of the Argentine football legend’s retirement

V.V. Ramanan

- QUESTION 1
- In which year and where did Lionel Messi win the Olympic Gold and the Under-20 World Cup?
- QUESTION 2
- How many goals and assists did Messi net in his 207-match career for ‘La Albiceleste’?
- QUESTION 3
- Messi had a senior international debut to forget on August 17, 2005, because he was shown a straight red card, less than a minute after coming on in the 63rd minute, for an accidental elbow to an opponent.

- Against which European team did this happen?
- QUESTION 4
- Which final heartbreak prompted Messi’s first international retirement in June 2016?
- QUESTION 5
- Messi holds the record for most major tournament goals in men’s history with how many goals?
- QUESTION 6
- With whom does Messi share the record for FIFA World Cup appearances (six in total)?
- QUESTION 7
- Against which South American country has he netted the most international goals (11)?



Visual question: In this image, Messi is celebrating the triumph in which tournament? REUTERS

- Questions and answers to the previous day’s daily quiz:
1. This British constitutional initiative provided the framework for the formation of the Interim Government. **Ans: The Cabinet Mission Plan of 1946**
2. The Commander-in-Chief of India while the Interim govt. was in operation. **Ans: General Sir Claude Auchinleck**
3. The Muslim League finally joined the Interim Government on this date. **Ans: October 26, 1946**
4. The members of the Constituent Assembly, from which the Interim Government was formed were chosen through this mechanism. **Ans: They were not elected directly by the public. Members were elected by the provincial legislative assemblies**
5. The Interim Government ceased to exist on this date. Mention the major constitutional event which brought its tenure to an end. **Ans: It ceased to exist on August 15, 1947, when British India was partitioned and power was transferred to the new Dominions of India and Pakistan**
- Visual: Identify these members of the Interim Government. **Ans: (From left) Sarat Chandra Bose, Jagjivan Ram, Rajendra Prasad, Sardar Vallabhbhai Patel, Asaf Ali, Pandit Jawaharlal Nehru and Syed Ali Zaheer**
- Early birds: Prem Nath Tiwari| Sitaram Saharay| Neil Lall| Anan E A Rahim| Venkat Parthasarathy



FROM THE ARCHIVES

Know your English

S. Upendran

What is the difference between “cousin” and “half brother”? (N. Vardhan, Chennai)
The children of your father’s/ mother’s sister or brother are your “cousins”. In other words, your uncle’s kids or your aunt’s kids are your cousins. For most native speakers of English, cousins are what we in India call “first cousins”. In India, however, we have a tendency to introduce anyone who is distantly related to us as “my cousin”. Native speakers of English do not do this.

A “half brother” is someone who shares the same father or mother as you. In other words, if you have a half brother, it implies that you either have a stepfather or a stepmother.

What is the meaning of “on the qui vive”? (A. Umar, Kadayanallur)
First, let’s deal with the pronunciation. “Qui” is pronounced like the word “key” and “ive” in “vive” sounds like the word “eve”.

When you say that someone is “on the qui vive”, what you are implying is that he/she is alert; he/she is watching very carefully. This is what the expression means in English.

Geetha is always on the qui vive for bargains.

The soldiers were on the qui vive for another assault.

What is the difference between an “escort” and a “convoy”? (P. Parshuram, Secunderabad)
An “escort” is something or someone that is given to an individual as a mark of respect or as a form of protection. For example, Ministers in our country always have bodyguards surrounding them. The bodyguards are their escorts; they go wherever the Minister goes. Similarly, when an actress attends a party, she usually has an escort. When Hema Malini was young, her mother escorted her to most parties.

A “convoy”, on the other hand, refers to the vehicles that accompany someone important. Whenever a Chief Minister goes somewhere, he/she usually has about ten or fifteen cars following him/her. These cars are part of the convoy. Unlike the word “escort”, a convoy is usually used to refer to things (cars, lorries, ships, etc); the word is not used to refer to people.

What is the origin of the term “Molotov cocktail”? (M. R. Hareesh, Taliparamba)
Let me begin by telling you that this “cocktail” is no drink. A “Molotov cocktail” is a homemade firebomb! It usually consists of an inflammable liquid in a bottle to which a wick is attached. The wick is then lit and the bottle is thrown at someone or something. The result? The bottle explodes and the object catches fire. We see a lot of such bombs used by the villains in our regional films.

“Molotov cocktail” is named after V.M. Molotov, the man who was the Foreign Minister of the Soviet Union during World War II. When the Nazis invaded Russia during the Second World War, the Russian civilians used this cocktail quite successfully to destroy the German tanks. Published in *The Hindu* on November 11, 2001

Word of the day

Excoriate:
express strong disapproval of

Synonyms: condemn, reprobate, decry

Usage: *The activists excoriated the violence against minority communities.*

Pronunciation: newsth.live/excoriate

International Phonetic Alphabet: /ɪkˈskoʊ.i.ɛt/

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

The Indian EXPRESS

~ FOUNDED BY ~

RAMNATH GOENKA

◆ IN 1932 ◆

BECAUSE THE TRUTH INVOLVES US ALL

Thank you for quashing the FIRs, but a question

ALL THE FIRs ... are hereby quashed.” With that order by a three-judge bench, led by Chief justice of India Surya Kant, a welcome moment of closure was reached on Tuesday. The story began with the students’ protests at Jantar Mantar against the NEET paper leak. It saw a brutish crackdown by the police on the march by mostly young protesters demanding a hearing from the people’s representatives in Parliament. These columns have strongly and consistently argued for the freedom to protest peacefully, which is part of the constitutionally guaranteed right to free speech and expression, and against its criminalisation by the government. And yet, re-wind to Tuesday’s quashing of FIRs by the Court, acting on the request of governments at the Centre and some states, and a question continues to hang in the courtroom: If Tuesday’s quashing is an admission that a punishing state unfairly targeted citizens for exercising their democratic right to protest, isn’t the manner of the quashing problematic — because it seems selective? The cases being closed is the right thing to do, but are they being closed for the right reason? Does the government find it expedient to close them against one set of protesters while letting those against other protesters linger on, making the process their punishment? The question is, basically, this: What about the protesters left out of Tuesday’s frame?

Because the story of the April protests by factory workers in Noida demanding higher wages has played out very differently. There, as this paper has reported, a police crackdown saw up to 200 people taken into custody, including two under the stringent NSA. The court stepped in to grant relief in 84 per cent of the cases — on Wednesday, the Allahabad High Court quashed the NSA detention of a student activist, terming the state’s case “concocted”. But they fell one by one, for reasons ranging from lack of specific evidence to treating a crowd as the accused. There was no blanket relief — the average period a protester spent in custody was 53 days. Cases related to the 2019-2020 protests against a discriminatory citizenship law unleashed prolonged legal battles across various courts. In UP, the government continued to harass the accused, naming and shaming them in public hoardings, attaching properties by undue process, ignoring the court’s rebuke that it had become both complainant and adjudicator. Cases from the farmers’ protests of 2021 are still pending. As are those slapped against individuals across the country, for the “crime” of disagreeing with the powers that be.

Tuesday’s quashing of FIRs against students will be a valuable moment if it expands the area of freedom for all — if it means that henceforth, the government will be more tolerant of free speech and the Court will give the benefit of the doubt to the vulnerable individual, not the government. It will be unfortunate if it only means that the decision to file an FIR and the decision to quash a protest depends on whether the protester is seen as “us” or “them”.

Cauvery needs a distress-sharing pact

THE OPENING of the Mettur Dam’s sluice gates by Tamil Nadu Chief Minister C Joseph Vijay on Tuesday will provide some relief to Cauvery Delta farmers. In a normal year, the dam opens on June 12, and its gates are shut on January 28, giving the region’s agriculturists a 230-day irrigation window. This schedule is, however, contingent on the monsoon and the release of water in the Cauvery’s upstream by Karnataka. The Tamil Nadu government has ascribed this year’s delay to the deficit in the southwest monsoon and Karnataka’s failure to honour its water-sharing obligation under the Supreme Court’s 2018 verdict. The dispute between the lower and upper riparian states ignited political tensions in the past three months, and the matter went to the Supreme Court, but the impasse wasn’t resolved. With the rainfall deficit narrowing in August, the Tamil Nadu government has leeway to release water for 45 days.

The Cauvery Management Authority, set up to oversee the implementation of the 2018 verdict, has worked during normal monsoon years. But the Court did not codify a formula for water-sharing in years when the rains play truant. Its emphasis on sustainable water use was lost on the two states, and the dispute flared up again in 2023 — the first below-par monsoon after 2018.

The Tamil Nadu government has said that it will continue legal efforts to secure its share of the Cauvery’s waters. Karnataka’s push for the Mekedatu Dam on the river has reignited old fears. The DK Shivakumar government’s argument that the dam would primarily serve Bengaluru’s water needs while allowing better regulation of releases hasn’t found any takers in Tamil Nadu. The fact is, the Cauvery today has to meet the competing demands of agriculture and urbanisation. Therefore, rather than lean on the judiciary, Cauvery-dependent states would do well to come together and plan for the efficient use of the river’s waters. Solutions ranging from disincentivising water-intensive crops to encouraging decentralised water management will require inputs of hydrologists, economists, agri-scientists and farmers’ organisations. Representatives of the two states will need to sit together, understand each other’s fears and shed confrontationist attitudes.

For the dog, it’s a toxic relationship

OVER 30,000 years ago, a subset of grey wolves set in motion the longest toxic relationship in history. It began with eating a few scraps, scavenging at the edge of *Homo sapiens* camps. Those first tentative steps towards a bipedal ape turned gradually into a rewarding symbiotic relationship — humans and dogs hunted together, offered each other protection and even childcare. Symbiosis turned to companionship, to affection and loyalty and now, to viral content about “fur babies”. But all the marketing about love of dog cannot hide the cruelties of man toward his best friend.

Kindred Companion Sciences, a US-based biotech start-up, claims to have created the first hypoallergenic dogs by using the CRISPR technique to edit their genes. The tweak, though, may have unintended consequences. After all, human beings have been “gene editing” dogs since they were first domesticated. And many, if not most, “purebreds” suffer from diseases and deformities as a result. Yet, the dachshund with a bad back and the pug on the verge of a heart attack do not hold it against their “owner”.

Between *Homo sapiens* and *Canis familiaris*, then, is an abusive friendship. A dog will accept its people as they are, warts and all, and it is a rare pooch that bites the hand that feeds it. That hand, though, might want its genes edited to avoid an allergy. Perhaps that’s less cruel than breeding programmes of the past and present. But let’s not call it love, or its victims “fur babies”.

13 crore gone, in a few months. A new solution for population problem – SIR

FOR DECADES, India worried about population explosion. Every Census brought alarming headlines. There were Five-Year Plans, family-planning programmes, red triangles, slogans and seminars on population stabilisation. Demographers warned us that Indians were multiplying too fast.

We need not have worried. The solution seems to have arrived from an entirely unexpected quarter: the Election Commission of India. The Special Intensive Revision (SIR) of electoral rolls appears capable of achieving in a few months what decades of population policy could not. Delhi had about 1.45 crore electors before the SIR. Its draft roll has come down to about 97.5 lakh — a fall of nearly 48 lakh, almost one-third. Maharashtra has gone from about 9.78 crore to 7.71 crore, leaving more than 2 crore names out of the draft. Karnataka, too, has seen more than a crore names excluded at the draft stage.

Across SIR’s three phases, more than 13 crore names have reportedly been left out of draft rolls. Admittedly, these are not all final deletions. Claims and objections will restore many names. But why allow such technicalities to spoil a great national achievement?

If electoral-roll arithmetic is treated as demography, India’s population problem may already be solving itself. Perhaps we are no longer 1.45 billion people. Perhaps we have quietly slipped to 1.2 billion. Another round or two of intensive revision and the much desired 1-billion mark may be within reach.

Think of the benefits. Water availability per capita will rise. Hospital beds per thousand population will improve. Housing shortages will decline. Teacher-pupil ratios will look healthier. Even per capita GDP can increase substantially without the inconvenience of increasing GDP. The Planning Com-

mission — had it survived — might have wanted to study the model. There is, however, a serious question hidden here.

Electoral rolls are not prepared afresh once in a generation. They are supposed to be continuously updated. There are annual revisions, Booth Level Officers (BLOs), political-party agents and elaborate procedures for additions, deletions and corrections.

If this machinery has been functioning reasonably well, how do we suddenly discover that nearly one-third of Delhi’s electorate requires exclusion from a draft roll, or that more than 2 crore names in Maharashtra have to disappear at one stroke?

Either the earlier rolls (with which EC conducted the 2024 general election) were astonishingly unreliable, or the present exercise requires an extraordinary explanation. Neither possibility is particularly reassuring.

We have seen before how massive exercises involving citizenship, identity and documentation can acquire a life of their own. The Assam NRC is an instructive example. After years of verification under Supreme Court supervision, enormous administrative effort and expenditure of about Rs 1,600 crore, the final list in 2019 excluded 19.06 lakh people.

The result, however, produced an unexpected political problem. Estimates widely circulated at the time suggested that a large proportion of those excluded were Bengali-speaking Hindus, rather than only Muslim migrants. NRC authorities never published an official religion-wise break-up. But the political dissatisfaction was unmistakable. The Assam government itself questioned the outcome and sought re-verification. Seven years later, the exercise remains in limbo.



S Y QURAISHI

If this machinery has been functioning reasonably well, how do we suddenly discover that nearly one-third of Delhi’s electorate requires exclusion from a draft roll, or that over 2 crore names in Maharashtra have to disappear?

The dimag is a public good, it’s worth protecting



PAROMITA CHAKRABARTI

IN HIS Pulitzer Prize-winning *Anti-Intellectualism in American Life* (1963), Richard Hofstadter traces a suspicion of the expert to a populist strain that equated learning with elitism and plain speech with virtue. This resentment of and opposition to the life of the mind, he argues, was not a product of McCarthyism alone; it was embedded in American culture, in its material pragmatism that measured worth in utility and profit, its populist politics and religious evangelism.

Hofstadter was writing during the Cold War but the cyclical antipathy to the *dimag* — the mind — or what is born of it — *dimagi*, the intellect — is not an American phenomenon alone. In *Age of Anger* (2017), Pankaj Mishra situates the global turn against expertise within a much older resentment — the sense, cultivated since the Enlightenment’s uneven arrival in the postcolonial world, that rationalist elites have hoarded the fruits of modernity for themselves.

That resentment travels easily through a stratified society, attaching itself to old hierarchies of caste, language, and privilege, exacerbated by elite gatekeeping. In India, over the last decade, a confrontational majoritarian political project, a compliant echo chamber, and the digital public square have recast the expert as a nebulous figure, an adversary often to the national mood of *vikas*.

The damage this does to public life — the hollowing out of institutions that once mediated between knowledge and power — is profound. But institutional erosion alone does not explain why so many people are willing to accommodate it. This is especially paradoxical in a country that adores degrees: The IIT rank, the medical seat, the government service examination.

Perhaps the answer lies in what it does not respect, and sometimes, resents. The degree’s original purpose: Independent thought. We are at home with intellect that has been institutionalised, monetised, and made obedient, not the one that is unruly, curious, that asks questions, that says no.

Consider just one example: Competitive examinations. The defining feature of most of them is not that they are hard, but that they are hard in a specific way. They reward speed and retention under constraints of time and pressure. A student preparing for them is not being trained to weigh conflicting evidence or unresolved questions. They are being trained to eliminate ambiguity as

fast as possible, because ambiguity costs marks and marks cost a seat that a few hundred thousand others also want. The degree is a mobility instrument — it moves a family across a caste line, a class line, a marriageability threshold, a generation’s worth of precarity. So the ability to shoehorn oneself into its requirements is useful, especially in an uncertain job market. It is, however, not the same skill as independent thought. And after years of selecting for the first, there is no obvious reason a society would reward the second once the exam is over, especially if the costs are disproportionately high.

What happens when inquiry is treated as an obstacle to advancement? Citizens come to mistake confidence for truth and doubt for weakness. The *dimagi* becomes subservient to the *jugaadu* in the republic of the glib and the obsequious. And yet there is virtue in treating the mind’s slow, unglamorous work — research, revision, imagination — as a public good worth protecting, the way clean air or an independent judiciary is a public good. Its value lies in the possibilities it keeps open: The questions not yet answered, the arguments not yet settled, the futures not yet foreclosed.

Jonathan White in *In the Long Run: The Future as a Political Idea* (2024), argues that democracies survive on the conviction that alternatives to the present exist and can be reasoned towards rather than simply awaited or feared. That conviction has always been produced by argument — by thinkers willing to sketch what has not yet happened and defend it against opponents. Take away that work of thinking, and what remains is a politics of pure reaction: A “now or never” urgency that treats every problem as an emergency to be solved through directives rather than to be worked through.

A nation that cannot argue about its future — that treats the economist’s dissent, the historian’s revision, the stand-up comic’s satire as noise — loses not just the capacity to correct itself but the possibility of imagining something different from what it has. A society that treats its *dimag* with suspicion forfeits the very faculty by which futures are imagined into being. It contracts into an eternal present, governed by whoever promises the most confident escape from it.

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Germany’s fourth World Cup hockey title is warning for India



MIHIR VASAVDA

FOR DECADES, hockey’s greatest numbers belonged to Asia. India owned the most coveted record: Eight Olympic gold medals. Pakistan built an equally formidable legacy at the World Cup, winning four titles — in 1971, 1978, 1982 and 1994 — a record that stood for 32 years. For decades, the neighbours defined world hockey. On Sunday, Germany changed that. By winning the 2026 World Cup, they equalled Pakistan’s record. It was a landmark achievement and completed another chapter in the rise of European hockey.

There was a time when an India-Pakistan match was a contest between the sport’s historical superpowers. India had their extraordinary Olympic dynasty; Pakistan developed a similar World Cup pedigree. Between them, they won five of the first eight World Cups — India’s only World Cup triumph came four years later in 1975, when they beat Pakistan in Kuala Lumpur. Today, that rivalry is fragile, with India not losing to their arch rivals in a decade. The global dominance, meanwhile, has long waned. For both, Pakistan have not won the World Cup since 1994 and were knocked out early this time. India, despite remaining Asia’s strongest men’s side and winning Olympic bronze medals at Tokyo and Paris, arrived at this World Cup chasing a second title 51 years after the first. They finished eighth.

Look at the World Cup’s history and the geographical movement becomes clear. Asia has five titles — four for Pakistan and one for India. Europe now has seven, with Germany’s fourth taking the continent ahead. Australia, meanwhile, have three.

European hockey built systems capable of sustaining it: stronger domestic competitions, professional structures, deeper player pathways, sophisticated coaching and a wider pool of nations capable of producing elite teams. Asia has struggled to maintain the same momentum. Pakistan’s decline is the most dramatic. A country that once produced hockey heroes almost as a matter of national identity now finds itself trying to rebuild the foundations. The resources, talent and public interest remain greater in India, and the national team is still capable of winning major medals. But the gap between being the best team in Asia and being the best team in the world is increasingly obvious.

That makes the timing of Germany’s achievement particularly interesting. In less than three weeks, the Asian Games begin in Aichi-Nagoya. For decades, the Asian Games were another stage on which India and Pakistan could measure their supremacy. India will still be among the favourites. But the tournament can no longer be viewed simply through that old prism. Germany have equalled Pakistan. The Netherlands remain Olympic champions. Belgium have won a World Cup and the Olympics within the last decade. Australia remain a perennial power. Spain, the surprise finalist in this World Cup, are showing that the European pool continues to deepen.

The Asian Games offer an immediate opportunity to reassert continental supremacy. But the bigger task is beyond Nagoya. If India does not strengthen the ecosystem that produced its extraordinary Olympic legacy, the rest of the world will keep coming for the records that once seemed untouchable. And eight, for all its grandeur, is still just a number.

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The Asian Games offer an immediate opportunity to reassert continental supremacy. But the bigger task is beyond Nagoya

40 YEARS AGO September 3, 1986



PM for immediate sanctions

THE PRIME MINISTER, Rajiv Gandhi, called upon non-aligned countries to work out a package of measures to help frontline states meet the aggression by the South African government. He ordered India’s full support for the measures to end apartheid.

NAM report criticised

PRIME MINISTER Rajiv Gandhi’s report to the non-aligned summit as outgoing chairman of the movement came in for adverse comment

outside the conference for not giving a full account of the happenings in the last three years. Particular notice was taken of the report not having made any mention of the US bombing of the Libyan capital and the team of NAM foreign ministers visiting Tripoli.

DTC scraps scheme

IN THE face of violent resistance by residents of a number of trans-Jamuna colonies, the Delhi Transport Corporation decided to do away with the “route rationalisation” scheme introduced in the area on August 30. A state-

ment issued by the DTC said the Minister for Surface Transport, Rajesh Pilot, had ordered that DTC routes in the trans-Jamuna colonies be restored to the earlier position.

Deadly collision in Black Sea

THREE HUNDRED and ninety-eight passengers are dead or missing after the marine accident in the Black Sea, a Soviet government enquiry commission has reported. Seventy-nine bodies have so far been recovered from the sea, and 319 passengers remain to be traced.



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Mountains bind India, China, and Nepal to a shared destiny. They need to honour it



THAROORTHINK
BY SHASHI THAROOR

THE RECENT catastrophe that struck Nepal offers a devastating reminder of the fragile, interconnected ecological reality of Himalayan Asia. A sudden collapse of ice and rock high in the mountains above the border region transformed within minutes into a violent surge of water, mud, and debris, sweeping through settlements, crushing critical infrastructure, and claiming over a thousand lives. The shockwaves of this tragedy were felt immediately in Kathmandu, where I happened to be visiting, along with various diplomats, politicians, and global observers gathered for pre-planned commitments.

During a high-profile conclave hosted in the capital by a leading Indian television news channel, the gravity of the situation completely reshaped the agenda. Addressing the audience, Rabi Lamichhane, the leader of the ruling Rashtriya Swatantra Party, made a poignant observation that cut through standard diplomatic platitudes. He noted, almost in passing, that whatever the prevailing geopolitical frictions, strategic rivalries, or sovereign boundary disputes among India, China, and Nepal, all three nations unavoidably share a single, unified mountain system. His remarks underscored a shared sentiment reverberating across Kathmandu: This tragedy was not merely an isolated localised accident, but a stark manifestation of accelerated global warming. It is a bitter irony that Nepal, whose greenhouse gas emissions are virtually negligible, bears the most brutal, immediate consequences of global climate change, while its vast, highly industrialised neighbours, especially to the north, account for a substantial portion of the atmospheric warming driving Himalayan glacial collapse.

Glaciers do not recognise international boundary lines, nor do glacial lakes, river basins, or atmospheric currents. When a glacial lake bursts, a landslide dams a transboundary river, or an ice-rock avalanche releases mil-



ILLUSTRATION: C R SASIKUMAR

lions of cubic metres of meltwater, creating a “barrier lake” that could burst at any time, the ensuing deluge flows downstream across sovereign frontiers. Yet, despite this undeniable physical unity, regional governance of the Himalayan biome remains deeply fragmented. The current crisis demonstrates the urgent necessity of establishing an institutionalised tripartite mechanism among India, Nepal, and China dedicated exclusively to ecological protection, real-time hydrological information-sharing, and joint climate adaptation efforts.

Designing such an institutional framework requires a clear-eyed assessment of the region's historical track record regarding ecological transparency. Cooperation between upper-riparian and lower-riparian states in the Himalayas has historically been uneven, reactive, and constrained by national security secrecy. Both India and Nepal have repeatedly expressed deep dissatisfaction with the quality, frequency, and timeliness of hydrological and geological data shared by China.

China controls the Tibetan Plateau, the crucial source of headwaters for Asia's major river systems, including the Yarlung Tsangpo (Brahmaputra), the Indus, and the upper tributaries of the Ganges, such as the Bhothe Koshi and Karnali. Over the years, Beijing's approach to sharing hydrological data during the monsoon season has been governed largely by transactional, bilateral MoUs rather than automatic, open-data commitments. Lower-ripar-

ian nations have often been left in the dark during critical moments.

For instance, during previous incidents involving natural dams formed by massive landslides in Tibet, both Indian authorities in Arunachal Pradesh and Assam, as well as downstream Nepali communities, faced terrifying delays in receiving actionable flow rates or structural assessment data from Chinese monitoring stations. Similarly, when flash floods and artificial lake formations occurred along upper transboundary tributaries like the Pareechu River or the Bhothe Koshi, downstream countries were often forced to rely on delayed commercial satellite imagery rather than immediate, official hydrological alerts from Beijing. Even existing bilateral mechanisms between India and Nepal, while more operational, have frequently suffered from administrative friction, inadequate instrumentation in remote high-altitude zones, and a lack of integrated early-warning architecture spanning the higher Himalayas down to the Gangetic plains.

If a tripartite environmental mechanism is to succeed where past arrangements have stumbled, it must transcend political posturing and operate on a purely technical, life-saving imperative. This requires three distinct pillars of engagement.

First, information-sharing must be transformed from a discretionary political courtesy into an automated, real-time protocol. High-altitude hydrometeorological stations, seismic sensors, and auto-

mated water-level gauges situated across Tibet, northern Nepal, and the Indian Himalayan region must feed into a shared regional data grid. Downstream communities in Nepal and India cannot afford to wait hours for administrative clearances in foreign capitals when a glacial outburst flood can travel downstream in a matter of minutes. Real-time satellite data, telemetry, and flood hazard modelling must be made accessible to emergency responders across all three nations simultaneously.

Second, joint ecological research and risk mapping must replace isolated national assessments. Thousands of potentially dangerous glacial lakes are scattered across the Hindu Kush-Himalayan range, many of them expanding rapidly as global temperatures rise. Mapping these hazards, assessing the structural stability of hanging glaciers, and predicting destabilising landslips requires joint scientific expeditions, cross-border remote sensing analysis, and shared ecological modelling. Establishing a joint scientific council under a tripartite banner would allow researchers to pool expertise.

Third, feasibility-based joint action must be pursued on the ground. Where high-risk glacial lakes threaten settlements across borders, joint engineering interventions (such as controlled siphoning, artificial drainage channels, or structural reinforcement) must be undertaken collaboratively. Coordinated disaster response drills and cross-border environmental conservation projects can build functional trust among military and civilian disaster response agencies that otherwise view each other through a lens of geopolitical suspicion.

The Himalaya is warming at a rate significantly higher than the global average, threatening the water security, safety, and livelihoods of over a billion people downstream. Nations can negotiate political boundaries, but they cannot negotiate with physics, geology, or changing atmospheric temperatures. As Lamichhane pointed out, the mountains bind India, China, and Nepal to a shared destiny. Establishing a dedicated, transparent tripartite mechanism for environmental cooperation is an absolute necessity for survival in an age of climate crisis.

The writer is a fourth-term Member of Parliament (Lok Sabha) for Thiruvananthapuram and chairman of the Parliamentary Standing Committee on External Affairs

Controversy over GDP numbers is unwarranted



Soumya Kanti Ghosh

INDIA'S FIRST-QUARTER GDP numbers have been caught in a crossfire, with a slugfest of unending salvos between die-hard supporters and opponents on issues such as the interpretation of the base year. Globally, GDP revisions typically occur for two major reasons: Periodic baseline changes to reflect modern economic structures, and retrospective data updates after economic events. While developed economies generally experience minor routine adjustments, emerging markets frequently witness dramatic revisions due to the inclusion of informal or rapidly expanding techno-digital sectors and ever-changing consumer preferences.

While the Ministry of Statistics and Programme Implementation (MoSPI) has come out with its set of explanations, we provide some more food for thought for settling this issue.

Last year, when the NSO had released the first quarter FY26 GDP numbers (base: 2011-12), the nominal GDP for the quarter was Rs 86.1 lakh crore. In the latest release (base: 2022-23), the Q1 FY26 GDP number has been revised downwards to Rs 80 lakh crore. Alongside, the latest Q1 FY27 GDP number is at Rs 88.3 lakh crore.

Some are now ascribing a 2.6 per cent growth in nominal GDP for the latest quarter instead of 10.3 per cent by calculating the yearly growth rate using Rs 88.3 lakh crore (we call it series A for the sake of clarity) over Rs 86.1 lakh crore (we call it series C). This is a sign of intellectual dishonesty.

If anyone truly wants to compare current nominal GDP numbers over the previous unrevised base of the first quarter of last year, then Rs 88.3 lakh crore (new base, series A released in August) should be estimated over Rs 80.4 lakh crore (new base, released in June), which comes out to 9.7 per cent growth (as against 10.3 per cent). Hypothetically, even with this nominal growth (by adjusting the deflator), the real growth for Q1 FY27 would be 7.4 per cent (as against the released 7.8 per cent), still good enough in view of the exogenous challenges during the quarter.

Comparisons need to be made on the same base, using the same method. The 2.6 per cent number being touted is neither

the official real growth rate nor a like-for-like comparison. It is a hybrid comparison between a current-year level of the new series with an old-series previous-year level. That may make for a dramatic talking point, but it does not provide a meaningful growth rate for a reality check. Another situation may arise when instead of being revised downwards, the numbers are revised upwards.

But why did this unwarranted confusion arise this time?

Every year, MoSPI revises its previous year's GDP estimates, reconciling them against the corresponding annual revised estimates. These revisions are released in February. In the current year (this time on August 31), the National Accounts Statistics has also incorporated revised numbers of previous years in the quarterly data itself for the sake of more transparency to align with the base revisions carried out in CPI, IIP, WPI and PPI. This is perfectly legitimate. This base alignment ensures that the GDP deflators and volume estimates remain consistent with the updated price and production indices.

The reported Q1 FY27 growth number does not stand alone. The composition gives it credibility. Real GVA grew 8.2 per cent, which is a cleaner reading of underlying activity. GST collection till August was at Rs 10.42 lakh crore, up 11 per cent (Q1 FY27 up 8.6 per cent). Domestic passenger vehicle sales were up 25.6 per cent, tractor sales 19 per cent, IIP 6.2 per cent, steel output 4.8 per cent, cement 8.8 per cent, and exports 17 per cent till July. Net FDI for Q1 FY27 was at \$7.8 billion as compared to \$4.75 billion last year. These are surely not signs of an economy expanding at only 2.6 per cent.

The World Bank notes that countries revise national accounts to improve accuracy and comparability, and that larger revisions may be needed when new methodologies or a new reference year for constant-price series are introduced. It also cautions that re-basing can create breaks unless historical data are consistently linked. For example, the latest Q1 FY27 number will only be finalised by February 2029. Base revisions add an extra layer to this complicated process. Interestingly, the base year revision this time has reduced the size of the GDP. Thus, the argument of GDP getting bigger because of base year revisions is meaningless.

The writer is member, PM Economic Advisory Council, member, 16th Finance Commission and group chief economic adviser, SBI. Views are personal



LETTERS TO THE EDITOR

Food warnings

THE PROPOSED red-label system is welcome, but India's nutrition crisis needs more than warning stickers ('Red label for salt, sugar and fat is a good start', *IE*, September 2). It could combine front-of-pack warnings with simple colour-coded nutritional scores, restrictions on junk-food advertising aimed at children, and healthier school canteens. However, regulation must avoid turning nutrition into a luxury, since healthier alternatives are often costlier.

Bablu Gupta, Lucknow

Nalanda's memory

THE AUTHOR rightly argues that India's engagement with Central Asia must extend beyond strategic calculations to knowledge, culture and civilisational connections ('In Bishkek, a lesson from Nalanda', *IE*, September 2). I believe this offers an important opportunity for Bihar. The revived Nalanda University's growing international character and emphasis on educational diplomacy provide a natural platform for deeper academic and cultural engagement with Central Asia.

Ashok Rajpath, Patna

Bishkek alignment

THE ALIGNMENT of leaders at the Bishkek summit on artificial intelligence and climate security is encouraging at a time when both technological and environmental changes are reshaping the global order ('Take Bishkek to BRICS', *IE*, September 2). AI is creating new opportunities, but its rapid expansion also requires responsible regulation and safeguards. Climate change, meanwhile, is emerging as an important security concern. Extreme weather events, water shortages, food insecurity and damage to infrastructure can place additional pressure on economies. Greater cooperation in climate adaptation, disaster management and early-warning systems can help.

Rukma Sharma, Jalandhar



Irfanullah Farooqi and Suraj Gogoi

JASON ARDAY'S death has raised pertinent questions about academic excellence and integrity, institutional practices pertaining to diversity and inclusion, and criticism in general. A sociologist of education, Arday was only 37 when he was appointed in March 2023 as a full professor in the Faculty of Education, University of Cambridge, making him the youngest Black professor in the university's history. However, the very day he joined, there was a Freedom of Information request inquiring into his credentials.

Arday did not speak till he was 11, started reading and writing when he was 18 and battled with a range of disabilities. However, during his stint at Cambridge, Arday was subjected to unrelenting scrutiny. What stood out were charges of plagiarism, something that recently gained massive traction after accusations made by Nathan Cofnas, a self-described “race realist”. As the campaign against him turned abusive, Arday resigned from his position, stating that it was not to be taken as an acceptance of the charges but as something he had to do for his well-being. Ten days later, he was found dead.

It is a bitter irony that Nepal, whose greenhouse gas emissions are virtually negligible, bears the most brutal, immediate consequences of global climate change

When academia becomes the site of othering

The public shaming Arday had to face urges us to think about the parallels between race and caste. Criticism of Arday was firmly rooted in the excellence narrative. While many questioned his scholarly credentials due to the plagiarism charges, a few dismissed him based on what they saw as the lack of excellence in his scholarship. He did not deserve, in their view, to be a Cambridge professor. Dalits at Indian universities — students and teachers — have struggled against this excellence narrative for several decades, with much of their labour going into constantly proving their merit.

The appeal of the integrity narrative can hardly be overstated. Arday was painted as a fraud. Academics, too, were quick to dismiss his integrity. However, the campaign against him was more about the violator and less about the violation. In the case of Dalits, too, the slightest evidence of them cutting corners leads to them being crushed under the integrity narrative. In societies where race and caste continue to determine the majority's standing, we ought to be mindful of the unethical foundations of such concerns.

To question someone's academic credibility is one thing but to violate their dignity is anything but

responsible criticism. When asked what the blueprint is to become an academic, Arday remarked, “If you are Black or Asian, it is: How much can you suffer?” Black people and Dalits are forced to hold on to whatever dignity is left with them, enduring everyday racism and casteism. They know that what routinely bypasses the social gaze will be unforgivable in their case.

Dalits in Indian academia are always managing themselves, projecting or living up to a certain image so as to keep criticism at bay. If they stray a millimetre from the socially sanctioned script, disgrace of a kind that exists solely for them befalls them. Arday, too, was subjected to criticism that led to a specific kind of humiliation. It was directed at him as a Black person, not as an academic.

In the days before his death, the fixation on Arday's life took a ghoulis turn. The disproportionate focus has been rightly attributed to his racial identity. This media frenzy was justified as being in “public interest”. Perhaps one should also ask, what kind of public and in whose interest?

To be Black, to be a Dalit, or any kind of minority, is a costly thing in society. Even in educational institutions, many of the marginalised continue to pay with their life.

The writers teach at IIM Kozhikode

Chinese overcapacity is a problem for the world

China's rise has created a form of “absolute advantage” in manufacturing. Its success reflects not only low-cost production but also scale, supplier networks, infrastructure, technological capabilities, and state-supported industrial ecosystems. This allows it to manufacture goods ranging from textiles and machinery to electronics, solar PV, batteries, and EVs at competitive prices. This has far-reaching implications.

First, China's rise has produced significant economic gains for both developed and developing countries. Low-cost Chinese manufactured goods reduce the prices of consumer goods, machinery, clean technology products and intermediate inputs, thereby supporting industrial transformation and infrastructure development in developing economies.

Second, China's low-cost mass manufacturing advantage creates asymmetric pressures on developing countries to build do-

mestic manufacturing capabilities. Producers in developing countries face challenges in competing with Chinese producers, creating a “late industrialisation dilemma”. However, this gradually weakens incentives and capabilities to foster domestic upstream industries. The key question is not whether Chinese imports are efficient and competitive, but whether import dependence thwarts capability building and upgradation in manufacturing value chains.

Third, China's absolute advantage in

The key question is not whether Chinese imports are efficient and competitive, but whether import dependence thwarts capability building and upgradation in manufacturing value chains

both low-cost and high-end manufacturing is transforming the geography of global value chain networks. Today, it occupies a dominant and critical position across multiple stages of the manufacturing value chain networks. In the EV sector, it controls critical nodes — 65 per cent of lithium refining, 70 per cent of cobalt refining, and over 80 per cent of battery manufacturing. This creates a peculiar paradox in the globalisation of production, where China is the most competitive and its sheer dominance generates significant strategic vulnerabilities for countries that rely excessively on a single supplier.

Fourth, China's excess industrial capacity poses challenges for India in its quest for self-reliance. Chinese imports have impacted MSME-led domestic manufacturing, undermining India's manufacturing imperatives. China accounts for roughly 17 per cent of India's imports, with dependence on solar PV modules, telecom components, electronics

and APIs. India's electronics industry faces a shortage of printed circuit boards due to geopolitical headwinds and supply-chain impediments, impacting downstream manufacturing. India also faces a pincer dilemma. Chinese export curbs could restrict access to key inputs such as solar wafers, cells and batteries, while its PLI scheme for solar and EV is challenged in the WTO for violating local content rules aimed at augmenting domestic manufacturing capabilities.

A global dialogue is needed on gradually rebalancing the Chinese economy in partnership with the US and other major economies. Given the scale of the challenge and the Chinese economy's size and broader international ramifications, a globally coordinated approach, similar to the 1985 Plaza Accord, could be considered.

The writer is associate professor, O.P. Jindal Global University, Sonipat. Views are personal

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• HEALTH

Cold pains after chemo: The ‘brain circuit’ causing it

Arnav Chandrasekhar
Bengaluru, September 2

A TEAM of researchers from the Indian Institute of Science (IISc), Bengaluru, and Kolkata-based institute TCG-CREST have identified the “brain circuit” that involves the sensations associated with a certain side effect of chemotherapy known as “cold allodynia”. The discovery was published in the reputed journal *Cell Reports*.

Cold allodynia

Cold allodynia is a condition in which the sufferer may feel pain or distress from even a regular level of cold temperatures. It is one of the side effects that are part of “chemotherapy-induced peripheral neuropathy”, which includes many chemotherapy-induced neural side effects such as temperature sensitivity, a feeling of pins and needles, or pain etc.

Cold allodynia specifically is known to be one of the side effects of oxaliplatin, a commonly used chemotherapy drug that contains platinum.

Science of deduction

IISc Professor Arnab Barik, one of the study’s co-authors, told *The Indian Express* that cold allodynia is a very specific side effect wherein apart from damage to

the nerve endings, there is a sensitivity to cold but not to heat. While it is most commonly a side effect of platinum-based chemotherapy drugs, it can also be down to viral infections, injuries, or diabetes. He also said that while the damage to nerve endings could heal, the cause could persist and result in chronic pain. The cause of cold allodynia was tested using mice. “What we have

found is that there is a ‘circuitry’ that changes after you expose the mice to chemotherapy. Even after you stop the chemotherapy and everything has healed, the pain stays. That is reflected in some changes in the brain that do not come back to normal easily,” Barik said. “We traced the neural circuits in the affected part and how they reach the brain. We found that the connection between the lateral parabrachial nucleus and parafascicular region of the thalamus — it specifically changes after chemotherapy,” he added. The lateral parabrachial nucleus refers to a group of nerve cells in the upper brainstem that processes pain, taste, breathing, and body fluid signals, whereas the parafascicular region of the thalamus refers to a key group of nerve cells located within the brain’s thalamus that plays a critical role in both motor control and pain regulation.

Future plans

In this case, the experimentation on laboratory mice was invasive in nature, and cannot be carried out on humans. Barik said: “In the long term, we are looking at how to fix the issue pharmacologically, and then test that in mice. That could be much easier to translate to humans.” “We are trying to understand better whether this finding is specific to chemo pain or can be extended to other forms such as from injuries. We are testing those, and the idea is to try and reverse that — that is the plan for the next five years or so,” he added.



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• SCIENCE

Why India is enforcing a uniform time framework



ANAGHA JAYAKUMAR

THE UNION Consumer Affairs Ministry on August 27 notified new rules that make Indian Standard Time (IST) the legally enforceable reference for official and commercial use. The Legal Metrology (Indian Standard Time) Rules, 2026, require time-dependent systems in government and critical sectors to use a “traceable” and authorised IST reference within 180 days, rather than a random clock.

But India has already followed IST for decades. Why were the new rules needed and what changes with them?

People obtain time from many sources, often indirectly from GPS. A telecom provider provides the time maintained in its data centre, but there may be a lag of seconds or even minutes as people and organisations refer to different sources. “It is like each person establishing their own starting point; you then cannot properly compare events or measurements,” said Poonam Arora, Head of the Time & Frequency Metrology Division at the Council of Scientific and Industrial Research-National Physical Laboratory (CSIR-NPL).

What do the new rules do?

India’s Department of Legal Metrology enforces physical measurements in the country. Inspectors can check the gauges at a petrol pump or verify the weights used by an establishment. They did not have an equivalent capability for time — until now.

The new rules give time a legal status by calling for “traceability”. In the context of these rules, traceability means showing that a clock or time source is ultimately linked to IST maintained by NPL — which will establish that it’s accurate. Traceability can be established through different technologies, as we will explain further on, but with varying levels of precision.

The broader purpose of the new rules, is to make IST the country’s common time reference for commercial and other purposes. “This can improve cybersecurity, reduce crime and make critical infrastructure more

• WHY ATOMIC CLOCKS ARE USED TO MEASURE TIME

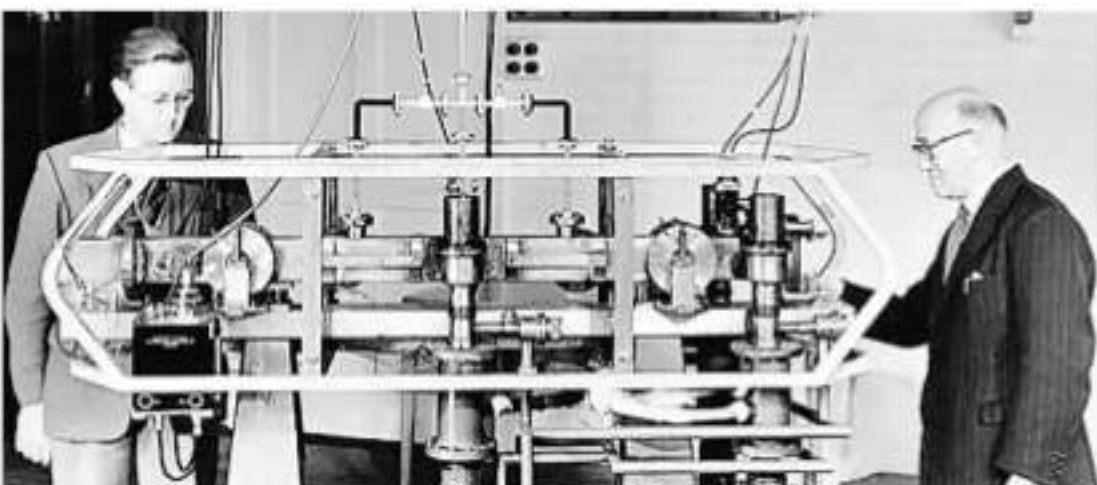
Every clock in the world needs an oscillator to keep time — be it a quartz crystal or a pendulum.

Quartz crystals vibrate at a precise frequency when voltage is applied to them. The vibrations of the crystal act like the pendulum of a grandfather clock, ticking off how much time has passed. But they can drift over time.

Even the best-performing quartz oscillators can be off by a nanosecond (one billionth of a second) after an hour. After six weeks, they may be off by a full millisecond (one thousandth of a second).

That would have a huge impact on, say, measuring the position of a fast-moving spacecraft.

This is where atomic clocks come in. As the name suggests, they effectively use atoms as oscillators.



The world’s first caesium atomic clock, developed at UK National Physical Laboratory in 1955. WIKIMEDIA COMMONS

Though there are different types of atomic clocks, the following is the basic premise they operate on.

When electromagnetic radiation of a specific frequency is applied to an atom, it can cause the atom to switch between energy levels.

An electronic counter can keep track of these transitions, which happen at an extremely precise frequency.

Time can then be calculated by tracking this frequency. Countries across the world use advanced atomic clocks to measure time.

resilient,” Arora told *The Indian Express*.

Who maintains time in the country?

The CSIR-NPL is mandated to maintain the country’s scientific standards, such as mass and volume. Maintaining and “disseminating” IST is also part of its mandate.

A bank of extremely precise atomic clocks helps NPL maintain the country’s time within a few nanoseconds of the international reference, Coordinated Universal Time. According to the NPL website, these clocks are so accurate that they would lose or gain one second in about three lakh years.

How is time ‘disseminated’?

Dissemination of time essentially refers to the transmission of the standard time maintained by the NPL to external users and systems. There are different methods, with varying accuracy.

Your phone, for instance, shows you time indirectly derived from GPS.

The most common and accessible method — essentially how your computer shows you time — is a Network Time Protocol server. Network protocols synchronise the clocks of computers and devices over a network. The default server may be abroad,

Keeping track of time

A unified time source helps to coordinate systems across multiple sectors — from banks to telcos to defence.

Financial markets already operate under precise clock synchronisation requirements.

so it is not directly providing you the IST.

For more demanding applications, satellite links are used for highly precise time transfer. Given its importance, ISRO has to be traceable to the IST within nanoseconds.

Some Regional Reference Standards Laboratories (RRSL) now maintain secondary time scales traceable to IST, allowing the time standard to be disseminated from multiple locations, said Arora. In July 2026, the Union Consumer Affairs Ministry commissioned a White Rabbit Technology-based IST Dissemination Demonstration Network at the RRSL in Bengaluru. White Rabbit is an open-source networking technology designed to synchronise computer clocks over fibre-optic networks. Simply put, it sends a timing signal through a fibre-optic cable and measures how long the signal takes to reach another computer. Because that travel time can vary slightly, White Rabbit measures the delay and adjusts for it, allowing clocks in different locations to stay synchronised.

Who needs precise synchronisation?

Systems across multiple organisations — banks, telecommunications, power grids and even defence systems — need to coordinate. A unified time source helps es-

ablish the sequence of events, coordinate activities across locations and reconstruct failures, transactions or cyber incidents.

“At the very least, an organisation should be able to show that its systems are synchronised with IST,” Arora said.

The requirement is not only about display. There must also be synchronisation, so that the seconds start at the same time across applications and sectors. Financial markets already operate under precise clock-synchronisation requirements. Since 2013, SEBI has directed stock exchanges to synchronise their system clocks with atomic clocks before the start of the market so that their clocks have precision of at least one microsecond and accuracy of at least +/- one millisecond.

This precision matters because financial systems can generate and process orders in fractions of a second. Accurate timestamps help establish the sequence in which orders and trades happened and can be important when regulators investigate unusual activity or disputes.

What changes for you?

Very little changes for the ordinary user. Arora noted that such changes would travel downstream as service providers comply with the rules, meaning the time supplied automatically to your device would be traceable to IST. “Unless you have a business, you are unlikely to face any immediate requirement. But accurate time can matter if investigators or a court need to reconstruct events, for example in a fraud investigation,” Arora said.

Why is India now pushing for domestic timing infrastructure?

The push for IST uniformity comes along with India’s efforts to reduce reliance on external satellite navigation systems and their timing signals. Arora noted that most people currently obtain time through GPS, which the US owns and controls. A decision by the US to degrade or deny access to its services, as it did to India during the Kargil War, could pose a problem. That episode pushed India to build the Indian Regional Navigation Satellite System or NavIC, providing regional satellite-navigation coverage over India. Alongside this, terrestrial systems such as White Rabbit can distribute IST over fibre-optic networks. Together, these give India more than one domestic route to provide precise time to critical infrastructure.

• LEGAL

Can AI claim copyright for original work? A question of authorship

Amaal Sheikh
New Delhi, September 2

CAN SOMETHING created by artificial intelligence (AI) be copyrighted? India’s Copyright Office answered this on Monday, rejecting an application filed by American computer scientist Stephen Thaler seeking copyright registration for an artwork generated by his AI system, DABUS. The order is among the first decisions to address the question: if an AI system generates a work, who, if anyone, is its author?

The case

The case pertained to an artwork titled ‘A Recent Entrance to Paradise’. In 2022, Thaler applied to register copyright in the work. According to him, the artwork had been generated autonomously by DABUS, or “Device for the Autonomous Bootstrapping of Unified Sentience”, an AI system that he had developed.

The application identified DABUS as the author and Thaler as the owner of the copyright.

The Copyright Office objected: it asked whether an AI system could legally be recognised as an author under the Copyright Act, 1957. It also asked who should be treated as the author if the work was indeed

generated using AI. During the proceedings, the Office allowed Thaler to amend the application and identify himself as the author. He declined and continued to insist that DABUS be recognised instead.

What the law says

The Copyright Act answers three separate questions: whether a work is original, who its author is, and who owns the copyright. The first question comes from Section 13, which protects original literary, dramatic, musical and artistic works. Since the Act does not define “originality”, the Copyright Office interprets it from *Eastern Book Company v. D.B. Modak*, where the Supreme Court held that a work does not have to be novel or groundbreaking to receive copyright protection. It must, however, show at least a minimum degree of creativity and cannot merely be copied or mechanically reproduced.

On the question of authorship, Section 2(d)(vi) identifies an author of computer-generated works as “the person who causes the work to be created”. In the present case, the dispute was over the phrase’s meaning. Thaler argued that DABUS, having generated the artwork, should be recognised as its author. The Copyright Office had to decide whether the provision refers to the ma-

House rules

● The order leaves open the possibility of a future application that identifies the author under the Copyright Act.

● It also states that any broader change in the law would have to come from Parliament.

chine producing the output or the person creating and operating that system.

Section 17 states that the author is generally the first owner of the copyright, whereas Sections 18 and 19 allow copyright to be assigned or transferred through legally recognised agreements.

The Office noted that these provisions are built around legal persons who can hold rights, transfer them and enforce them. That was important in deciding whether an AI system could be treated as an author.

What Copyright Office decided

On originality, the Office found that the image generated by the AI was original enough to qualify for copyright protection.

On authorship, the Office said that the Act treats authorship as a legal status that carries rights and responsibilities. An AI system, however sophisticated, does not presently possess such legal recognition under Indian law.

To interpret who “causes” a computer-generated work to be created, the Office looked into American copyright cases that distinguished between a tool and the person handling it. The Office said that although DABUS generated the final image, it did so within a system designed and set in motion by Thaler. DABUS was treated as

a tool through which the work was generated, while Thaler was the person who legally “caused” it to be created.

It said that, when an Act refers to a “person”, it often refers to a natural person or a juristic person, like a company, that has a legal personality. Such entities are capable of owning property, entering into contracts, etc, and since DABUS is not a recognised juristic person, Stephen L. Thaler was “the legally recognised person who caused the particular work to be created and is therefore the person capable of being identified as its statutory author.” So, the application did not meet the criteria under the Act.

The Office also rejected a fallback request to record DABUS as the technological generator, saying that the register couldn’t be used to indirectly confer legal status on an AI system and that no proper application seeking such an entry had been made.

The order leaves open the possibility of a future application that identifies the author under the Copyright Act. It also states that any broader change in the law would have to come from Parliament. “Whether legal personhood or authorship should ever be extended to autonomous artificial intelligence remains a policy decision strictly reserved for Parliament, and cannot be introduced via administrative reinterpretation,” it said.

• NEPAL DISASTER

Fragile ecology, competing interests: The red flags in building Himalayan dams

Rishika Singh
New Delhi, September 2

THE GLACIER collapse near the China-Tibet border has triggered devastating floods in Nepal that have killed over 1,100 people, with thousands still missing. This has led experts to reiterate concerns about recent human-made changes amid quickly changing climatic conditions.

Y Nithiyanandam, a professor and the head of the Geospatial Programme at The Takshashila Institution, Bengaluru, told *The Indian Express*: “The Himalayas are a naturally fragile mountain system, already prone to earthquakes, landslides, avalanches and flash floods. What climate change may be doing is increasing the underlying vulnerability.”

The geology

The Himalayan topography includes lakes formed by melting glaciers, fast-flowing rivers and steep slopes. They dot a region highly vulnerable to strong earthquakes and

disproportionately affected by climate change. Temperature changes affect the pace and frequency of natural processes: this includes the melting and thawing of snow, and glacial lake outburst floods (GLOFs) or when water collected from melting glaciers overflows. Nithiyanandam said that while linking any one disaster directly to climate change still needs more scientific assessment, the overall risk appears to be increasing.

Mirza Zulfikar Rahman, a researcher on the Brahmaputra river basin, told *The Indian Express* that in this particular flood, aspects including infrastructure build-up and high tourist footfall have compounded the disaster’s toll.

The build-up

Dams and reservoirs can regulate the flow of water and provide wider access to services for people living in remote regions.

But they also increase vulnerability. In the recent floods, 13 hydropower plants, including several under-construction projects, were affected, denting power gener-

ation capacity and access. Rahman said, “Building a dam also shakes up the geology of the area and makes it much more prone to earthquakes. A lot of drilling and a lot of tunnelling is happening in order to build more... ultimately, the Himalayas are going to be its biggest casualty.”

Nithiyanandam said that hydropower development across the Himalayas is now extensive. “One recent study identified at least 193 dams built or planned across the wider Tibetan region since 2000, while a Nepal hydropower database lists more than 570 projects at different stages,” he said.

China is often seen as a leader in installing infrastructure projects, including the massive under-construction dam on the Yarlung Tsangpo river (the upper course of the Brahmaputra) near Arunachal Pradesh, but others are catching up.

“Chinese infrastructure building in Tibet is of concern. Obviously, China also looks at its infrastructure building in Tibet in a very different manner, as sovereignty markers over Tibet. India, Nepal, and Bhutan have

also responded to it... with their own set of dams. India is also helping Bhutan build a series of hydropower dams, making this part of a larger geopolitical game, signalling and counter-signalling,” Rahman said.

In July, Chinese researchers flagged an active fault line (a fracture between two blocks of rock) directly beneath the Yarlung Tsangpo mega-dam.

The gap

As disaster risk rises, so could the scale of devastation. But experts flag continued lack of adequate communication among Himalayan nations, which could help mitigation and planning. Rahman said, “There has not been substantial cooperation between China and Nepal or China and India in terms of how we really manage the ecosystem.”

Some disasters in the 2000s prompted a memorandum of understanding between India and China in 2002, with an expert-level mechanism on transboundary rivers created in 2005. “Such mechanisms also have to be expanded to include other

aspects such as GLOFs,” Rahman added.

Nithiyanandam said the key difference was transparency: “Nepal officially publishes fairly detailed project and licensing information, whereas in China project-level information is available but remains scattered across different official documents and announcements rather than through a comparable consolidated public database.”

Gaps in information and data-sharing between countries can complicate early warning for hazards originating across the border. “There is no clearly established public system between China and Nepal for continuous, real-time sharing of upstream river flow, reservoir operations or glacial-lake conditions from Tibet,” he added.

Stronger transboundary cooperation would necessarily include continuous sharing of hydrological, weather and climate data. “Where sustained monitoring has a cost, downstream countries could also co-invest in upstream observation systems or pay for specialised datasets, creating a model that benefits both sides. Auto-

mated public warning systems, joint scientific studies and regular emergency exercises should complement this,” Nithiyanandam said.

Rahman said that downstream countries lack consensus to build alliances that can deal better with China. “There is no scope for international arbitration. But even if they had signed agreements to that effect, China does not really follow those kinds of international norms, as we can see in the South China Sea dispute as well,” he said.

That, however, does not take away from the necessity of such processes. “A nation-state-centric, container approach in the Himalayas does not make sense because all of these disasters really do not limit themselves strictly within national boundaries. It has ramifications all across the landscape, and hence the solutions also need to be applied to that end. Scientific research also has to be done from a landscape perspective to actually create any sustainable form of infrastructure development in the Himalayas,” Rahman said.

MOSPI STANDS BY 7.8% GDP GROWTH RATE FOR Q1

Govt rejects GDP criticism, expects ‘informed debate’ once methods understood

Siddharth Upasani
New Delhi, September 2

WITH QUESTIONS being raised about the higher-than-expected GDP growth rate of 7.8% in the April-June quarter, the statistics ministry on Wednesday issued a six-point rebuttal, asserting that its methods and the numbers released on Monday were correct.

Saurabh Garg, Secretary in the Ministry of Statistics and Programme Implementation (MoSPI), added that he expects a “more informed debate” to happen once the new methods used to calculate India’s GDP are understood.

On Monday, MoSPI data showed India’s GDP grew 7.8% in April-June, significantly higher than the Reserve Bank of India’s forecast of 7%. Revisions were also made to past data, including to the growth rate for January-March, which was raised from 7.8% to 8.6%.

These revisions were caused by the use of the new Producer Price Index (PPI) series, the updated Index of Industrial Production (IIP) data series, and the Banking Services Price Index released earlier this year.

However, certain economists, former bureaucrats, and politicians have raised questions about the numbers.

While some economists have been unconvinced by the figure used to “deflate” the manufacturing sector’s gross value added (GVA) in current prices to arrive at the “real”, or inflation adjusted estimates, former finance secretary Sub-

• ‘INCORRECT INTERPRETATION’

FORMER FINANCE secretary Subhash Chandra Garg claimed that April-June 2025’s nominal GDP was revised down from Rs 86 lakh crore to Rs 80 lakh crore to make growth in April-June 2026 “look better”

IN ITS response, the ministry pointed out that the Rs 86.05 lakh crore figure was under the old GDP series which had 2011-12 as the base year

THE NEW series, which has 2022-23 as the base year, was released in February this year and saw the



inclusion of new sources of data and several methodological changes in the calculation of the GDP, including those that economists and international agencies such as the IMF have been calling out for several years

hash Chandra Garg has criticised the data, saying nominal GDP growth in April-June should be 2.6% and “in real terms close to 0”.

Double deflation

Speaking to reporters on Wednesday, MoSPI Secretary Saurabh Garg said that the double deflation practice is “new for everyone”.

“But I am sure as people get used to the double deflation methodology, as they understand it better, there will be a more informed debate,” Garg said. To find the value added by a sector — or the Gross Value Added (GVA) — the value of inputs it uses is subtracted from the value of output it produces. This is GVA in current prices, or nominal terms.

To find the GVA after ac-

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

Prior to the new GDP series, which has 2022-23 as the base year, that was released earlier this year in February, one of the biggest criticisms of Indian data was MoSPI used double deflation only for agriculture and mining and quarrying sectors.

For the others, input and output values were “deflated” by the same number, with the Wholesale Price Index and Consumer Price Index being used.

This can be problematic when input and output prices change at different rates.

With the new GDP series using the double-deflation method for all sectors, there have been revisions to past esti-

mates of GDP and growth. These revisions have also been accentuated by the use of the new Producer Price Index numbers for inputs and outputs, which is used internationally.

According to MoSPI’s Garg, the PPI has more than 300 deflators for different parts of the GDP to compute real values from nominal ones, up from around 180 under the old series. This makes the new series’ estimates more accurate.

No ‘deliberate downward revision’

Without naming Subhash Chandra Garg, MoSPI released “additional information” on the GDP data, specifically refuting the former bureaucrat’s claim that growth was much lower than 7.8% in April-June.

It argued that the downward revision in the April-June 2025 nominal GDP from Rs 86.05 lakh crore in the old series to Rs 80.00 lakh crore in the new series was the result of “successful revisions to the GDP series arising from the change in base year, incorporation of improved data sources and methodologies, and updation of available indicators”.

Assuch, it is “incorrect to interpret the difference as a deliberate downward revision of last year’s GDP to mechanically increase the current year’s growth rate”. It added that one cannot compare GDP numbers from different series to arrive at the growth rate, as Garg had done.

FULL REPORT ON

WWW.INDIANEXPRESS.COM

Chandra opposes 5-member NCLT bench formation

New Delhi: Essel Group Chairman Subhash Chandra on Wednesday opposed the formation of a five-member bench by the NCLT to decide his personal insolvency case, contending that the tribunal does not have the power to constitute such a bench.

Appearing for Chandra before the NCLAT, Senior Advocate Sasmit Patra termed the NCLT order “faulty and wrong” and said, “they are not empowered” to form a five-member bench. “Under which power” it was stayed and “when did this five-member bench sit together? What proceedings were conducted that led to this five-member bench taking only one order?” Patra argued. PTI

GIFT City IFSC banks sanction \$54 bn under RBI swap facility

Mumbai/New Delhi: Indian banks operating through International Banking Units (IBUs) at GIFT City’s International Financial Services Centre (IFSC) have sanctioned loans totalling \$54.02 billion under the RBI’s swap facility for FCNR(B) deposits as of August 31, according to a status report. The lending under the RBI scheme has risen sharply in a matter of weeks, reflecting growing utilisation of the financial services ecosystem and institutional infrastructure available at GIFT IFSC. The data shows that IBUs had sanctioned \$4.1 billion through 14 IBUs as of July 15. ENS

and Canadian dollar. Interest earned on FCNR(B) deposits is exempt from income tax in India as long as the depositor qualifies as a non-resident under Indian tax laws.

FULL REPORT ON

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Gor calls for friction-less trade between India & US

ENS Economic Bureau
New Delhi, September 2

US AMBASSADOR to India Sergio Gor on Wednesday said that as both countries work through the details of their trade relationship, they should aim to create an environment where American suppliers and technology can freely access the Indian market and Indian firms can compete fairly in the US market.

Addressing the Automotive Component Manufacturers Association of India (ACMA) at its 66th annual session, he said, “Our two governments are working closely together to build a trade relationship that is fair, reciprocal, and mutually beneficial.”

He said Commerce and In-

STAKEHOLDER CONSULTATION BY NITI AAYOG

Private players seek ‘green energy’ status for N-power to raise funds

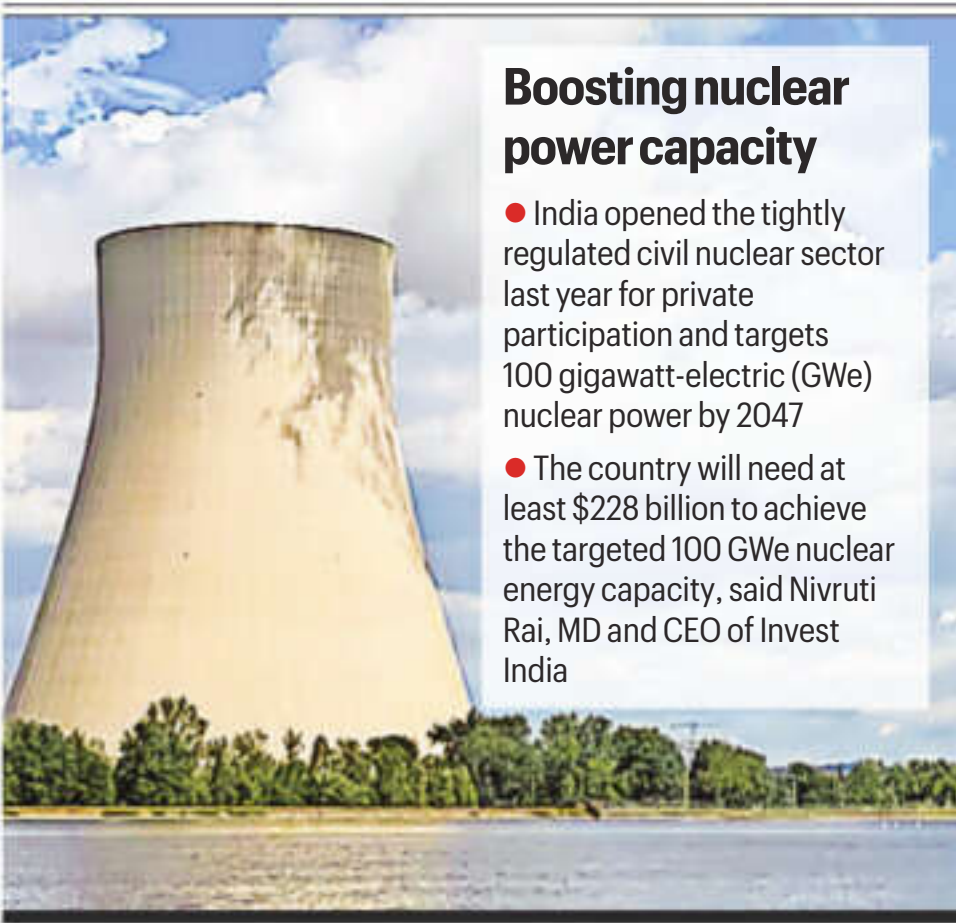
Pratyush Deep
New Delhi, September 2

PRIVATE PLAYERS are seeking green energy status for nuclear power to enable access to green bonds, green loans and blended financing for nuclear projects.

During a recent stakeholder consultation by NITI Aayog, they sought review of existing green finance frameworks, including the Ministry of Finance’s Sovereign Green Bond Framework, the RBI’s framework for acceptance of green deposits and SEBI’s framework for green debt securities.

“Currently for example Ministry of Finance sovereign green bond framework does not include the nuclear energy and there was a suggestion from many of the industry participants to review these frameworks....whether it is the Ministry of Finance sovereign green energy bond framework or RBI’s framework for acceptance of green deposits or even SEBI’s green debt securities framework.

“So I think there is a need for review of these frameworks to allow access to green bonds and green loans and blended financing schemes,” Abhay Karandikar, member NITI Aayog said during the inaugural



Boosting nuclear power capacity

● India opened the tightly regulated civil nuclear sector last year for private participation and targets 100 gigawatt-electric (GWe) nuclear power by 2047

● The country will need at least \$228 billion to achieve the targeted 100 GWe nuclear energy capacity, said Nivruti Rai, MD and CEO of Invest India

session of POWERGEN India’s Nuclear X event.

“The world over ... I think even including the World Bank and the Asian Development Bank are reviewing these restrictions on the nuclear investments and similar things perhaps I think may be needed,” he added.

During the consultation, the private players also suggested that nuclear power projects be accorded infrastructure status, he said, while adding that in

NITI Aayog’s view nuclear power is already covered under the infrastructure framework, as the Harmonised Master List of Infrastructure Sub-sectors maintained by the Department of Economic Affairs includes electricity generation. “Perhaps a clarification in this regard may be needed,” he added.

Around 150 participants from 60 organisations took part in the NITI Aayog’s consultation. India opened the tightly regulated civil nuclear sector

last year for private participation and targets 100 gigawatt-electric (GWe) nuclear power by 2047. Nivruti Rai, MD and CEO of Invest India, said India will require at least \$228 billion in investment to achieve the target 100 GWe nuclear energy capacity.

Final SHANTI rules to be ready in 2-3 months

Speaking at the event, Ghanashyam Prasad, Chairperson of the Central Electricity Authority (CEA), said the final rules under the SHANTI Act are likely to be ready in the next two to three months, with stakeholder consultations on the draft rules currently underway.

He also stressed the need to reduce the gestation period of nuclear power projects in India. Prasad said site selection would be another major challenge as India scales up its nuclear capacity. “A lot of efforts are supposed to be made in identification of sites. We are all working with the states. Teams are there, site selection committees are there,” he said. On nuclear fuel, Prasad stressed the need to develop thorium-based technologies to strengthen India’s long-term energy security.

FULL REPORT ON

WWW.INDIANEXPRESS.COM

At \$127 bn, FCNR(B) deposits push RBI’s forex drive beyond \$136 bn

George Mathew
Mumbai, September 2

FAR EXCEEDING the expectations of bankers and policymakers, the Reserve Bank of India’s special US dollar-rupee forex swap facility has drawn provisional foreign exchange inflows of \$136.377 billion through August 31.

The surge in inflows have come through Foreign Currency Non-Resident (Bank), or FCNR(B), deposits, Overseas Foreign Currency Borrowings (OFCBs) and External Commercial Borrowings (ECBs), according to data reported by authorised dealer banks.

FCNR(B) deposits accounted for the overwhelming share of the mobilisation at \$127.226 billion. OFCBs contributed \$5.260 billion, while ECBs brought in \$3.891 billion, the RBI said. The figures are provisional and subject to final reporting, accounting and reconciliation. Analysts and bankers had expected inflows of \$70-\$80 billion when the scheme was introduced, and the large scale of the inflows marks a substantial response to the concessional swap facility introduced by the RBI on June 8. The facility was designed to encourage fresh for-

eign-currency inflows and support domestic liquidity at a time when the rupee and India’s foreign-exchange reserves were under pressure amid global uncertainties, trade tensions and West Asia conflict.

The RBI had initially opened the FCNR(B) swap window until September 30.

However, following what it described as an “encouraging response”, it announced on August 14 that the window for fresh FCNR(B) deposits would close early on August 31. The swap of deposits already mobilised under the facility could, however, be undertaken with the RBI until September 11.

The concessional facilities for ECBs and OFCBs remain open until December 31, 2026.

The latest numbers indicate how sharply mobilisation accelerated during August.

FCNR(B) deposits are fixed-term deposits that can be maintained by non-resident Indians, Overseas Citizens of India and Persons of Indian Origin in designated foreign currencies.

Unlike ordinary rupee deposits, these deposits allow overseas Indians to retain their savings in currencies such as the US dollar, pound sterling, euro, Japanese yen, Australian dollar

Japan agency upgrades India’s rating to ‘A-’; FinMin says reflects solid growth

Aanchal Magazine
New Delhi, September 2

NOTING STEADY implementation of policies for productivity growth and economic development and India’s maintenance of 7% growth, the Japan Credit Rating Agency (JCRA) upgraded India’s sovereign rating from ‘BBB+’ to ‘A-’ with stable outlook on Wednesday.

Welcoming the decision by JCRA, the Ministry of Finance in a statement said the upgrade reflects India’s “solid economic growth, effectiveness of economic policies in strengthening the foundations for growth, and the improved soundness of the financial system”.

While upgrading the rating, the JCRA noted certain struc-

tural challenges for India on the fiscal front: complex intergovernmental fiscal relations; fiscal transfer arrangements and fiscal management that is susceptible to electoral cycles.

Pointing out that the Indian economy has maintained a high growth rate of around 7%, the JCRA said the country’s growth is supported by robust private consumption and public investment.

The growth momentum was sustained in Q1 of FY27, with real GDP growing by 7.8%, despite prevailing global headwinds, the Ministry said.

“Considering India’s solid economic growth, the effectiveness of economic policies that strengthen the foundations for growth, and the im-

proved soundness of the financial system, JCR has upgraded the Republic of India’s Foreign Currency and Local Currency Long-term Issuer Ratings by one notch to ‘A-’. JCR has also raised the country ceiling by one notch to ‘A-’, the JCRA said. Fifteenth Finance Commission Chairman NK Singh said the ‘A’ rating is back after a gap of over 35 years.

“JCRA has upgraded India to ‘A-’. Recognition of India’s growth momentum, macro stability, deep structural reforms, and the strength of Centre-State partnership. The last ‘A’ was Moody’s A2 rating given in 1988, which India lost in the 1990-91 BoP crisis,” he said.

FULL REPORT ON

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• MARKETS

			
Sensex	NIFTY	Gold ▼	US Dollar ▲
76,570.35	23,914.45	₹1,51,184	₹94.98
-373.93	-141.35		
-0.49%	-0.59%	Silver ▼	Oil ▼
		₹2,28,396	\$70.18

NOTE: GOLD, SILVER RATES AS PER INDIA BULLION AND JEWELLERS ASSOCIATION GOLD PER 100, SILVER PER 1 KG; CRUDE OIL (INDIAN BASKET) AS OF SEPTEMBER 1, 2026

{ OUR TAKE }

The uncertain new world

The renewed fighting in West Asia brings to light the reality of today's uncertain world, where conflict and imprudent escalation is the norm

A disturbing sense of déjà vu has blanketed West Asia. American warplanes have, again, struck Islamic Revolutionary Guard Corps positions across southern Iran—Qeshm Island, Bandar Abbas, Chabahar, Jask—after a brief lull in a war that has simmered since the assassination of Iran's supreme leader back in February. Iran has retaliated by attacking US bases in the region.

It is tragicomic that after a negotiated détente, the two countries have stumbled into a second round of a war that has already gutted global stock markets, disturbed supply chains, set oil prices on fire, and disrupted almost every facet of the global economy. What is happening in West Asia is a troubling portent of conflicts in the global order—where wars continue not because of singular disputes but due to the hubris of the leaders squaring off, playing to their domestic galleries where headline stories help position them as strong figures. The so-called international community has been shown its (very limited) place in negotiating any cessation to the hostilities which now run the risk of turning into another prolonged war of attrition, akin to the one raging in Ukraine for four years now. Reports of Iran developing a ramjet propulsion system to add substantially faster anti-ship and land-attack cruise missiles with the help of Russia's missile specialists hint at a prolonged West Asian disturbance. Iran has gauged the unpredictability of Donald Trump's policies and likely decided to stretch the conflict until the White House gets a new occupant, or at least the incumbent suffers some electoral setback in the 2026 midterms.

Clearly, this is a new, uncertain world where conflict and imprudent escalation will be the norm; the 21st-century economy and its interconnected nodes of production, consumption and supply chains will ensure that no nation can remain either unaffected or isolationist. What should India do? The country's economy has shown remarkable resilience in the previous quarter by clocking 7.8% GDP growth. But the fresh volley of missile attacks—coupled with a global selloff, renewed worries around disruptions to oil flows, and the constant shadow of conflict hanging over two million Indians living and working in the Gulf States—shows that New Delhi is not out of the woods yet. It will have to chart a careful diplomatic course, run a tighter fiscal ship while working to plug capacity gaps. The prime minister's recent warning about reigning in profligate spending might soon seem prescient.

Cruelty has no place in the classroom

What do a three-year-old boy in outer Delhi's Majpur, a six-year-old boy in Andhra Pradesh's Visakhapatnam, a 10-year-old girl in east Delhi's Vinod Nagar and a 16-year-old girl in Haryana's Faridabad have in common? Avoidable tragedy.

The parents of all four children have alleged that they suffered cruelty at the hands of teachers and school staff, in some cases involving allegations of inhuman punishment or irate teachers lashing out. In Majpur, the boy was allegedly tied to a chair for hours and subjected to severe physical abuse over several days at a playschool. In Visakhapatnam, police said the boy collapsed in the classroom and died after being slapped by his teacher for not completing his homework. In Vinod Nagar, a 10-year-old girl collapsed and died in hospital after allegedly being made to stand at the back of her class as punishment for forgetting to bring a book. In Faridabad, the student jumped from the third-floor terrace of her school building after allegedly being made to stand in the sun for several hours as punishment.

The allegations are serious and deserve an open and transparent investigation that doesn't try to brush the facts under the carpet. But beyond the particulars of these cases, the four cases point towards a disturbing trend of schools and teachers failing to move on with the times and continuing with outdated forms of instruction and punishment. India has both the learning outcome and school dropout problem—an annual ACER reports show that across India, students cannot read or solve mathematical problems at several levels below their own, and UDISE surveys underline serious problems of dropout at the secondary school level. These are the gaps in education that schools and educators should be focussing on, not on devising cruel and unusual forms of punishment.

Let's not be too casual about the Naxal label

India should not have to choose between national security and democratic freedom. Properly understood, the two reinforce each other

In his Independence Day address from the Red Fort, Prime Minister PM Narendra Modi said Naxalism had been decisively weakened but warned of what he called 'dimagi Naxal'—people with a Maoist mindset who, he said, remained alert to opportunities of creating violence and disorder and, therefore, needed to be identified and isolated.

The concern underlying his remarks deserves serious attention. Even when an armed movement loses territory and cadres, the networks and ideas that sustained violence in the first place do not necessarily disappear with the gun. India has paid a heavy price in the Maoist conflict to become complacent. The State has both the right and the duty to ensure that such insurgency does not quietly re-emerge.

That duty carries an equally important democratic obligation: The State must be precise about whom it is targeting, for what conduct, and on what evidence.

Insurgencies are rarely sustained by armed cadres alone. Violent organisations may rely on recruitment, finance, shelter, communications,

propaganda, logistics, and people who facilitate them. Those who finance violence, recruit for it, harbour cadres, assist operations, or conspire to commit offences cannot claim immunity where evidence establishes criminal conduct. The law must take its course—firmly.

The difficulty begins when conduct gives way to presumed thought.

'Dimagi Naxal' is a political expression, not a legal category. Criminal liability cannot rest merely on a presumed state of mind. The law can examine conduct, intent, financing, and incite-ment, and all of these attract legal culpability. What a constitutional democracy must guard against, however, is the slide from evidence to association, and from association to assumption.

That distinction goes to the heart of citizenship. A student protesting an examination, a college graduate demanding jobs, a farmer questioning policy, a tribal activist opposing displacement, or a journalist scrutinising a security operation does not become an extremist merely because of these communities, and to the fact that the government may disagree, and the police may regulate protests. But dissent alone cannot make loyalty to India suspect.

India now recognises the distinction. Section 152 of the Bharatiya Nyaya Sanhita deals sternly with acts that endanger India's sovereignty, unity, and integrity, including armed

rebellion and subversive activity. Yet, its explanation protects criticism of government measures or administrative action when aimed at securing change through lawful means and without exciting the activities prohibited by the section.

That is not a concession democracy makes to its critics. It is constitutional democracy in operation.

The PM did not describe recent youth protests as 'dimagi Naxalism', and it would be unfair to attribute such a connection to him. But political expressions rarely remain confined to their original context. Once repeated by parties, television studios and social media, they can expand quickly. That is why clarity matters.

Words spoken from the Red Fort carry exceptional authority. When the PM says that a category of people must be 'identified' and 'isolated', citizens are entitled to know what separates that category from legitimate dissent. If the expression refers to those knowingly enabling Maoist violence, the distinction should be stated clearly, and the law applied to extend merely to radical, unopposed or sharply critical opinion, a democratic India should draw the line.

A republic requires obedience to the Constitution and the law; it does not require unquestioning loyalty to the government of the day and citizens retain the right to disagree. At the same time, civil liberties



Amarinder Singh



A democracy that treats disagreement itself as a security threat risks diminishing the freedom that security is meant to defend.

cannot become camouflage for organised violence. The dividing line is not left versus right, government versus Opposition, or nationalist versus critic. It is between lawful dissent and conduct that knowingly enables violence.

That standard protects the state as much as the citizen. Vague categories can weaken security by blurring the distinction between the genuinely dangerous and those that merely disagree. Intelligence agencies and police should concentrate on networks capable of financing, facilitating or organising violence rather than being drawn into broad ideological scrutiny of inconvenient voices.

India's success against armed Naxalism should, therefore, be followed not by an indiscriminate search for another internal enemy, but by ensuring that areas from which the gun retreats are filled by schools, hospitals, roads, livelihoods, responsive administration and politi-

cal hope. The greatest victory over extremism is not merely that an insurgent no longer carries a rifle. It is that a young person no longer believes a rifle is necessary to be heard.

India should not have to choose between national security and democratic freedom. Properly understood, the two reinforce each other. A State unable to defeat violence cannot protect liberty. But a democracy that treats disagreement itself as a security threat risks diminishing the freedom that security is meant to defend. If the Naxal gun is finally disappearing from India's forests, that is a major national achievement. The task ahead is equally important: Identify and isolate those who profess violence, but do not allow the Naxal label to hang indiscriminately.

Amarinder Singh is former chief minister of Punjab. The views expressed are personal.

India's pastoralists deserve a new tae to tell

All in all, it's been a good year for a sector that has remained largely invisible. After decades of neglect, the issues facing pastoralist communities and grasslands have finally come into sharper global focus—2026 has been declared the International Year for Rangelands and Pastoralism, with the goal of improving land governance, encouraging investment in the ecosystems that make pastoralism productive, and strengthening market linkages. For India's nearly 60 million castes and ethnic groups, this is a real morale boost.

The just-constituted United Nations Convention to Combat Desertification (UNCCD COP17) in Ulaanbaatar, Mongolia, followed this theme, with commitments, including a \$1.3 billion finance package for land restoration and drought resilience, and a \$1.2 billion Rangelands Flagship Initiative for pastoralists' livelihoods. As part of this, India's environment minister recently launched a guide to the country's grasslands and other open natural ecosystems.

This encouraging news took me back to a field trip with my team to understand what is happening on the ground to the country's grasslands, and to the lives and livelihoods of the pastoralists who depend on them.

We were driving through Pune district, the new highway cutting through harvest-ready fields with ripened bajra swaying gently in the breeze.

We soon came upon a herd of goats and sheep, loosely corralled around makeshift tents put up by Dhangar pastoralists. They were on an increasingly uncertain, unmapped journey from Baranatti, where their families are anchored, to the Konkani coast—or wherever shelter, fodder and water could be found. Here, they had camped on a friendly farmer's land, in exchange for the rich fertiliser their animals would leave behind before the group moved on. A few women tended to the animals; the men cooked on an open fire. We settled under the open sky with the Kokre family, and soon shared a hot cup of tea boiled with freshly dried sheep milk.

Our hosts told us many stories, some hopeful, some heartrending—echoing tales we'd heard from herders on the Himalayan slopes and in the deserts of Jaisalmer and Kutch. The good news: Meat and milk still fetched decent prices. The sad news: It was ever harder to find greener pastures to live on the move. There were the old threats of predators and shrinking commons, and the newer threat of solar and windmill plants fracturing grazing corridors. Every night, we worry about where we will set up safe camp, said Sampath Kokre. 'It is hardest for the women.'

Hidden from the gaze of urbanites, there are anywhere between 10 and 12 million pastoralists in India. For the first time, pastoralist livestock was counted separately as part of the five-yearly livestock census, so better data will soon emerge. Food across 24 states and Union Territories, pastoralists often depend to access grazing lands and water bodies, treated with disrespect, and struggle to be recognised as sustainable, highly productive contributors to a climate-resilient economy. There has long been an

assumption that pastoralism would dwindle as settled agriculture grew. Luckily, that hasn't happened—testimony to the resilience of these communities, and to the fact that, as a production system, pastoralism makes both ecological and economic sense. It is sustainable and profitable, which is why pastoralists have been a leading political, market, climatic and regulatory constituency.

Not many people realise that these nomadic communities manage 30% of India's livestock, generating an annual turnover of about \$11 billion. With more than 500 million animals, India has the largest livestock population of any country. Pastoralists herds include cattle, buffaloes, camels, yaks, sheep, goats, ducks, pigs, and donkeys. In India, such as the Thar desert and high-altitude ecosystems such as Ladakh, where set-d agriculture cannot succeed, they convert

water and soil into meat, milk, wool, and manure. And pastoralism contributes 10-12% to India's dairy and 70% to its mutton. The next time you feast on biryani or enjoy a milkshake, think of where the milk and mutton might have come from.

Then, there are the other animal products. India is the world's second-largest wool producer, producing 35 million kg a year, 95% of it from pastoralists. Sheep's wool is excellent for acoustic and thermal insulation, and sought after worldwide for its biodegradable, sustainable properties—Mercedes-Benz, for instance, blends sheep's wool with polymers for seat upholstery and sound/thermal insulation. Decan wool has properties similar to styrofoam and could replace environmentally harmful packaging materials. Wool is also being used for phosphorus, and a substantial share of India's agriculture depends on organic fertiliser from pastoralist livestock dung.

Yet, the animals need grazing lands. Sixteen million hectares of grassland cover just 5% of India—an area roughly the size of Bangladesh. Once dismissed as wasteland, grasslands are slowly being understood for the many ecosystem services they provide, including carbon sequestration at a significant scale. These open natural ecosystems (ONEs) harbour migratory and endemic bird species such as the critically endangered Great Indian Bustard, and are home to iconic animals such as the black buck, snow leopard and rhino, along with smaller creatures like the jungle cat and numerous reptiles and insects.

It is now widely acknowledged that pastoralism and grazing sustain the ecological functioning of grassland ecosystems—maintaining grass diversity, recycling nutrients and keeping invasive species at bay. Pastoralists are environmental stewards of the lands their livestock grazes on, not just extractors of value.

The developments of this year deepen our understanding of—and respect for—the vital role rangelands and pastoralism play in sustaining biodiversity, storing carbon, and bringing food and fabric to our homes! If so, the Dhangers, like their counterparts, will have a different story to tell.

Rohini Nilekani, chairperson, Rohini Nilekani Philanthropies, is the author of *Samaaj, Sarkaar, Bazaar—A Citizen's First Approach*. The views expressed are personal.

BALENDRA SHAN | PRIME MINISTER, NEPAL

This is not only the suffering of Rasuva, Nuwakot and Dhading. It is a shared blow to the heart of the entire country... We have no alternative but to fight with determination and courage

On the Nepal government response to the recent floods

India, China must first settle smaller disputes

In diplomacy, every word and phrase matters. This is especially true when two countries are negotiating a disputed border. The appearance of a phrase 'early and substantial harvest on boundary delimitation' in an eight-point joint China-India statement—the first in 11 years—after the 25th round of talks between the special representatives (SR) is fraught with strategic implications.

The phrase 'early harvest' has been around for over a decade, but the usage of 'substantial' is substantial, even though all its implications are not yet clear. This comes on the eve of Chinese President Xi Jinping's first visit to New Delhi since 2019 and amidst moves by the two sides to step up their economic and investment ties.

'Early harvest' made its first appearance in a Chinese note in the wake of the 2017 Doklam crisis which saw India and China, who have been discussing the possibility of making the border in Sikkim an 'early harvest'. The Sikkim-Tibet border had been delimited and demarcated by the Anglo-Chinese Convention of 1890. Both sides agree with the border alignment here, though India has differences on the trijunction at Doklam.

On the eve of the Mamallapuram summit in August 2018, the Chinese said that they had signed a 'substantial' proposal. Then, after the 22nd round of the SRs' meeting in New Delhi that December, the Chinese said that the two sides 'exchanged views on the early harvest of boundary negotiations'. Reportedly, India turned down the early harvest offer at the time.

But all this went up in smoke with the clash in the Galwan Valley and the first casualties along the LAC since 1957. Relations between the two plunged to their lowest.

In October 2024, through patient diplomacy and an insistence that India will not normalise relations as long as the situation in Ladakh was abnormal, the Chinese side slowly backed off. It agreed to create no-patrol zones at certain sites, and restore Indian patrolling rights in the Depsang bulge and Demchok. However, the additional troops on both sides brought to the region post the Galwan clash have remained, pending discussions on 'de-escalation'.

The two sides then picked up the threads of normalisation. Between 2020-2024 there were no meetings of the SRs and the heads of government to other officials on the resolution of the border issue did not occur.

It was only following the October 2024 summit meeting between Prime Minister Narendra Modi and President Xi at the sidelines of the 16th BRICS summit in Kazan, that the subject of

restarting talks were taken up again.

In 2025, at the 24th round of the SRs' meetings, the subject of an 'early harvest' surfaced again. Both the Indian and Chinese press releases spoke of agreement to set up an Expert Group under the WMCC 'to explore early harvest in boundary delimitation in the India-China border areas.'

The recently concluded 25th round gives us a clearer picture.

First, the joint press release signals congruence on the border negotiation.

Second, India is clearly on board with 'early harvest' settlements.

Third, usage of 'substantial' suggests that this could extend beyond the terms of the Sikkim-Tibet border to include the Middle Sector where the disputed boundary is relatively small.

Fourth, the SRs' directive to the Expert Group to work out the terms of reference for their task suggest both are serious about moving ahead.

Fifth, two additional points will be created for senior military commanders meeting in the pattern of Chushul/Moldo. The Indian locations will be Jomoshini in the Middle Sector and Tawang.

Still, the prod of the pudding will be in its eating. The 'early and substantial harvest' planning is a new twist, but a positive one. The reason is because in both the Sikkim-Tibet (220 km) area and the Middle Sector (545 km), the dispute is minimal. The watershed of the Himalayas is fairly clear and both sides largely respect it. The real problems will be in the tri-junctions—the India-Bhutan-China one in Doklam and the India-Nepal-China one in Lipu Lakh.

In 2005, India and China had signed an agreement on the Political Parameters and Guiding Principles of a border settlement based on a comprehensive package settlement of all sectors. Yet, 21 years later, after they found the going tough, they are pragmatically modifying the 2005 agreement, even while publicly affirming it.

A resolution of the larger Sino-Indian boundary will not be easy. A primary reason is the Chinese demand that India cede the Jangmang tract, along with Aksai Chin that it already occupies, is a non-starter for New Delhi. Nevertheless, by settling the relatively smaller disputes first, both sides might build mutual confidence and political momentum necessary to tackle the more intractable issues.

Manoj Joshi is distinguished fellow, Observer Research Foundation, New Delhi. The views expressed are personal.

Smoke and mirrors

Subhash Chandra's case flags key IBC concerns

In recent days, there has been considerable debate over a striking — but short-lived — reprieve for Zee and Essel group proprietor Subhash Chandra from discharging his debt as guarantor. The National Company Law Tribunal (*Indiabulls Housing Finance Limited vs Subhash Chandra*) tied itself in knots, with a two-member bench pulling in opposite directions last year, only to have a third member giving yet another view a few days ago.



Given this stalemate, a five member NCLT bench will examine the matter afresh — which means that Chandra's dues will likely be reassessed. This is a welcome development. The manner in which the NCLT, aided by the Resolution Professional's inputs, arrived at the view that Chandra had no more than ₹31.79 crore net worth to pay off his dues (estimated at ₹22,000 crore) failed to inspire confidence. As for the facts of the case, Indiabulls (now Sammaan Capital) initiated personal insolvency proceedings against Chandra in 2022, after a ₹170 crore loan for which he was guarantor went sour. This step led to other creditors raising claims. These claims ran up to ₹22,000 crore, of which banks and financial institutions such as LIC Housing, Canara Bank, HDFC Bank, Axis Bank and RBL Bank accounted for 19 per cent. Allegedly related parties to Chandra accounted for 80 per cent of the guaranteed debt. However, the picture on debt remains hazy. Banks should clear the air. Be that as it may, the allegedly related parties cornered 80 per cent of the votes of Committee of Creditors. They decided on the basis of Chandra's mysteriously arrived net worth of ₹31.79 crore at the time of voting, that ₹6.5 crore will be paid to all creditors, wiping out banks' dues.

The legal position here, as spelt out in the Supreme Court ruling in *Phoenix ARC vs Spade Financial Services* (2021), appears to be that related parties are not creditors, and cannot be a part of CoC. It also suggests that a 'purposive' rather than narrow interpretation be made of related parties under Section 79 (2)(g) of the Code. A precedent needs to be set, so that the CoC process is not easily gamed. The RP's role has been unconvincing. As the technical member points out, the assertion of ₹31.79 crore net worth "appears to have been accepted by the RP without substantial scrutiny, despite...several creditors seeking appointment of an independent forensic auditor..." Section 96 of the IBC allows the debtor to secure an internal moratorium on claims and manage his assets (in this case, net worth was estimated at over ₹40,000 crore in 2017-18, according to the ruling).

An amendment to IBC this May does away with Section 96 (4), which allows this leeway. Possibly, the Chandra case would have taken another turn, if this amendment had been in place earlier. But the issue of addressing RP transgressions in quick time is a serious one. Decisions taken on the basis of wrong RP inputs cannot be easily reversed. If the Chandra episode leads to some course correction in terms of treating related parties and the regulation of RPs, we would have made some progress.

POCKET

RAVIKANTH



"It was around the fourth chart that we realised our AI was out of control and was pulling out data from our competitors' servers!"

When life policy changes hands

CLARITY NEEDED. The regulator should make clear when the insurer may decline transfer of policies, and who will receive the death benefit



TC SUSEEL KUMAR
R SUDHAKAR

More than 70 non-resident Indians, most of them in the Gulf, are complaining against an Indian bank's Dubai operations. Between 2017 and 2019 they were sold units in a Luxembourg fund that buys life policies from Americans who no longer want them, pays the premiums, and collects the claim when the insured dies. It stopped paying out in 2020. The bank says it only facilitated the investments and that performance was the fund house's concern.

Whatever the regulators conclude, that arrangement has a close Indian cousin, and our law has left it in an unusual position.

ONE STRUCTURE, TWO FACES Strip the geography away. A company buys a man's life policy and he takes cash today. The company pays his premiums from then on, and when the claim falls due the money goes to the company rather than to his family. It funds itself by promising outside investors a fixed return out of a payment whose timing is a death. Indian law calls this transfer an absolute assignment which passes the policyholder's rights to the buyer, subject to the terms of the policy and of the assignment.

Sales of this kind are still few here. The pool they draw on is very large. IRDAI figures placed before Parliament in August 2026 show surrenders and withdrawals rising steadily over five years, and exceeding, for the first time in recent years, what insurers paid on

maturing policies. How many of those sell rather than surrender is unknown, because nobody counts assignments made for money.

India has been here before. In 2003 LIC found its policies being bought and sold like shares and told its offices to refuse such assignments. The courts ruled against it. Parliament then acted. The 2015 amendment rewrote Section 38 to let an insurer refuse an assignment that is not genuine, is against the policyholder's or the public interest, or is meant for trading.

Four risks are worth setting out plainly, because no advertisement will.

First, the nominee. An absolute assignment cancels the nomination. The family that believes it is still covered is no longer the party the insurer will pay.

Second, the price. A buyer may offer a little more than the surrender value, which is what makes the offer attractive to a man who needs money. Against that, he hands over the maturity amount and the death claim, keeping only cover that runs on unpaid. Cash today is bought at a heavy price tomorrow.

Third, who gains from an early death. An investor promised a fixed return out of a death claim earns it faster the sooner the insured dies, and loses ground every month another premium goes out. Nobody has to behave badly for that to be true; it is how the arrangement

Even though the life insurance policy remains active and protected by insurance rules, the actual deal where the policyholder sells it for cash falls completely outside the law

is built. Insurance law has always required the buyer of a policy to have an interest in the life continuing. Here that interest runs the other way. India tests that once, when the policy is taken, and never again when it changes hands.

Fourth, what happens if people live longer than expected. Premiums keep going out while the claims recede. A fund promising a fixed return, while its costs depend on when strangers die, has nothing to fall back on. The Luxembourg fund stopped paying out in 2020 after a rush of withdrawal requests, which is how that strain shows itself.

Insurance companies are watched by IRDAI, and the trusteeship companies holding the policies by SEBI. But no single regulator supervises the buying of life policies for money as an activity in its own right.

Even though the life insurance policy remains active and protected by insurance rules, the actual deal where the policyholder sells it for cash falls completely outside the law. The unregulated middleman buying the policy steps in when the policyholder is in urgent need of money — the precise moment when they are most vulnerable to being taken advantage of.

The Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025, in force since February, rewrote Indian insurance law more widely than anything since the sector opened. Section 38 was left untouched. The same Act widened the list of who counts as an insurance intermediary, let the regulator add to it by notification, and required insurers to report every assignment to IRDAI concurrently. The regulator can now see the patterns. What is missing is the decision to treat these buyers as a regulated category.

THREE STEPS SHORT OF A BAN Banning assignment outright is the

wrong instrument, and the Supreme Court has explained why. Public policy, it observed, is an unruly horse, and courts should be slow to ride it into private contracts. Regulation of this kind builds markets as often as it restricts them, and a policyholder who understands the bargain may still make it.

First, IRDAI should specify the grounds on which an insurer may decline an assignment under Section 38(2). Parliament gave insurers that power in 2015 and it has gone unused, because trading is nowhere defined and refusal may invite a litigation

Second, IRDAI should bring the buyers who remain within the regulated fold, leaving out banks taking a policy as security, employers, trustees and family arrangements. Each of those has an interest in the life continuing; a buyer paying cash for the death claim holds the opposite one.

That line is Parliament's own. Section 39 already treats a policy pledged as security differently from one bought outright. Registration would bring capital, conduct rules, disclosure and a grievance machinery.

Third, no insurer should register such a sale without a signed statement, in the policyholder's own language, telling him who will now receive the death claim, what the maturity amount he gives up is worth, and what he gets for it. One circular, one notification and one form.

The Gulf investors are learning what happens when a product is sold across a regulatory boundary and nobody on either side owns the outcome.

India need not wait for its own version to freeze before deciding who supervises it.

Kumar is former Managing Director, and Sudhakar is former Executive Director, at LIC. Views are personal. All data are drawn from publicly available sources

The changing economics of weak monsoon

The link between rainfall, farm incomes and rural consumption is not linear as before, pointing to adaptation at all levels

Dipti Deshpande

Conventional wisdom suggests that a deficient monsoon weakens rural demand. This year may prove otherwise. Despite rains at 11-13 per cent below normal so far this season, sowing was better-than-expected, and even if weaker rains ultimately lower yields, rural demand seems to be better insulated than in past episodes of truant monsoons. Four years of favourable monsoons, expanding irrigation, lower inflation and a wider fiscal safety net are likely to have altered the transmission of a rainfall shock to the rural economy.

Overall sowing stands at 92 per cent of normal area and 90 per cent of last year's level. Sowing has already been completed for maize, groundnut, sugarcane and jute and mesta.

Why has the monsoon shock not become a sowing shock? Cropping decisions appear to have responded to local soil moisture conditions, intermittent improvements in rainfall and State-level advisories. Water-intensive crops such as rice and sugarcane recovered in July after a dry June, although progress moderated again as rainfall weakened in August. Groundnut illustrates the adjustment process well. All-India sowing, initially 42 per cent below last year's level in

June, subsequently recovered and moved above last year's level.

Adaptation is also evident in State-level advisories, which have encouraged short-duration crops such as maize, bajra and moong in rain-stressed areas. This suggests the first transmission channel, from deficient rainfall to lower sowing, is weaker than expected. The risk has shifted instead to yields, particularly for less irrigated crops.

IRRIGATION SUPPORT Increasingly, the key question is how well crops can withstand deficient rainfall when irrigation support is limited. Crop vulnerability depends on rainfall deficits and irrigation coverage. Better-irrigated crops can withstand weaker rains, while others remain exposed. Among crops showing relatively robust sowing progress, sugarcane is almost entirely irrigated even though some major producing States face rainfall deficits.

By contrast, irrigation coverage for maize is considerably lower in several key producing States that are also experiencing rainfall weakness. Similar concerns arise for tur, where irrigation coverage remains limited and sowing is already lagging.

Crisil's Deficient Rainfall Impact Parameter (DRIP) assigns the highest vulnerability to tur, followed by jowar,



CROP VULNERABILITY. Depends on rainfall deficits and irrigation coverage

bajra, maize, soybean and cotton. The implication is clear: the monsoon shock may yet become a yield shock even if it has not become a sowing shock. This distinction matters because weaker yields can depress output and kharif-driven incomes.

A yield shock though is unlikely to translate proportionately into a rural demand shock. Rural households are less dependent on crop incomes than in the past. Livestock, fisheries and forestry provide an important income buffer because they are less exposed to weather stress. Moreover, the rural economy enters this period of uncertainty from a position of strength. Good rains in recent years would have supported farm output and incomes while strengthening

household balance sheets. Low inflation has provided additional relief.

Consequently, the impact of one weak monsoon year may be absorbed. State advisories have also promoted short-duration and drought-resilient crops such as pulses, millets and oilseeds that perform better under moisture stress. Meanwhile, irrigation coverage has expanded to about 60 per cent of net sown area in fiscal 2025 from 48.8 per cent in fiscal 2016.

Policy support offers a further buffer, particularly for vulnerable households. Cash transfer schemes now operate in 17 States and provide a median monthly benefit of ₹1,500 to low-income households. Our estimates suggest this covers about 74 per cent of monthly expenditure in rural areas.

PM-KISAN provides eligible farmers with ₹6,000 annually through direct benefit transfers. Together with free and subsidised foodgrain programmes and GST reductions on mass-consumption items, these measures have strengthened rural household balance sheets. As a result, a moderate decline in crop income need not translate into an equivalent fall in rural consumption.

To conclude, a below-normal and uneven monsoon need not result in a significant rural demand shock.

The writer is Principal Economist and Senior Director at Crisil Ltd. 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.

Anchor investors' ploy The editorial 'Failed anchors' (September 1) accurately reflects the plight of retail investors. Anchor investors receive confirmed allotments at a fair price a day before the IPO, giving retail participants a false sense of confidence that smart money is committing to long-term growth. In reality, anchors exit at the first opportunity. By pocketing a 15-20 per cent profit within three months, anchor investors effectively earn an annualised return of roughly 80 per cent. They churn and recycle this capital across successive IPOs.

When they unload these massive holdings upon lock-in expiry, the resulting heavy selling pressure depresses share prices, erodes retail margins, and drags stocks down. It is time the watchdog, SEBI, steps in with stricter norms, raises the minimum anchor investment threshold to at least ₹50 crore, and extends the mandatory lock-in period to 12 months. Without such terms, institutional capital recycling will continue to bleed small retail investors.
K Nagarajan
Karur, TN

Growth challenges This refers to 'Resilient performance' (September 2). The government's sound economic policies have contributed immensely to achieving 7.8 per cent GDP growth in Q1 of fiscal 2026-27. The policies include: sustained emphasis on capex for infrastructure development; manufacturing incentives; and prudent fiscal planning to balance increased capital expenditure with inflation. The growth, while laudable, should make the government ponder how to ensure that benefits trickle down to the poor as well.

Besides, it should be ready to confront the ongoing challenges ahead like private consumption and investment gap, supply chain issues, unemployment and inflation in the midst of weather conditions and geopolitical headings
YG Chouksey
Pune

AI triggered dilemma Apropos 'Pocket' (September 2). The cartoon captures a dilemma: workers fear losing jobs if AI advances rapidly, while investors fear losses if it fails to deliver. The answer lies neither in resisting technology nor embracing it blindly. Companies should introduce AI gradually, with safeguards, retraining programmes and opportunities for employees to move into new roles. Governments must strengthen skilling initiatives and ensure small businesses are not left behind. Responsible AI adoption, coupled with learning, can help ensure technological progress creates opportunity without making workers or investors bear its costs alone.
BA Neboba
Perundurai, Erode District, TN

Coop banks in transition

To scale up to UCBs, cooperatives face challenges

Manas R Das
Ganga Narayan Rath

The RBI on August 5 released the “Draft Guidelines for ‘on tap’ Licensing of Urban Co-operative Banks” for public/stakeholders’ comments.

The Draft Guidelines (DGs) specify stringent conditions for co-operative credit societies (CCS) to apply for Urban Co-operative Bank (UCB) licences. The RBI Governor’s October 2025 Monetary Policy Statement proposed to publish a Discussion Paper (DP) on licencing of new UCBs. The DP, published in January 2026, recommended stringent norms for licencing new UCBs.

Earlier, an RBI screening committee in 2001 had recommended that it should be made mandatory for all new UCBs to come into being through a process of graduation from a CCS on the strength of proven and verifiable track records.

Therefore, there was a compelling need to make available, on tap, strict licencing norms for the CCSs aspiring to become UCBs so that the latter remains strong, well-diversified and immune to failure.

ENTRY NORMS
Eligibility: CCSs in existence for at least 10 years.

Minimum Capital and Other Requirements: The CCS should have a deposit size of at least ₹10,000 crore and minimum net worth of at least ₹300 crore (as per audited financials at March-end of the previous financial year of application).

Registration: In the initial phase, multi-State CCSs will be considered.

Track record: The CCS must demonstrate a positive and progressive trend in operating and financial parameters in the previous five years. The Capital to Risk-Weighted Assets Ratio should not be less than 12 per cent, and the Net Non-Performing Assets ratio should not be more than 3 per cent at March-end of the previous financial year of application.

Fit and Proper: No member should have a shareholding of over five per cent. The RBI would assess the ‘fit and proper’ status of the Board of Directors.

Lack of a comprehensive, credible and up-to-date financial database of CCSs in the public domain restricts us to say how many, or which ones, would be eligible for UCB application.



UCBs. Stringent guidelines

If no single CCS is eligible, some would like to merge themselves to improve their financials to meet the RBI benchmarks, leading to a churn in that segment.

Whether individually or through mergers, the aspirational UCBs would like to improve their operations and financials with a view to meeting the RBI stipulations at a future date.

The new UCBs cannot pay their depositors the high rates of interest as they used to do as CCSs.

This may trigger inter-CCS deposit ‘flight.’

However, the CCS depositors should be happy that their deposits in the new UCB will be fully protected up to the prevailing deposit insurance limit.

On the assets side, the new UCBs cannot deploy their lendable resources in any sector and at any rate.

Together the above two will disincentivise aggressive depositors/members of CCSs to vote for UCB conversion.

THE CHALLENGES

New UCBs have to invest in skilled manpower, for which they may have to poach from the existing UCBs.

The new UCBs will also have to continuously invest in IT empowerment.

Last but not least, corporate governance, which has proved to be the Achilles’ heel in the case of several banking crises, has to be given the pride of place. Therefore, the ‘fit and proper’ test should aim at critical qualitative evaluation of the members of the Board as well as other critical areas of management.

All said, it is felt that new UCB applications would trickle in in the medium term, even though the final guidelines come out in one or two months.

Das is a former Assistant General Manager (Economic), SBI; Rath is a former central banker



PC MOHANAN
AMITABH KUNDU

Now that the house-listing operations for the much-delayed Population Census have been completed and the population enumeration is eagerly awaited, the announcement that the Census questionnaire is being pilot-tested has come as something of a surprise. Unfortunately, little is known about its proposed contents.

More seriously, press reports have quoted senior officials as saying that caste will be recorded simply as reported by the respondent. This raises fundamental questions about both the feasibility of counting castes and the utility of the data so generated. Such a decision would be particularly disturbing when the disastrous experience of the Socio-Economic and Caste Census (SECC) 2011 is still fresh in our minds.

The accuracy of any census count requires that the item being counted be clearly identifiable. In an exercise as vast as the Indian population Census, it is, therefore, essential that the items included in the questionnaire are standardised, readily understood and capable of being recorded without ambiguity. A sample survey offers greater flexibility because enumerators can probe individual responses in greater detail. A Census, by contrast, must depend on uniform concepts and standardised procedures across the country to be adopted by millions of enumerators.

Normally, Census questionnaires are subjected to extensive technical scrutiny, giving users some indication of the concepts and definitions underlying the resulting data. When the 2021 Census was announced, for instance, there was no proposal to include a caste question in the Census schedule. There was, however, an announcement that the National Population Register would be updated alongside the Census, paving the way for the preparation of a National Register of Citizens. The chronology of these operations, as described by the Home Minister, generated considerable informed public debate.

The operationalisation of a caste question poses a major technical challenge. The experience of the SECC 2011 is a stark warning. Its caste data could not be satisfactorily tabulated, largely because caste names were not standardised and there was no comprehensive list against which responses could be classified. The exercise reportedly generated millions of caste and community names, making meaningful aggregation at the State level — and still more at the national level — virtually impossible.

The old Census reports provide ample evidence of the difficulties that arise when caste is left entirely to the respondent’s description. Recent caste surveys conducted by States such as



Census, and tricky issues in recording caste

SENSITIVE TASK. Extensive consultations will have to be conducted on nomenclature, synonyms, sub-castes to draw up detailed list

Bihar and Telangana followed a different approach by providing a framework for classification. Yet these experiences cannot simply be transplanted to a national census. A State-level census can restrict its classification to castes found within that State. A national census cannot do so because of India’s substantial inter-State migration.

STATES’ EXPERIENCES

In Bihar, reported caste names were matched against a State master list of 214 unique castes. In Telangana, caste and sub-caste names were recorded along with the caste category used by the government. In either approach, however, migrants belonging to communities recognised in another State but absent from the local list could become problematic. They risk being classified as “others”, losing the identity necessary for meaningful national aggregation.

The problem is not merely hypothetical. Delhi has a substantial Scheduled Caste population but, according to the Census, no officially

recognised Scheduled Tribe population, since the recognition of Scheduled Castes and Scheduled Tribes is State-specific. Yet the 2011-12 National Sample Survey estimated roughly half a million Scheduled Tribe persons in Delhi. Many were migrants from States where their tribal status is recognised. If a national caste census relies primarily on State-specific lists, such inter-State migrants could easily disappear into an amorphous “others” category. The problem would be particularly acute in States and cities experiencing large-scale immigration.

The preparation of these lists is, however, the critical task. The caste lists used in the 1931 Census, official documentation of castes and communities undertaken in the 1980s and documentation of the Socially and Educationally Backward Classes provide useful starting points. But no existing list can simply be adopted mechanically. Extensive consultation will be necessary to resolve differences in nomenclature, synonyms, sub-castes and claims of inclusion or exclusion.

This would take time — perhaps a few months — but such a preparation is indispensable if the caste census is to produce data of analytical and policy value. A technically rushed census may generate an enormous volume of information while failing to produce relevant statistics.

Caste Census today presents complex conceptual and administrative problems. What is to be recorded when a respondent gives a broad caste category, a sub-caste, a community name, a local

synonym or a caste name used in another State? How are overlapping names to be classified? How should claims that one caste is equivalent to, or distinct from, another be treated? These questions need to be settled before enumeration begins, not after millions of responses have been collected.

There is also an important question about the placement of the caste question in the questionnaire. Putting it at the beginning may influence responses to subsequent socio-economic questions, with respondents potentially interpreting their economic and social circumstances through the lens of caste. The ordering of questions, therefore, deserves careful consideration. Significantly, caste was placed at the end of the questionnaire in the 1931 Census.

The repeated changes in the timing of the Population Census, uncertainty about its coverage and continuing ambiguity about the eventual use of its data have already undermined confidence in one of India’s most important statistical exercises. The Census should not become an exercise driven by political compromise and expediency at the expense of technical rigour.

If the caste question is to be included, the opportunity should demonstrate precisely the opposite: that a politically sensitive exercise can be designed with the highest standards of statistical and administrative ingenuity.

Mohanani is former Chairman, Kerala State Statistical Commission; Kundu is Senior Fellow at IORA Ecological Solutions

thehindubusinessline. TWENTY YEARS AGO TODAY.

September 3, 2006

United Western Bank placed under moratorium

The Union Government on Saturday placed United Western Bank Ltd under a moratorium based on an application from the Reserve Bank of India. The moratorium will run from September 2 to December 1. While under moratorium, depositors will be allowed to withdraw a maximum of Rs 10,000 at any of the bank’s branches.

Customs duty removed on 82 items from Thailand

In keeping with its commitment, India has eliminated customs duty on 82 items that formed part of the early harvest scheme (EHS) in the India-Thailand Free Trade Agreement (FTA). From September 1 this year, duty-free access to the Indian market is available for these 82 items from Thailand.

Commodity exchange chiefs differ on FDI quantum

The chiefs of NCDEX and MCX are open to the idea of FDI while differing on its quantum. Mr P.H. Ravikumar, MD and CEO, National Commodity and Derivatives Exchange Ltd, said there should be a cap on the foreign equity investments in commodity exchanges. Mr Jignesh Shah, MD and CEO, Multi-Commodity Exchange, sees this as an opportunity for Indian bourses to merge with the global markets.

Nepal seeks climate compensation from China, US and India

Azman Usmani

Nepal is demanding climate compensation from the world’s biggest emitters of greenhouse gases after deadly floods in the country killed more than a thousand people and left even more missing.

China, the US and India have made “extremely large” contributions to climate change and left smaller nations “enduring the price of it,” Nepal’s Foreign Minister Shisir Khanal told Kantipur TV.

“Nepal must hold its head high internationally and turn this into a matter of justice,” he said in the interview, which was broadcast earlier this week. “We will raise this matter explicitly and forcefully on international platforms.”

Nepal’s demand for climate compensation follows the August 26 flash floods in the Bhotekoshi River basin, triggered by a massive rock and ice collapse near the Nepal-Tibet border. The official death toll has risen to 1,114, with nearly 4,000 people still missing, according to authorities, as floodwaters destroyed homes, key bridges and critical hydropower infrastructure.

The demand comes ahead of the United Nations’ annual climate summit in November, where developing nations are expected to press wealthier, high-emitting countries for more funding to cover climate-related losses and damage. Nepal’s push adds to a broader debate over who should bear the financial cost of disasters linked to a warming planet. “Nepal cannot reduce the



NEPAL. Tragic disaster ANI

world’s emissions on behalf of the polluters. It cannot protect the Himalayas through adaptation alone while the world continues to burn more fossil fuels,” the Global Campaign to Demand Climate Justice, a civil society coalition

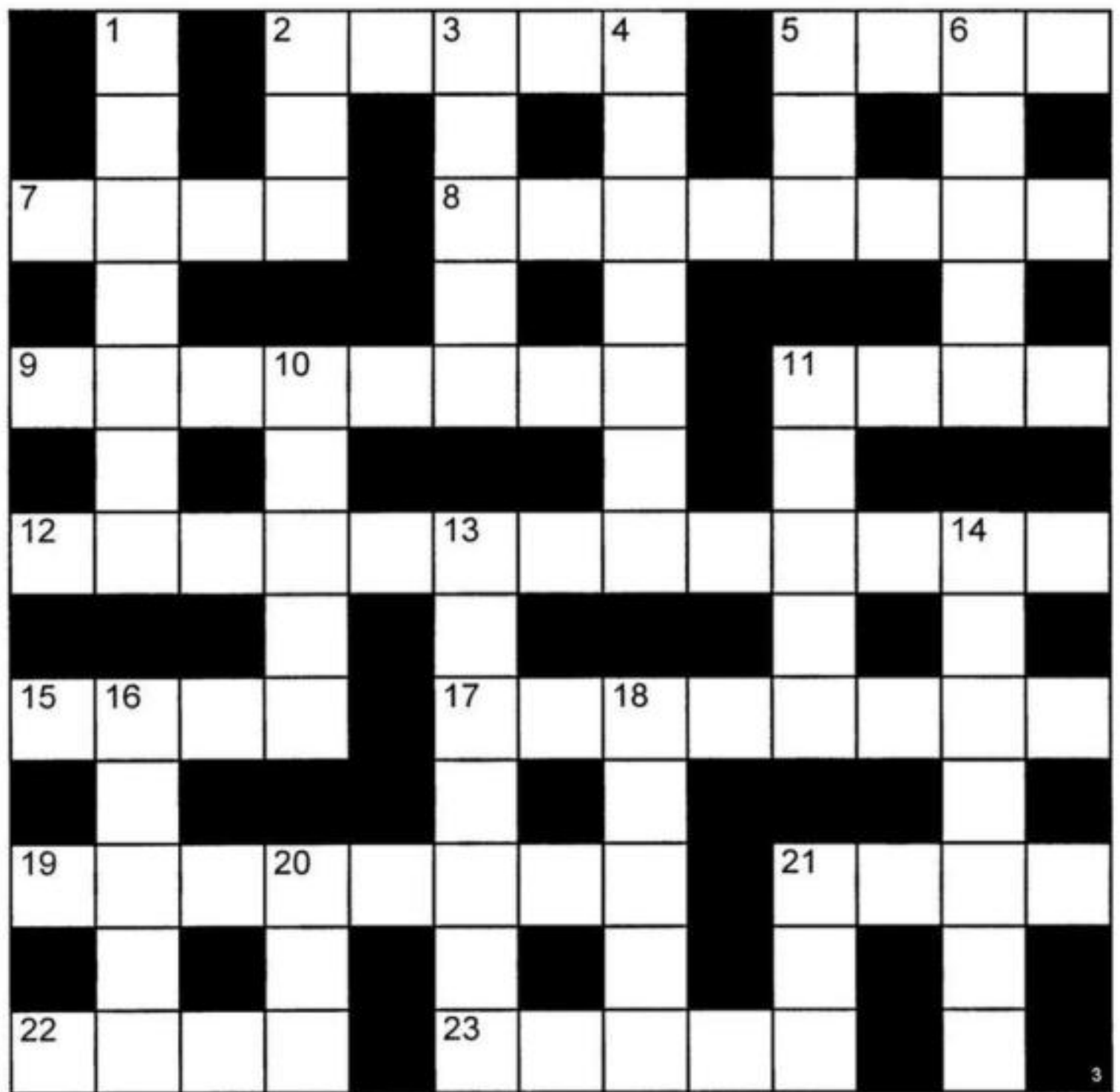
of 200 international groups, said in a statement on Tuesday. “And it should not have to take on more debt to protect its people from a crisis overwhelmingly created elsewhere.”

In the interview, Khanal said that Nepal has sought urgent relief from the UN’s Fund for Responding to Loss and Damage, set up to help vulnerable countries recover from climate-related disasters. According to local media, officials said in a letter to the fund that recovery costs far exceed domestic resources and that waiting for its board to meet in December would be too late.

Representatives for Nepal’s Ministry of Forests and Environment and the UN’s Fund for Responding to Loss and Damage did not immediately respond to requests for comment. BLOOMBERG

BL TWO-WAY CROSSWORD 2728

EASY



ACROSS

- 02. Manners, customs (5)
- 05. Single in number (4)
- 07. To snatch what one can (4)
- 08. Giving instructions (8)
- 09. Antiseptic of formic aldehyde (8)
- 11. Part of shoe over front of foot (4)
- 12. Idea formulated in advance (13)
- 15. Highest male voice (4)
- 17. Dangerous (8)
- 19. Event, something that happens (8)
- 21. A sorrowful cry (4)
- 22. Smile broadly (4)
- 23. Of small stature (5)

DOWN

- 01. The heat of emotion (7)
- 02. An unruly crowd (3)
- 03. To resist authority (5)
- 04. Branch of knowledge; trained skill (7)
- 05. Slang money (3)
- 06. The flax plant (5)
- 10. Aggressively masculine (5)
- 11. Necessary to life (5)
- 13. A brother’s or sister’s sons (7)
- 14. Ophthalmologist (7)
- 16. Large passenger-ship (5)
- 18. Proportion, quotient (5)
- 20. An electrically charged particle (3)
- 21. Humour; ingenuity (3)

NOT SO EASY

ACROSS

- 02. Customs and manners are in increased quantity to the South (5)
- 05. Except, this child has no siblings (4)
- 07. Lay hands on a change of garb (4)
- 08. Infer big changes are to be made in issuing instructions (8)
- 09. Antiseptic will take shape with a sort of anil (8)
- 11. Provide rough accompaniment on piano for woman out to get men (4)
- 12. Had an idea in advance of how one cop crept in (13)
- 15. Voice that would get her completely joined up (4)
- 17. How very dangerous lies pour from it (8)
- 19. An event AI concluded was casual (8)
- 21. Grieve over breaking law and putting one inside (4)
- 22. Ring the last in the lead with a broad smile (4)
- 23. A drink of spirits may bring about a failure in circuit (5)

DOWN

- 01. Vehemence seen over getting involved in mink (7)
- 02. A riotous assembly is only half able to move about (3)
- 03. One who won’t conform to some dire belief (5)
- 04. A branch of knowledge that stinks to a schoolboy (7)
- 05. It is a circle of money (3)
- 06. Flax that is at home in a chimney in Scotland (5)
- 10. The stomach often reveals a masculine image (5)
- 11. It is essential that five turn tail (5)
- 13. P.s.: new, he brings boys into the family (7)
- 14. Cuts oil out for the eye specialist (7)
- 16. A ship that may be put in the bin (5)
- 18. Rower holding it up shows the proportion (5)
- 20. Particle that no one can produce (3)
- 21. Is endlessly accompanied by humour (3)

SOLUTION: BL TWO-WAY CROSSWORD 2727

ACROSS 1. Questionable 8. Motorise 9. Fret 11. Early 12. Despair 13. Mope 15. Skua 19. Neither 20. Bacon 22. Neat 23. Aversion 24. Elephant seal
DOWN 2. Utter 3. Strays 4. Inside 5. Barrack 6. Entertaining 7. Impermanence 10. Ask 14. Primate 16. Shy 17. Craven 18. Iberis 21. China



OUR VIEW



Personal guarantees are back in India's limelight

The country's track record of dues-recovery based on personal guarantees for corporate loans has been poor. This could explain why Subhash Chandra's case is being watched so keenly

The ongoing controversy over Zee TV founder Subhash Chandra's personal liability under personal guarantees extended by him for loans taken by his Essel Group-linked firms has drawn into the limelight an arcane part of company law: the issue of personal guarantees in the context of credit extended to limited-liability companies, loosely referred to as 'corporates.' While the final outcome of the case is awaited, given the mind-boggling sums involved (with claims worth thousands of crores admitted), it is sure to put the role of personal guarantees and guarantors under greater scrutiny. Especially since a special bench of the National Company Law Tribunal has stayed an earlier NCLT order approving Chandra's ₹6.5 crore repayment plan and also restrained Chandra from selling or transferring property held by him, directly or indirectly, during the matter's pendency.

Section 5(22) of the Insolvency and Bankruptcy Code (IBC), 2016, defines a 'personal guarantor' as an individual who stands surety for a loan taken by a corporate debtor and thus promises to pay or discharge the corporate borrower's debt in case of default. Part III of the IBC is clear about the liability of the guarantor. It goes by Section 128 of the Indian Contracts Act of 1872: "The liability of the surety is co-extensive with that of the principal debtor, unless it is otherwise provided by the contract." Further, a creditor can proceed directly against the guarantor to recover dues without first exhausting legal remedies or recovery options against the primary borrower. The rationale of taking a personal guarantee is to ensure that this person has some skin in the game. As this individual's personal assets—are

distinct from corporate assets—are exposed to liquidation for loan recovery in case the principal borrower defaults, s/he is expected to keep the business solvent. Moreover, unlike earlier, when creditors could begin insolvency proceedings only against a corporate debtor under the Corporate Insolvency Resolution Process (CIRP) of the IBC, lenders can now also proceed against a guarantor while they pursue an insolvent company. Should the corporate IBC case be resolved, the guarantor's liability remains, so that any unrecovered portion can still be recovered from the promotor.

Indeed, to minimize scope for ambiguity, the IBC outlines a separate legal process for handling personal guarantors of corporate debt. While a company's insolvency is handled via the CIRP, a promoter's personal insolvency is governed by a distinct framework that is also adjudicated under the same roof—the NCLT. Over the years, jurisprudence in such cases has evolved substantially. In a landmark ruling—*Lalit Kumar Jain vs Union of India* (2021)—the Supreme Court of India firmly established that approving a resolution plan or completing the CIRP for a corporate debtor does not discharge a personal or corporate guarantor from legal obligations. It has since also been established (NCLT, Bengaluru) that proceedings against a personal guarantor under Section 95 of the IBC are independent and do not require a pending CIRP against the corporate debtor. Presumably, this is to guard against guarantors alienating their assets before a CIRP gets underway. Despite these judgements, the track record of recovery from guarantors has been poor, with most cases stuck in civil-court litigation. The Zee founder's case being so widely watched across the country shouldn't surprise anyone.

We have fewer state-run schools but that's no cause for any alarm

India's progress on schooling can't be measured by its school count. Here's what is really going on



ANURAG BEHAR
is CEO of Azim Premji Foundation.

Since a Niti Aayog report surfaced in June 2026, a familiar refrain has returned to public debate: nearly a lakh government schools have shut down over the past decade—proof, say critics, of the government abandoning public education and of the National Education Policy 2020 (NEP) working against the poor. The number is real. We have 94,000 fewer schools now than just over 1.1 million in 2014. The conclusion being drawn from it is not.

I say this having spent years observing the public education system and working with colleagues in these schools every day. The Azim Premji Foundation has close to 2,500 team members working directly with government schools across 63 districts in six states. They visit and work in nearly a lakh schools every quarter. In these districts, we have seen about 1,000 instances of what gets counted statistically as a school closure. In none of these cases has a child lost access to school, nor has it become significantly more difficult, while the quality of schooling has improved.

This is worth dwelling on because the attack seems so logical and its emotional appeal is so obvious (it suggests abandoned children) that we must resist emotive over-simplifications.

Almost all the closures we have observed on the ground fall into one of two categories and both are being read

in the same needlessly alarmist way.

The first is straightforward and common: two small government schools are within walking distance of each other, in the same habitation or adjoining ones, each too small to be run optimally. When one is closed, its children and usually its teachers move to the other, which also continues to serve the same children as before. Nothing changes for any child except that she now attends a school with more classmates and teachers and often a head-teacher who was earlier stretched thin across two campuses. Access for students does not get any more difficult as their school remains at walking distance after the merger.

The second is a more technical version of the same thing: two nearby schools are formally merged under a single management unit; this shows up as a 'closure' in the count, even though nothing on the ground actually shut down. The NEP is explicit that such rationalization must not compromise access, and in the cases we have observed, it has not. A spreadsheet cannot tell the difference between a school that vanished from a community and one consolidated with its neighbour, and much of the public conversation is being conducted at the level of the spreadsheet, not the lived reality.

Niti Aayog's own report can explain why states did this. India runs roughly five times as many schools as China for comparable enrolment; over 36% of our schools have fewer than 50 students. A small school cannot have subject-wise teachers even for subjects like language, math, science and social science, leave alone having teachers for art and physical education. Its physical resources are also limited. Teachers in such schools have to work in isolation and students do not get an important learning experience: of working with a number of peers. Consolidation is not neglect of the public system. It is an improvement.

The change makes teachers more effective, a part of the argument that critics rarely engage with. Consider a

teacher who earlier ran a small school alone: 25 children spread across five grades and three subjects, teaching everything to everyone, all day, with no one to share the load. After consolidation, that teacher may be one of two or three in a school of 50 students across the same five grades—more children learning within their peer group, and with work divided sensibly: one teacher takes languages across grades, another mathematics and science, a third the youngest grades. This is precisely what the NEP's emphasis on subject teaching and reducing the multi-grade burden is meant to produce. Three teachers each handling one subject well beats one teacher doing three subjects badly.

Not every closure everywhere in India has been handled well, admittedly. Nor does it mean oversights are unnecessary. Poor implementation is always possible and it must be watched for, especially in remote and difficult terrain. But the case being made by closure-data alarmists is not that specific implementation has faltered in specific places, it is a sweeping claim that school closures in themselves amount to an assault on public education and on the poor. That claim does not survive contact with the reality of classrooms and habitations.

What is happening, in the overwhelming majority of instances we have seen, is a slow and overdue correction: fewer, better-staffed, better-resourced schools replacing many small, thinly resourced, single-teacher ones. That this is being read instead as evidence of government apathy says more about the preconceptions people have than about what is happening in education.

The test of any such school system reform is simple: can every child still get to a functional school without difficulty and is the learning obtained better than before? On both counts, the evidence from the ground is reassuring. That evidence deserves at least as much attention as the number '94,000' being bandied about by critics.

10 YEARS AGO



JUST A THOUGHT

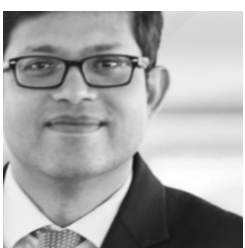
Creditors have better memories than debtors.

BENJAMIN FRANKLIN

THEIR VIEW

Do not let India's forex-reserve diversification slacken

DEEP MUKHERJEE



is a risk management and AI consultant, and a member of the visiting faculty, IIM Ahmedabad and IIM Calcutta.

Is there a twist in India's foreign exchange diversification tale? An International Monetary Fund (IMF) paper in 2022 identified India as among the major countries diversifying its forex reserves to non-traditional currencies. At 10% of its reserves, India's share of non-traditional currencies was at the same level as those of Germany and Switzerland, but below those of Indonesia, South Africa and France. By the latest count, India's forex reserves stood at \$729 billion. Foreign currency assets (FCA) made up 81.1% of these and gold 16.7%. Note that FCA includes foreign currency investments in Treasury bonds and the like, as well as deposits denominated in mainstream currencies such as the dollar, euro, pound and yen, plus others such as those of Australia, Canada and Sweden. Between March and August, India's forex reserves increased by 5.5% and its FCA by 7%. The Reserve Bank of India (RBI), like many Asian central banks, does not publish currency-wise forex positions. However, it may be assumed that the

FCA increase was driven by dollar-denominated deposits by overseas Indians made with banks in the country to benefit from the special incentives on offer.

India's FCA fell from 94% of reserves in 2017 to 80% in March 2026, the lowest in 30 years, before rising to just over 81%. The concentration of dollars in India's reserves may have increased. The numbers suggest a detour from diversification. One hopes that RBI does not move away from its diversification agenda in the hope of supporting the rupee. Globally, most central banks, including of America's closest allies, are diversifying away from the dollar. While the greenback will remain dominant, US debt is no longer risk free; major global rating agencies do not consider it AAA level. Arguably, in an extreme global crisis, a diversified reserve base may be more beneficial than over-dependence on any single currency.

Who is eating into the dollar's share of reserves? In 2001, the dollar constituted 71.5% of the global reserves of central banks. This share fell to 57.1% by the first quarter of 2026 (IMF: *Currency Composition of Official Foreign Exchange Reserves*). Mainstream currencies, however, have not taken the dollar's share. The euro falters to deceive. In 2001, it formed 18% of global reserves and

surged to 27.7% by 2009 before retreating to 20% currently. Likewise, the yen's share has fluctuated between 4% and 6% since 2000. The pound has done surprisingly well with a slice of about 4%. It is the non-mainstream currencies that have gained prominence in global reserves. They have grown from 2% in 2000 to 13% currently.

Drivers of forex reserve composition: The ratio of FCA vis-à-vis gold and share of dollar holdings within FCA are mainly driven by two factors. *One*, the need for dollar liquidity; and *two*, a country's integration with the US, financially and geopolitically. High integration with the US financial system explains the high dollar holdings of the UAE and South Korea, for example.

Meanwhile, Türkiye, despite being a net importer with a structural need for dollar liquidity, keeps over half of its reserves in gold for geopolitical considerations. Germany, France and Italy, all net exporters and thus with limited dollar needs, have traditionally held large gold reserves. Gold's

share of their reserves have climbed from 60% to 80% over the last decade.

India, being a net importer, needs ample dollars for imports. Its integration with the US financial system is at best moderate and it is geopolitically positive to neutral in this context. So, while it needs dollar liquidity, it

must diversify too. This is not a de-dollarization drive but aimed at managing global financial market risks. Some of the US's closest allies have among the highest gold holdings or lowest dollar holdings.

Although RBI has successfully guided India through forex turmoil, some further considerations may be noteworthy.

Coverage re-map: India has moved way ahead of its 1991 balance-of-payments crisis days. Thus, high forex reserves need not make for a victory parade. They come with a cost and have diminishing marginal utility. We should stop looking at reserves as a cover for a varying number of months of imports. Let's look at them as a buffer for net imports, should India suffer the stress of, say,

Reducing our currency concentration risk would not be seen as an attempt at de-dollarization



THEIR VIEW

What the World Bank's B-Ready survey could tell us about India

What we do with findings of this remade tracker of business conditions will matter more than the rank it assigns the country



TULSI JAYAKUMAR

is professor, economics, and executive director, Centre for Family Business & Entrepreneurship at Bhavan's SPJIMR.

The World Bank's Business Ready assessment, B-Ready, will publish its findings on 101-plus economies this September. For the first time since its predecessor, the Ease of Doing Business (EoDB) ranking, was shelved, India's business environment will be measured against the rest of the world by an entity other than itself.

The World Bank discontinued its Doing Business survey in 2021 after an independent investigation found that senior bank officials had pressured staff to alter data in the 2018 and 2020 editions, most visibly to lift China's ranking. Azerbaijan, Saudi Arabia and the UAE saw their scores adjusted too. The rebuilt B-Ready, launched in 2024, is a methodology that leans less on expert opinion of what national laws say and more on what thousands of firms report actually happens to them. For India, this history matters. It means the exercise the country now faces has been redesigned specifically to close the loophole that discredited its predecessor, which makes a strong Indian showing worth more than a Doing Business ranking once was.

India boasts of strong macroeconomic numbers in 2026, with a 7.7% GDP growth rate last fiscal year (the fastest pace among the world's major economies), nominal GDP of \$4 trillion, inflation held within its target range, an import cover close to 11 months and a modest 1.1% current account deficit. Behind these numbers lies a decade of reform efforts by the Department for Promotion of Industry and Internal Trade (DPIIT), comprising seven editions of the Business Reforms Action Plan, over 9,700 state-level reforms, more than 47,000 compliances reduced and a national single window system linking approvals across three dozen states and central ministries. The change has been dramatic at the entry stage: a company can now be registered, tax-enrolled and bank-ready within a week through a single digital filing. Startup India has recognized over 185,000 new enterprises, most within days of their applying.

However, there is need for caution. The old Doing Business framework scored regulation largely as it was written, judged mostly by expert opinion on how good our laws looked on paper. B-Ready asks: does the written code match the practice? It pairs expert assessment with direct firm surveys, asking not just whether a rule exists, but whether business owners across tier-2/3 cities experience it the way it was intended. That is a higher bar, and even economies with strong reform reputations elsewhere have found it exposes gaps their own reporting had missed.

B-Ready also follows a firm through its entire life, covering location, labour, finance, trade, taxes



and what happens when things go wrong. This is where India's record thins out. Our courts have 50 million pending cases, a backlog that has grown roughly 80% in a decade; land and property disputes account for a striking share of it. Close to two-thirds of all civil litigation can be traced to who owns what piece of land. Parliament passed the Commercial Courts Act in 2015 precisely to speed up business disputes, aiming for court judgements within a year, but the implementation of its procedures has been uneven across states. Inaction is not necessarily to blame. Land-record digitization, a key enabler, has made real if patchy progress and dedicated commercial courts work well in a number of places. That unevenness, however, is what a firm-level survey is designed to catch.

These gaps cannot all be read as a failure of will. Land is a state subject under India's Constitution and the judiciary is rightly independent of the executive. No central ministry, however well-run, can legislate its way into the timeline of another branch of government or into the differing capacities of 28 states. The DPIIT's reform tools, from compliance reduction to digital platforms, are real instruments, but they were never designed to compel a court's pace or a state land administration's efficiency. Judged against what the DPIIT actually controls, its record looks impressive.

Lacunae at the ground level does not mean India should expect a poor showing on B-Ready overall, nor that the assessment will simply validate every

doubt. The country is likely to score high on 'business entry,' where digital systems genuinely deliver what they promise, and equally likely to fare poorly on 'dispute resolution,' where the gap between statute and courtroom reality has been documented by independent legal researchers for years, long before this exercise came along. A mixed, pillar-by-pillar result would not be an indictment of India's reform thrust. It would accurately reflect an economy where some parts of government can move quickly and others, by design, cannot.

Whatever September's numbers show, India's demographic clock provides a significant reason for policymakers to keep pushing regardless of the score. India's working-age population is projected to peak around 2041. We have perhaps 15 years in which our growth and workforce advantage will move in the same direction before the arithmetic turns against the economy. What matters is whether millions of workers who are still in low-productivity agriculture can actually move into better jobs. This is a shift that depends as much on functioning courts and clear land titles as on how quickly a business startup can be registered.

The World Bank's B-Ready should be taken as less a verdict than a mirror, a genuinely useful one, after six years without such a report card. What we do with what this survey shows will matter more than the rank itself.

These are the author's personal views.

MINT CURATOR

The Nepal tragedy highlights the value of big reservoir dams

Don't shun storage hydro projects that could help fend off disasters



DAVID FICKLING

is a Bloomberg Opinion columnist covering climate change and energy.



Development banks largely stopped funding hydro power in the 1990s.

PTI

In the popular imagination, there is only one threat to picturesque mountain landscapes that can compete with the destruction wrought by flood disasters like the torrent that swept through valleys on the Nepalese-Chinese border: dams. These concrete behemoths replace occasional catastrophic natural inundation with one that is permanent and artificial. Pristine river valleys disappear beneath reservoirs. Communities are forcibly relocated, their lives uprooted.

Those criticisms are true. But the events of the past week, with 955 dead and more than 4,000 still missing, should be a warning that the imagined counterfactual is false. Roads, tourism, trade and settlement are already transforming remote mountain communities. Meanwhile, warming is destabilizing the very soil on which homes are built and sparking disastrous floods. The question is whether development will include the infrastructure needed to manage increasingly volatile rivers.

The damage caused by some large dam projects is real. India's efforts to build a string of reservoirs on the Narmada River displaced hundreds of thousands of poor, tribal and low-caste families. That injustice sparked a movement that helped give hydro such a bad name that development banks largely stopped funding it in the 1990s.

In retrospect, this was a terrible outcome. Hydroelectricity is one of the few forms of generation to match the rock-bottom prices of wind and solar. When it is built with a storage reservoir, it also provides on-demand, zero-carbon electricity that can be stored from one month to the next. Such dams can also help control floodwaters that could do grievous damage to downstream communities.

A potent example happened in 2018 on the other side of the Tibetan plateau. After a landslide blocked part of the upper Yangtze River and formed a vast unstable lake, dam managers at six reservoirs downstream proactively dumped 1.3 billion cubic metres of water so they would have enough capacity to absorb an outburst flood. Along with other measures, that appears to have substantially reduced the damage done. Storage dams in Austrian river valleys in recent decades have reduced extreme water levels by about a third relative to their previous peaks, as per a 2022 study.

The withdrawal of funding from aid donors didn't stop hydro being built. With the World Bank sitting on the sidelines in the 1990s, China self-financed the Three Gorges Dam, the world's biggest power station. Africa's largest, the Grand Ethiopian

Renaissance Dam, was also largely paid for out of Ethiopia's meagre domestic budget amid objections from neighbours. Tanzania is now doing the same.

Nepal itself is going through a mini-boom, driven by private developers building run-of-river generators—a sort of water-wheel on a massive scale that cannot store significant volumes. About 90% of hydro in Nepal is this type, which provides little of the on-demand power or flood-control benefits of storage dams. The workers missing or rescued from flooded construction tunnels after last week's disaster were all building run-of-river plants.

The funding drought from multilateral donors has been persistent. Back in 2004, the World Bank argued the pendulum had swung too far against hydro and vowed to reverse this trend. Despite that, the sector has not benefited from a spending surge on renewable energy since.

Commitments for hydro comprised just 2.8% of energy funding by major development banks in 2022, the lowest share since 2009. Since the 2015 Paris Agreement, they have promised \$8.7 billion. Even fossil-fuel production and generation have done better, at about \$12 billion.

That's a perverse outcome. Hydro is likely being crowded out by more bankable solar, wind and battery plants, but the point of development banks is to finance projects that don't pencil out well in raw cashflow terms. It's hard to put a dollar value on the lives and livelihoods saved if a once-in-a-century flood can be prevented by the sort of water engineering rich nations take for granted. The benefits are nonetheless real.

Nepal's vast natural water resources and relatively small population should allow it to earn good money selling electrons to its energy-hungry neighbours. Yet, until 2023, it was importing more power from India than it was exporting. A transmission line to Bangladesh only went into operation last year. Even amid the current building boom, it has completed just 3.4GW of the 42GW of hydro capacity that's economically viable, with another 4.3GW under construction.

Will the next generation of hydro projects merely extract electricity with run-of-river dams? Or build storage dams that give downstream communities greater protection from the consequences of our increasingly deadly climate?

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THEIR VIEW

Think ahead: we must adapt insolvency to the age of AI

DEVENDRA MEHTA



is an INSOL fellow & interim leader.

Artificial intelligence (AI), Generative AI, Agentic AI and other AI tools are gradually being adopted by insolvency professionals to enhance productivity. The benefits of AI for claims processing, document summarizing, identification of financial anomalies and evaluation of resolution plans are self-evident, provided that the output of AI tools is put to critical human scrutiny. Companies are also adopting AI tools with gusto and assimilating them into their operations. This implies that in insolvency cases of the future, resolution professionals (RPs) will need to understand the AI tools used by insolvent companies. These technical skills may be either self-acquired or outsourced.

At the heart of India's Insolvency and Bankruptcy Code (IBC) is a moratorium on any disruption of services essential or critical to a company. AI tools and the associated cloud infrastructure may qualify as one of the aforesaid services in future cases. These services must continue if regular payments

are made for the period under insolvency. A corporate will have AI services that are billed in advance as well as those that are billed with a lag.

Services billed in advance would include commitments such as reserved cloud capacity and pre-paid usage. Services billed with a lag may include charges for AI model interfaces, 'tokens' used by AI platforms, cloud computing beyond monthly quotas and sundry data processing services. However, what is the course of action if some lagging-bill vendors halt their services for non-payment of invoices predating the insolvency commencement date? Moreover, these vendors may be situated overseas, beyond the jurisdiction of the National Company Law Tribunal (NCLT); the operative legal provisions of cross-border insolvency are still awaited.

The RP is also tasked with duties, primarily taking control of the corporate debtor along with all its assets and determining its financial position. Herein will arise another challenge. The assets may comprise the corporate debtor's data and prompts running on a third-party AI platform. How does one segregate the two? And whose asset is the AI response generated? Further, bereft of the platform, for a valuer, what is the value of the proprietary data (unless one assumes the

interchangeability of AI models) that would yield similar output given the same inputs?

Another duty of the RP is to comply with every law. We are all aware of Nick Bostrom's 'paperclip maximizer' thought experiment, wherein, in a quest to maximize paperclip production, an AI system would pursue the goal so diligently that it would consume all of Earth's metal resources. In similar vein, if an AI agent tasked with quality inspection but trained to maximize profitability clears goods with slight defects, will the RP be liable for such a breach?

Avoidance transactions, those that are impermissible in law and deprive the corporate debtor of assets through shady means, are another issue that calls for attention. However, a deal that seemingly qualifies as an avoidance transaction but was undertaken in the normal course of business may fall outside its realm. In the case of a corporate debtor whose AI agent executes a transaction, would it be deemed to be one in the normal course of business, even though

the same transaction undertaken by a human may have been categorized as probable avoidance? Further, what if its counterparty is also an AI agent? Surely, *prima facie*, this would be in the normal course of business. But what if agentic models have been trained unfairly by manipulation of model

weights? Thus, an RP must understand how an agent has been trained to act, which may be difficult to fathom even in an ideal scenario as it would require access to training data, structured metadata, input context, reasoning chains, alternatives considered and audit trails.

Liquidation and the distribution waterfall too will face new questions. A liquidation order is a notice under which employees and workers are discharged. Could an AI model vendor, for example, stop supplying services on the argument that an AI agent was part of the firm's workforce? Also, what will such an agent qualify as under the liquidation waterfall: worker, employee or vendor?

As AI tools proliferate in the world of busi-

ness, the aforesaid issues and others currently beyond imagination, will come to the fore. Thus, the Insolvency and Bankruptcy Board of India (IBBI) and relevant regulators should come together to study potential scenarios and devise appropriate solutions.

The ministry of corporate affairs is in the process of developing an Integrated Platform for Insolvency Ecosystem (IPIE) that is designed to assimilate all stakeholders of the insolvency ecosystem. Going a step further, in conjunction with the National Financial Reporting Authority, it could mandate auditors to audit and report on AI tools used by corporates. This information should remain confidential but may be accessible to an RP in the event a company is admitted to insolvency; although the IBC requires a service provider of the corporate debtor to extend cooperation to the RP, a database would be a quicker means of action.

Finally, the Indian legislature and IBBI would do well to hold wide-ranging stakeholder conversations, not only within the insolvency ecosystem but also with technologists who are well versed in the subject of AI adoption by India Inc. If we fail to adapt IBC processes to the AI age, grey areas will provide fertile ground for litigation, with concomitant delays to the process.

India mustn't let grey zones created by this technology's adoption get in the way of resolutions

Economy

THURSDAY, SEPTEMBER 3, 2026

IN THE NEWS

CCI FLAGS FEE FIXING BY TAI, THREE TRUSTEES



THE COMPETITION COMMISSION of India (CCI) on Wednesday found the Trustees' Association of India (TAI) and three debenture trustees guilty of fixing benchmark fees for trusteeship services but decided not to impose a monetary penalty after taking into account various factors relating to their conduct. The three trustees include IDBI Trusteeship Services, Axis Trustee Services and SBI CAP Trustee Company. The case was brought before the CCI by Muthoot Finance which alleged that fees charged by its debenture trustee - IDBI Trusteeship Services - had increased sharply after TAI introduced benchmark pricing structure.

43-GW wind energy projects set up India for capacity surge



INDIA'S WIND SECTOR has a 43-GW project pipeline under construction, setting the stage for a sharp acceleration in capacity additions, while domestic turbine manufacturing capacity has climbed to 24 GW annually and equipment exports crossed ₹12,000 crore in FY26.

'Extend green financing facility to nuclear energy'

INDIA SHOULD REVIEW its green-finance frameworks to bring nuclear energy within the ambit of sovereign green bonds, RBI green deposits and Sebi green debt securities, NITI Aayog Member Abhay Karandikar said, as the country prepares to scale nuclear power capacity to 100 GW by 2047.

Govt to hold workshop on FTAs today

THE COMMERCE MINISTRY will hold a national workshop on September 3 to sensitise states and exporters about market opportunities arising from India's free trade agreements (FTAs), as the government steps up efforts to leverage these pacts to boost exports, an official said.

FE BUREAU & AGENCIES

Japan rating agency upgrades India to 'A-'

FE BUREAU
New Delhi, September 2

JAPAN CREDIT RATING Agency (JCR) on Wednesday upgraded India's sovereign ratings from 'BBB+' to 'A-', with a Stable Outlook, the first by an international rating agency after a gap of over 35 years. The rating of 'A' refers to a high level of certainty to honour financial obligations. BBB refers to the lowest investment grade. Other global rating agencies have their rating in BBB category including BBB- by Fitch, while S&P at BBB.

JCR cited strong economic growth, improved fiscal management, robust financial-sector fundamentals, and effective

US STILL SUPPLIED 35% OF LNG, 50% OF LPG IN AUGUST

Gulf suppliers claw back share in LNG, LPG imports

SAURAV ANAND
New Delhi, September 2

THE UNITED STATES remained India's biggest individual supplier of both LNG and LPG in August, accounting for nearly 35% of LNG and 50% of LPG imports, but traditional Gulf suppliers are beginning to regain ground, particularly in cooking-gas shipments, according to Kpler data.

India imported 858,500 tonne of LNG from the US in August, an 18.6% month-on-month increase from 723,800 tonne in July. That gave the US a 34.8% share of India's total LNG imports of 2.46 million tonnes (mt) during the month.

Combined supplies from Qatar, Oman and the UAE, meanwhile, stood at about 769,100 tonnes, or 31.2% of LNG imports. While Gulf volumes were 3.8% lower than July, they were 11.4% higher than the 358,700-tonne level in May, significantly narrowing the gap with US supplies.

Oman led the Gulf LNG basket in August with 524,700 tonnes, up 14.3% from July, followed by the UAE at 244,400 tonne. Qatar supplied no LNG during the month. Nigeria, meanwhile, shipped 540,700 tonne, making it India's second-largest individual LNG supplier after the US.

SUPPLY SHUFFLE

GULF REBOUNDS: Qatar, Oman and UAE LNG shipments reached **769,100 tonne**, narrowing the US lead

■ India's LNG imports climbed **5.3%** month-on-month to **2.46 million tonne**

LPG SWINGS: US LPG shipments fell **19.4%**, while Gulf supplies surged **44.2%** from July



Overall LNG imports increased 5.3% month-on-month, from 2.34 mt in July.

The battle for India's LPG market showed a sharper comeback from the Gulf. US LPG supplies, though still dominant at 719,300 tonne, fell 19.4% from 892,700 tonnes in July. Its share nevertheless remained just above 50% of India's total LPG imports of 1.43 mt in August.

In contrast, combined supplies from the UAE, Qatar, Kuwait, Saudi Arabia, Iran, Oman, Bahrain and Iraq jumped 44.2% month-on-month to 448,900 tonne, lifting the Gulf's share to 31.3% from 24.9% in July.

The UAE's LPG shipments surged 72.4% to 175,800 tonnes, while supplies from Kuwait more than tripled to 147,600 tonnes from 44,200 tonnes. Qatar's shipments rose to 65,400 tonne from 19,300 tonnes. Iran supplied 16,300 tonnes and Oman 20,900 tonnes during August.

India's overall LPG imports rose a sharper 14.5% month-on-month from 1.25 mt in July. The rise in imports coincided with stronger domestic consumption. According to the Petroleum Planning & Analysis Cell (PPAC), India's LPG consumption reached a six-month high of around 2.42 mt in August 2026 on a provisional

■ UAE LPG cargoes jumped **72.4%**, while Kuwait shipments more than tripled

■ LPG imports rose **14.5%** as August consumption hit a six-month high, though still **14%** below a year earlier



basis, rising 3.2% month-on-month. Consumption, however, remained more than 14% lower year-on-year.

The August numbers underline the reshaping of India's gas-supply basket after the US rapidly expanded its presence earlier this year. In LPG, Washington retains a sizeable lead, but the 44% monthly rebound in Gulf cargoes against a 19% decline in US shipments signals renewed competition for the Indian market.

For LNG, the US-Gulf gap has also narrowed sharply from May, with Gulf volumes now once again accounting for nearly a third of Indian imports.

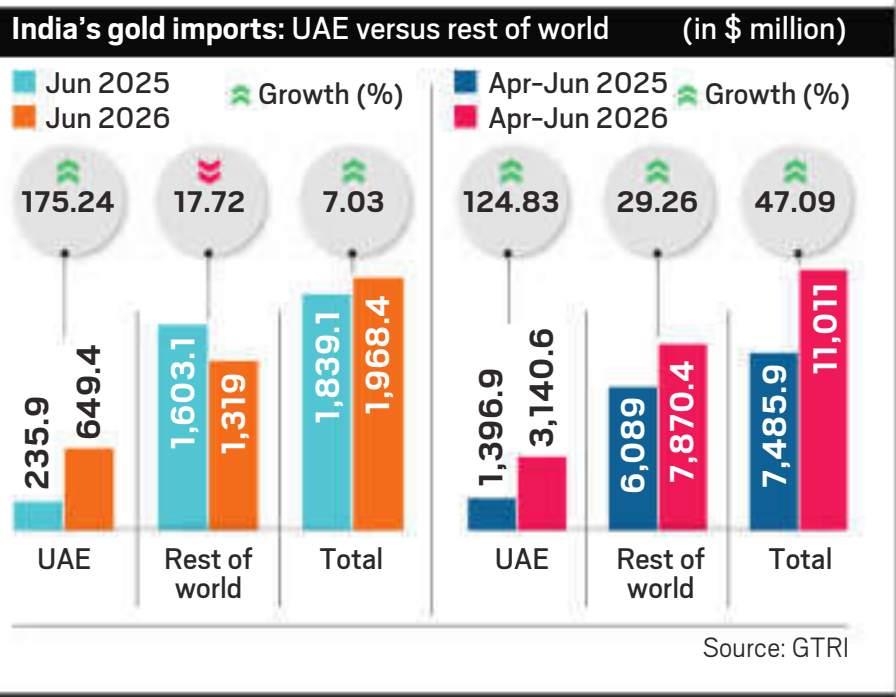
Q1 GOLD IMPORTS UP 47%, UAE KEY DRIVER

AT A TIME when Prime Minister Narendra Modi renewed his appeal to citizens to avoid unnecessary gold purchases, data from GTRI show that imports of the yellow metal from the United Arab Emirates (UAE) grew four times more than those from the rest of the world during the three months to June this year. The UAE's share in India's gold imports jumped from 12.8% in June 2025 to 33% in June 2026. The note says the Centre should review the lower



tariff—14% as compared to the normal rate of 15%—offered on gold under the India-UAE free trade agreement. India's gold-bar imports surged 47% to \$11 billion in April-June this year.

—Saikat Neogi



ACMA 66TH ANNUAL SESSION

Chip companies set to get waiver from BIS standards

FE BUREAU
New Delhi, September 2

TO STREAMLINE HIGH-TECH manufacturing and ease supply chain friction, the government is introducing a new regulatory framework that will exempt advanced technology companies from mandatory Bureau of Indian Standards (BIS) quality certification rules for imported components.

Speaking at the 66th Annual Session of the Automotive Component Manufacturers Association of India (ACMA), Commerce and Industry Minister Piyush Goyal stated that high-tech industries—particularly semiconductor—will be permitted to source components globally without facing regulatory bottlenecks. "One semiconductor company needs 13,501 components to make a chip. We are coming up with a new regulation where high-tech sectors will be exempt from all mandatory standards certifications, allowing companies to source from anywhere in the world to build resilience," he said.

Many high-tech manufacturing companies have pointed to the lengthy procedures and delays in getting quality approvals for many of the inputs which is slowing down their progress in India.

Goyal said India's engagement with the US, Europe and other developed economies represented a decisive shift from the country's earlier approach of protecting domestic industry from international competition.

"Now it is time that we go to the world. We start manufacturing



Commerce Minister Piyush Goyal meets US Ambassador to India Sergio Goro during ACMA's 66th Annual Session, in New Delhi on Wednesday

across the world. We will start making our footprint in developed countries," Goyal said. The ministers said India had concluded nine trade agreements over the past four to five years covering 38 developed countries and providing two-way market access to economies with a combined GDP of around \$60 trillion.

The commerce minister contrasted this with trade agreements concluded before 2014, which, according to him, collectively represented markets with a GDP of around \$10 trillion at today's value.

Goyal also proposed creating dedicated industrial infrastructure to facilitate deeper international manufacturing partnerships. He suggested that India could develop US-India industrial parks, along with spe-

cialised parks exclusively for auto-component manufacturers, with plug-and-play infrastructure designed around the industry's requirements. "I'd like to also invite certain countries to look at having enclaves. Maybe we should have one of these parks dedicated to a US India park," he said.

He suggested that two or three, or even five, such parks could be developed specifically for auto components. Goyal linked India's industrial policy increasingly to the need for resilient global supply chains.

He said government initiatives in semiconductors, speciality steel and technical textiles should not be viewed in isolation but as efforts to strengthen the manufacturing ecosystem supporting sectors such as automobiles.

Gor pitches for friction-less trade between India & US

FE BUREAU
New Delhi, September 2

US AMBASSADOR TO India Sergio Goro on Wednesday said that as both countries work through the details of their trade relationship, they should aim to create an environment where American suppliers and technology can freely access the Indian market and Indian firms can compete fairly in the US market.

Addressing the Automotive Component Manufacturers Association of India (ACMA) at its 66th annual session, he said, "Our two governments are working closely together to build a trade relationship that is fair, reciprocal, and mutually beneficial." He said Commerce and Industry Minister Piyush Goyal will travel to the US at the end of this month for the G-20 Trade Ministers' meeting to continue engaging in negotiations on the trade agreement.

India and the US agreed to the framework of the interim

MARKET ACCESS



■ US suppliers and technology should gain freer access to India, while Indian firms compete fairly in the US

■ Piyush Goyal is set to visit the US later this month for G20 trade meetings and negotiations

trade agreement that would then expand to the Bilateral Trade Agreement (BTA) in February. Since then talks have been ongoing to finalize the agreement. Both sides have held three rounds of in-person talks on the

deal. The first round was held in Washington in April and two were held in June. In the last meeting at the end of June, US Trade Representative (USTR) Jamieson Greer visited New Delhi to push the negotiations. Goro said the US-India relationship stands at a historic high point. "Pick any sector that the United States and India are working together on: from pharmaceuticals, to military sales, to military exercises, to IT, data centers, to even the moon."

The automotive sector, the Ambassador said, provides a clear illustration of how the relationship is evolving. Rather than merely exchanging components, Indian and American companies are increasingly investing in each other's markets and becoming integrated into common manufacturing networks.

He invited more Indian auto component manufacturers to invest in the US and promised them help.

Don't expect major revision to Q1 GDP data: MoSPI secy

● Rejects view that nominal GDP should be 2.6%

SHUBHAM RANA
New Delhi, September 2

PUSHING BACK AGAINST criticism of the latest gross domestic product (GDP) data, the Ministry of Statistics and Programme Implementation (MoSPI) Secretary Saurabh Garg on Wednesday said that the previous-quarter growth prints saw sharp revisions due to the use of the producer price index (PPI) and the double deflation method in the manufacturing sector.

Going forward, there should be no substantial revisions in the April-June quarter GDP number, barring a few basis points that usually happens, Garg said.

Government data released on Monday showed India's GDP

GROWTH DISPUTE

■ Government says sharp past revisions reflect better data, methodology changes and greater use of PPI

■ No substantial changes to the April-June growth figure, apart from routine few-basis-point adjustments

■ MoSPI dismisses former finance secretary Subhash Garg's nominal GDP growth calculation



Q4 GROWTH REVISED: January-March GDP growth was raised to **8.6%** from **7.8%**, reflecting updated indicators and newly available data

■ April-June GDP grew **7.8%**, with nominal growth at **10.3%**, according to the latest data

growth at 7.8% in April-June, which was much higher than the Reserve Bank of India's and most economists' expectations. Nominal GDP growth was 10.3% in the June quarter.

The MoSPI secretary also refuted claims by former finance secretary Subhash Chandra Garg of nominal GDP growth being 2.6% in Q1FY27. The former finance

secretary had said that nominal GDP growth was revised down from Rs 86 lakh crore to Rs 80 lakh crore to make growth in April-June "look better". If last year's number had not been revised, growth would have been 2.6%, the former bureaucrat had claimed.

The latest GDP data also showed substantial revisions to past data, including for the

January-March quarter where growth was revised higher to 8.6% from the provisional estimate of 7.8%.

These changes were because of the MoSPI shift from wholesale price index (WPI) to PPI, which has much more granular data compared to WPI, the secretary said. The number of deflators used in GDP calculation has risen to

around 300 in the new GDP series from 180 deflators in the old series, providing much more granularity, the secretary said.

Another reason for the Q4FY26 growth revision was new data that was not available in June, when March quarter GDP numbers were initially released, the secretary said. "So it's a combination of both these, which has led to these changes. Otherwise, if you see the previous quarters, it has not been so significant changes," the secretary said. The secretary said that quarter to quarter changes to GDP prints is normal because they are based on indicators while the annual numbers are based on actual output.

"Given the fact that we have more real-time data available now than we had 5 years back or 10 years back, we would expect that the

changes should be lesser going ahead. But I would not like to speculate on what exactly would be the nature of these changes," the secretary told reporters.

MoSPI earlier on Wednesday issued a Q&A on GDP estimates, where the ministry rejected former finance secretary Garg's claims of 2.6% nominal GDP growth in Q1FY27. "The change in the estimate of Q1 2025-26 does not represent a downward revision made to make the current year's growth appear higher. It reflects successive methodological and data revisions to the GDP series," the ministry said. The ministry said that GDP numbers from different series cannot be compared to arrive at the growth rate. MoSPI said that the ₹86.05 lakh crore nominal GDP figure was under the old GDP series which had 2011-12 as the base year.



AATMANIRBHAR FOR ENERGY
Union minister Jitendra Singh

“In the prevailing environment of geopolitical uncertainties, disrupted supply chains and volatile energy markets, it is imperative for India to be self-reliant, indigenous, and technology-advanced in the energy sector

Problem of plenty

Managing the liquidity deluge will test RBI; it must balance inflation risks with banks’ interests

THE DELUGE OF dollars from what has been a hugely successful mobilisation of special Foreign Currency Non-Resident (Bank) [FCNR(B)] deposits may have helped stabilise the currency, but the rupee liquidity it is generating could become a big headache for the Reserve Bank of India (RBI). At \$127 billion, the response to the FCNR(B) window has been overwhelming and possibly well beyond the central bank’s expectations. Managing the additional rupee liquidity of roughly ₹12 lakh crore that could flow into the system will not be easy. The surfeit is already showing up in daily liquidity surpluses, which are approaching ₹8 lakh crore. That compares with the average system liquidity of ₹3.57 lakh crore in August and just ₹1.07 lakh crore in July. What helped solve one problem for the RBI could therefore create another.

Some of this liquidity will, of course, be absorbed in the normal course as the economy enters the busy season. The festive months should spur demand for retail credit, while loan growth at banks and non-banking financial companies has been running at around 17-18% year-on-year in FY27 so far, albeit on a modest base. There is reason to expect a healthy pace to continue. Seasonal outflows towards tax payments will absorb some funds too. But even after allowing for stronger credit demand and these leakages, the banking system is likely to remain awash with money, not least because banks will continue mobilising domestic deposits. Too much liquidity for too long can distort short-term rates, weaken monetary transmission, and eventually add to demand-side price pressures.

The RBI has been trying to soak up the surplus through variable rate reverse repo (VRRR) auctions, but with limited success. Despite offering large amounts across tenures, banks have shown little appetite for locking up funds for a fortnight or even a week, preferring short-dated and overnight instruments. The central bank must now decide whether persistence with VRRRs will suffice or whether more durable sterilisation is required. An incremental cash reserve ratio (CRR) could absorb liquidity quickly, but would impose costs even on banks that did not participate meaningfully in the FCNR(B) mobilisation. Cash Management Bills, the Market Stabilisation Scheme, or open-market operation sales are other possibilities. The choice matters: The RBI needs to drain enough liquidity to retain control over monetary conditions without penalising some banks disproportionately or unnecessarily pushing up bond yields and funding costs.

Some liquidity-draining action will nevertheless be necessary because inflation, while hardly raging, is not benign either. The RBI expects headline inflation to remain above 5% from September through June 2027, peaking at 5.9% in the third quarter before easing. The Monetary Policy Committee has so far refrained from raising rates because price pressures remain concentrated largely in food and fuel rather than becoming broad-based. But abundant liquidity warrants greater vigilance, particularly after the economy expanded a stronger-than-expected 7.8% in Q1FY27. The immediate task is not necessarily to raise the repo rate; it is to ensure that surplus liquidity does not undermine the prevailing policy stance or fuel broader inflationary pressures. If demand pressures strengthen and inflation becomes generalised, the MPC should not hesitate to act. For now, RBI’s bigger challenge is one of calibration: Sterilise the FCNR(B) windfall without over-tightening, treat banks equitably and communicate its liquidity strategy clearly. After successfully attracting the dollars, managing the rupees may prove the harder part.

The city is losing its soundtrack

WORK COMMUTES ON public transport are almost universally dreaded by modern urban white-collar employees. However, the commute itself is also an ever-evolving package of inconveniences, and its latest offering is particularly jarring to one’s ears even more than usual. A pertinent new addition to the usual cacophony of announcements, phone calls, the oft-wailing and flailing infant, and the occasional argument broadcast to the entire coach has made itself heard prominently—sounds from people scrolling their social media feeds without their headphones.

A common solution is to plug in your earphones and drown it out. But at the risk of sounding Fortean, I would posit that this is where the attention economy gets us exactly where it wants us to be—dependent on it either way. Scroll through the commute, and you insulate yourself from the person who seems intent on making the entire coach privy to snippets from their feed. However, someone else’s engagement with the attention economy now leads us to engage with it as well. The alternative, which is to tolerate this new soundscape, still leaves one partaking in the attention economy, albeit indirectly. It is akin to listening to a modern remix of a familiar tune—such sonic interruptions mingling with the sound of a city one grows familiar to—and both are occurrences no one asks for, and almost everyone hates.

This is also indicative of an unwelcome metamorphosis—within ourselves. In a span of about a decade, it has become common to see people scrolling almost industriously on their phones in any pocket of “dead time” they get during the day, from commutes to meals to bathroom breaks. The different distractions—books or the ear of a commute companion, the television, and the newspaper respectively for these particular examples—have all been replaced by the smartphone. The attention economy produces its outputs with the propensity of a fire hose, and its consumers are picking up what it is putting down almost as readily. Not only does it change our brains on a fundamental level, it also alters the way we perceive our surroundings, however little that might be in the digital era.

It is thus fascinating to note how this new urban soundscape has evolved, and how our response to it has fundamentally changed the way we interact with our environment. For example, even as close to a decade ago, a typical commute via the Delhi metro would have featured the characteristic hum of its engine, the pings that preceded the iconic announcements in English and Hindi, the mechanical whirring as the doors opened and shut, and the triple-pings that alerted passengers of this occurring. This would be interspersed with the passengers’ conversations that amounted to a hum in the background, and the occasional colourful characters that provided the texture within this symphony. However, if one asks the average commuter now, most would be at a loss for words—simply because they have the option to shut out the sound of the metro and be immersed in a soundscape of their choice. Meanwhile, the metro announcements themselves now request passengers to not play music aloud and use headphones—the universal tuning out of these polite interjections is the only aspect that has remained intact throughout.

At some point within the explosive rise of the smartphone and the attention economy, our perception of the world got more monotonous. Ironically, it also highlights something inherently human—be it the Delhi metro, the London tube, or the New York subway, annoyed commuters will return to the same solution to deal with their less courteous co-passengers. However, it also means that these specific soundscapes have been imbued with similar sonic additions, and have become similar too—the general city dweller chooses to tune all of them out.

What, then, would the urban experience feel like a decade from now? Would it lose its texture altogether for the average denizen? Would our immersion in the urban environment be fundamentally altered? Would the sounds that characterise a city be lost in the ever-evolving din?

And, would we even notice that they are gone?



ANVITI RAI
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TECH IN TEACHING

WITH AI’S ENTRY, PERHAPS WE SHOULDN’T PROTECT THE BLACKBOARD ITSELF BUT THE HUMAN ENCOUNTER

The last chalkboard professor?

AMI AMONG the last generation of professors who still believe that a piece of chalk and a blackboard are perfectly respectable teaching technologies? I walk into a classroom, pick up the chalk, and begin — without taking any help from a piece of paper or a screen. A theorem goes on the board, followed by a derivation, and, occasionally, an embarrassing typo. I am strangely pleased when a student points it out. It means someone is watching — and thinking. The student hasn’t simply photographed the board.

There’s something wonderfully human about a mistake made in public. The blackboard also shows thought unfolding. A polished slide presents the answer; a board presents the journey — the false start, the crossed-out equation, the sudden “Ah!” In mathematics and statistics, that journey is often the lesson.

But the chalkboard may be facing its most formidable competitor yet — not the smartboard, not PowerPoint, but the professor who never needs to enter the classroom. Harvard Business School has recently put AI versions of seven faculty members to work in an eight-week online entrepreneurship programme, HBS Foundry. For \$699, participants can use digital professors to refine business ideas, rehearse pitches, practice customer conversations, and simulate board meetings. Human faculty remain involved.

Still, the idea is unsettling. The AI professors have one advantage over us: they don’t become tired. A human professor may become impatient after hearing the same pitch repeatedly. The AI clone will hear it as though it were the first. It doesn’t need coffee between classes or recovery time after an uninspired faculty meeting.



ATANU BISWAS
Professor of Statistics, Indian Statistical Institute, Kolkata

ing. It may be the perfect academic colleague — if we can get over the slight inconvenience of being replaced by our own faces.

A former student of mine, now a faculty member elsewhere, recently told me the Harvard news made him a little scared. I understand that it’s one thing to hear that AI will teach students. It’s a different thing to imagine a digital version of one-

not a tragedy. Teaching was never merely the delivery of information. A competent teacher notices the student who has stopped asking questions. She can tell when an answer has been memorised rather than understood. He notices the awkward question that sounds foolish, but the idea turns out to be profound.

An AI can say something similar, even more politely. But there is a difference between simulation and relationship. A teacher knows a student over time. She remembers the student who struggled with probability but suddenly produced an original idea. She knows who needs encouragement and who needs a firm push. These judgements grow from encounters.

That may become the most valuable thing professors offer in the age of AI: not knowledge, but attention. Even there is a strange possibility here: AI may destroy the lecture and, in doing so, rescue the professor.

If a machine can explain a chapter more patiently than I can, perhaps I should stop competing with it. Let the machine explain, give examples and instant feedback, and remain available at 3 am. My job may become different. I may have to ask: Is

AI is great at producing plausible answers. Universities must teach students to ask one simple, inconvenient question: ‘Are you sure?’

AI in banking: Learn from the past



AMOL AGRAWAL

The author teaches at the National Institute of Securities Markets

History shows that the formidable challenge of adopting new technology can be tackled if all stakeholders engage through patient dialogue

IN AUGUST 2025, Reserve Bank of India released a Committee report on the Framework for Responsible and Ethical Enablement of Artificial Intelligence (FREE-AI) in the Indian banking system. In response, an apex trade union, the All India Bank Officers’ Association (AIBOC), wrote to the RBI Governor that “a top down, time-bound imposition, absent social dialogue” will “create fresh stresses on already stretched Public Sector Banks (PSBs).” One year later, India’s largest private sector banks have reduced their workforce by nearly 10,000 employees, adopting AI to automate operations. The Governor recently said that AI is the new playbook and will reshape everything about banking.

This tussle between regulators, banks, and bank unions takes one back in time, specifically to the 1980s, when a similar struggle was seen.

Computers first came to India in the mid-1950s. By the mid-1960s, RBI, State Bank of India (SBI), and Life Insurance Corporation of India (LIC) had installed their first computers for basic data processing. The Bank Nationalisation Act of 1969 led to significant expansion of bank branches and banking activity. Nationalisation demanded banks to furnish information and data about the achievement of obvious social banking goals such as priority sector loans, rural branches etc. The 1969 Banking Commission and a Study Group of National Institute of Bank Man-

agement (NIBM) suggested decentralising data processing activities. In the 1970s and 1980s, Committees were formed to study different aspects of banking, with most suggesting that computerisation was the only way forward.

Very early on, the banking unions had started worrying about potential job losses due to computerisation. In 1966, the first agreement was signed between Indian Banks’ Association (IBA) and the All India Bank Employees’ Association (AIBEA). It specified that banks could use accounting and cash register machines for specific functions like ledger & statement pasting of deposit accounts and reconciliation of inter-branch accounts. However, not much progress was made as machines was limited. The unions also kept resisting mechanisation.

Disputes were also seen between RBI and its employees. In 1981, a National Industrial Tribunal under Justice Chintaman Tukaram Dighe heard the disputes between RBI and its staff. While the major disputes were related to RBI’s work norms and promotional schemes, the issue of mechanisation also came up. RBI argued that mechanisation was needed for improving both operations and customer service. The Unions countered that mechanisation could lead to the displacement

of staff and reduction in job opportunities. The Tribunal supported RBI and encouraged the bank to use computers, provided computers should not cause displacement of more than 10% of staff.

The Dighe judgment led to another agreement between IBA and AIBEA in 1983. The agreement was more flexible as the union agreed to installing micro-processors/ minicomputers and main-frame computer systems to support specified functional areas—clearing operations, inter-branch reconciliation, remittance and foreign exchange dealings.

In the same year 1983, RBI constituted the first major committee on the mechanisation of banking under then Deputy Governor C Rangarajan. The Committee, noting the agreement between IBA and AIBEA, proposed mechanisation in two stages. In stage I (1985-1987), regional/zonal offices, head offices, and 2,500 branches were to be mechanised. In stage II (1988-89), an additional 6,000 branches were to be mechanised with 20,000 machines. The input/output formats were standardised to streamline the data flow from branches to regional offices. RBI formed a high-level standing monitoring committee to monitor and implement the recommendations.

Post the Rangarajan Committee, RBI undertook multiple initiatives to further the cause of mechanisation. In 1986, Magnetic Ink Character Recognition (MICR) kickstarted the era of computerisation in payment systems. MICR standardised cheques in terms of quality of paper and printing serial number, bank branch, account number, amount etc at the bottom of the cheque. In 1987, RBI instituted a Committee that suggested to operationalise BANKNET, a telecommunication network to facilitate inter-bank funds transfer and messages. Its implementation was also to pave way for Indian banks to eventually join SWIFT (Society for Worldwide Interbank Financial Telecommunications), which had emerged as a pioneering global messaging network allowing local banks to connect efficiently with the global financial system.

Fast forward 40 years later, computers have transformed Indian banking beyond recognition—from a laggard to a leader of the technology in its field. The mindset has shifted from ‘computers in banking’ to ‘computers is banking’. N Dayasindhu, CEO of Ithaa, a platform that has chronicled the Indian IT industry has termed it as the “chequered history to UPI.” Yet, as technology shifts from computers to AI, concerns similar to those witnessed 40 years ago are playing out. History shows that the formidable challenge of adopting new technology can be tackled if all stakeholders engage through patient dialogue.

India needs unified ministry for energy security



PRATIK AGARWAL
Chairman, Resonia and Serentica Renewables; MD, Sterlite Electric

INDIA IS ENTERING a fundamentally different era of energy. For decades, our challenge was simple: Produce more energy. Coal, oil, gas, renewables, and nuclear could be planned independently because each largely operated within its own ecosystem. That world has disappeared.

Today’s challenge is no longer produc-

ing energy. It is optimising an increasingly complex energy system. A unit of solar power generated at noon has a different value from a unit of hydropower during the evening peak. Batteries, pumped storage, and gas turbines all exist to balance renewable generation. Nuclear provides a steady baseload. Coal increasingly offers flexibility rather than simply volume. Every source now plays a different role at a different time of the day. Most importantly, every one of them depends on the same power grid. This changes how governments need to think about energy.

India, however, still governs the sector as though every fuel exists in isolation. Coal sits in one ministry. Oil and gas in another. Renewables in a third. Electricity in a fourth. Nuclear in a fifth. Each ministry has capable people and well-defined aims. But each is optimising only one part of the system, not the whole. That may have wor-

ked in the 20th century; it does not now.

The consequences are visible across the sector. Renewable projects are commissioned before transmission is ready. Gas-based plants were built without assured fuel. Coal output, imports, railway logistics, and electricity demand have at times moved on different trajectories. Each ministry has largely achieved its own objectives, yet the overall system has often fallen short. Governance, not policy, is the problem.

Energy security is no longer about having enough coal or renewable capacity. It is about ensuring the entire system works as one. That requires integrated planning across generation, fuel supply, transmission, storage, and demand. Every investment should be evaluated based on how it improves the performance of the whole system, not one technology in isolation.

The US, Brazil, Saudi Arabia, and the UK have unified energy ministries responsi-

ble for looking across the entire energy landscape rather than individual fuels. India should do the same. A single ministry of energy won’t eliminate expertise. Coal, oil, renewables, and nuclear will continue to need dedicated departments and technical institutions. But strategy will come from one place. Infrastructure will be planned as one system. Investment decisions will be made with a single objective: Delivering the lowest-cost, most reliable, and most secure energy mix for India.

As India aims to become a developed economy, energy will become one of our biggest competitive advantages — or one of our biggest constraints. Our institutions need to evolve as quickly as our energy system has. Creating a unified ministry of energy may well be the single most important governance reform for India to strengthen its long-term energy security.

Macroeconomic management

External and financial sectors require sustained engagement

Soon after the official data showed the Indian economy expanded at a robust 7.8 per cent in the first quarter this financial year, Prime Minister Narendra Modi reiterated his appeal to fellow citizens to avoid foreign holidays and unnecessary gold purchases. The appeal, in a way, highlights the complexity of India's macroeconomic management. The data released by the Reserve Bank of India (RBI) on Tuesday showed that India's current-account deficit (CAD) in the first quarter stood at \$4.2 billion, or 0.5 per cent of gross domestic product. Seen in isolation, this can be termed a moderate deficit. India usually runs a CAD financed by foreign investment, which supplements domestic savings. However, during the quarter, the capital account also recorded a net outflow of \$3.9 billion, largely due to outflows of portfolio investment. As a result, the balance of payments (BoP) was in deficit. A sustained deficit in the BoP can create pressure on the currency and lead to other macroeconomic risks.

The issue for India is that it has witnessed BoP deficits over the past two financial years. The Iran war and disruption in energy supplies, resulting in higher prices, created the possibility of an expansion in the CAD. Since capital flows are under pressure owing to various reasons, including tensions in West Asia, there was a possibility that the BoP would remain in deficit this year as well. Given the situation, the RBI announced a swap scheme in June, including for the Foreign Currency Non-Resident (Bank), or FCNR (B), deposits. The response to the scheme has been better than most, including the RBI, had expected. As a result, it decided to close the scheme prematurely. The data shows that banks raised over \$127 billion under the scheme. Total mobilisation, including external commercial borrowings and overseas foreign currency borrowings, stood at over \$136 billion as of Wednesday. Thus, the second-quarter data is likely to show a big BoP surplus. However, it must be noted that, while the surplus will help tide over the near- to medium-term challenges, it does not address the fundamental problem of India not being able to attract enough stable foreign investment. Foreign portfolio investors, for instance, have sold Indian stocks worth over \$42 billion since the beginning of 2025. In the first quarter this financial year, India received net foreign direct investment worth \$6.1 billion. This number needs to go up substantially. The government is reported to be working on an improved framework for bilateral investment treaties. It would do well to announce it quickly and address the apprehensions of foreign investors.

While the inflows through the FCNR (B) route have been encouraging and will help deal with the immediate problems on the external front, they are creating other kinds of complications. Surplus liquidity in the system has surged to over ₹6.6 trillion, the highest level since April 2022. The central bank has not had much success in absorbing excess liquidity through variable-rate reverse-repo auctions, partly because of the low offer rate. The weighted average call rate, the operating target for monetary policy, has slipped below the policy repo rate. Money-market rates are declining at a time when the inflation rate is expected to increase. Thus, sustained excess liquidity might undermine the RBI's inflation-management objective, and it may need to consider other ways of managing liquidity. An increase in the cash reserve ratio for a limited period could be an option. Thus, overall, while the economy may be growing at a robust pace, the external and financial sectors will require sustained policy engagement.

Message from Bishkek

India balances competing geopolitical interests

In the age of Donald Trump, the key takeaway from the two-day Shanghai Cooperation Organisation (SCO) meeting is the willingness of its 10 member-states to accommodate competing interests and present a united front against the United States' (US') hegemony. This was true for India, which balanced its core diplomatic objectives within the framework of the joint statement that emerged at the 26th summit in Bishkek, Kyrgyzstan. Political adjustments in the joint statement were evident in the commitment to "fight terrorism, separatism and extremism" — reflecting Prime Minister Narendra Modi's remarks describing terrorism as a grave challenge to humanity and urging members to steer clear of "double standards" on the issue. Mr Modi's comments were unambiguously aimed at Pakistan's cross-border attacks, but Islamabad signed the joint statement (claiming that it too had been a victim of terrorism). The joint statement also reiterated the grouping's stated position condemning the US-Israel military strikes and sanctions on Iran (an SCO member) and attacks on Palestinians. Given that India is an Israeli ally and has refrained from overtly criticising the US, with trade talks delicately poised, the willingness to endorse this strongly-worded joint condemnation is significant.

All told, Iran and China could be considered the obvious gainers from the Bishkek summit. Iran not only secured the grouping's unequivocal support against US-Israeli attacks but also for its rights as a member of the Non-Proliferation Treaty to pursue a peaceful nuclear programme. If the summit underlined a critical international message, it was the emergence of China and President Xi Jinping in particular as a powerful competing sphere of influence. China's significant role in sustaining Russia and Iran in their conflicts against Ukraine and US-Israel, respectively, has already immeasurably strengthened its position as a credible emerging hegemon. In Bishkek, it was also clear that China had decisively replaced Russia as the dominant power in the resource-rich Central Asian "Stans", which have been the focus of the land component of Beijing's Belt and Road Initiative. These projects via the Trans-Caspian route have gained considerable traction as a source of critical minerals and energy supplies. Russian President Vladimir Putin's aggressive push for trade de-dollarisation, pointing out that the bulk of Moscow's transactions with SCO partners were in local currency, has added heft to China's efforts to develop an alternative yuan-based international settlement.

India's key economic takeaways were the projection of the putative India-Middle East Economic Corridor and the International North-South Transport Corridor, connecting, India, Iran, Russia and Central Asia with Europe, as supply-chain routes that are alternatives to the stalled Strait of Hormuz. Bilateral deals have also helped secure critical minerals and energy supplies. The nuanced positions India adopted in Bishkek offer a kind of dress rehearsal for the 18th Brics summit, which India will host in New Delhi later this month. A visibly cordial handshake — though no meeting — with Mr Xi on the sidelines of the summit offered signs of a genuine thaw ahead of the Chinese leader's visit. Given the open derision and threats expressed by Mr Trump against both the SCO and Brics, the outcome of the latter meeting will acquire added importance in light of the visible closing of ranks in Bishkek.

The art of judgement by stealth



KARTHI KUMAR MARSHAN

In May 1988, the day after I finished my B Com exams, I was interviewed and appointed copy trainee by Roger Pereira at the agency he started after relinquishing the top job at Shilpi, the advertising agency of the Sarabhai Group.

The first assignment he gave me was to proofread 30 speeches given by the then doyens of the advertising world. I must have read each speech at least 100 times. No Indian practitioners wrote books about advertising then, and imported books were out of reach for me. Roger was probably being like Jackie Chan in *Karate Kid*, gently putting me

through the wringer, knowing instinctively that I would learn best that way. That was my crash-course in advertising.

Today's freshers are lucky to have an ocean of content at their fingertips. Commentators abound, both locally and globally. Andrew Tindall, Ethan Ducker, Lakshmi Bhat, Karthik Subramanian, *et al.* There are frameworks, case studies, podcasts, awards presentations, LinkedIn pronouncements, books on creativity, effectiveness and digital marketing, and enough commentary on "the future of advertising" to keep you occupied indefinitely. But there is very little on what the business was like before you arrived. Which is one reason Ambi Parameswaran's 10th anniversary edition of *Nawabs, Nudes, Noodles*, is worth reading.

Mr Parameswaran takes us through several decades of Indian advertising with a light touch. He doesn't try to give us a grand theory of how Indian advertising evolved. Instead, he talks about the

people, campaigns, brands, and moments that helped shape it, almost anecdotally. For a young advertising person, that is probably much more useful.

You encounter campaigns that have become part of the vocabulary of Indian advertising, but you also get some sense of how they came about. What the problem was. What somebody was trying to solve. What the agency thought. What the client thought. What the research said. What didn't get made. What did. And, occasionally, the little accident or act of judgement that made the difference.

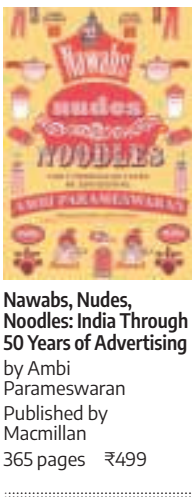
Advertising history, like all history, tends to become distorted by hindsight. Once an advertisement has become famous, its success looks inevitable. We see the finished film or line or campaign and imagine that everyone involved must have known they were onto something. Of course they didn't. Most good advertising probably looked fairly uncertain before it became good advertising.

Mr Parameswaran's anecdotes bring

some of that uncertainty back. They remind you that there are people, arguments, compromises, dead ends and acts of courage behind things that eventually look obvious. That is a more realistic education in advertising than a collection of award-winning case studies.

The book also gives you a sense of how far Indian advertising has travelled.

Think about the India in which some of these campaigns were created. A much smaller media universe. A very different consumer economy. Fewer brands. Fewer channels. Less research. Less data. Far less technology. And yet some of the work produced then remains memorable. We now have access to vastly more information about consumers. We can target people with extraordinary precision. We can test, optimise and retarget. We can put communication in front of precisely the people we believe should see it. And still, somehow, it is



Nawabs, Nudes, Noodles: India Through 50 Years of Advertising
by Ambi Parameswaran
Published by Macmillan
365 pages ₹499

2025. That is the period today's young advertisers are entering, and it has been transformed by digital, social platforms, creators and influencers, changing attitudes to representation, and now generative artificial intelligence.

The temptation is to regard this as an entirely new business. But read against

possible to make advertising that nobody remembers.

Judgement is a tough thing to teach. You acquire it partly by doing the work and partly by seeing enough work to recognise patterns. You learn what a strong idea feels like. You learn when research is illuminating and when it is simply giving everyone permission to avoid making a decision.

This is perhaps the most useful thing the book does: It gives you an education in judgement by stealth.

The new edition makes the exercise more interesting because Mr Parameswaran has added the decade from 2015 to

the preceding chapters, the continuity is striking. The technology has changed. Most of those questions haven't.

One of the disadvantages of entering advertising today is that you can become very good at the current version of the business without knowing much about the business itself. You can know every platform and still know very little about brands. You can know how to make content and still not know what makes an idea travel. You can know how to optimise a campaign and still not know why anyone should remember it. You can be completely fluent in the present and almost entirely ignorant of the past. This book is a reasonably painless cure for that condition. In sum, no matter what your lifestyle, if you care about advertising, this is a book you should snack on every day.

The reviewer is former chief marketing officer of Kotak Mahindra Group
Disclosures: Entities controlled by the Kotak family have a significant holding in Business Standard Pvt Ltd
Ambi Parameswaran is a Business Standard columnist

Refocus PLI towards exports

Wider reforms, not picking winners are the answer



ILLUSTRATION: BINAY SINHA

Industrial policy is back. Countries around the world are using a variety of instruments to foster specific industries. An extensive historical review shows that over the past 25 years, industrial policy, or IP¹, has been alive and well all over the world, and especially in the richer Organisation for Economic Co-operation and Development countries.

The share of government interventions that could be classified as IP has gone up from around 5 per cent in 2010 to an average of over 40 per cent today. IP now covers not just industry but even the servicesector, and whereas earlier it was directed mostly at larger firms, today it can even cover small and medium enterprises (SMEs). It is the flavour of the day.

Recent studies² on IP argue that the state's capability and its relationship with the private sector are critical in making IP successful. If a state tries to do too much — without adequate state capability — it is less effective. (*see graph*).

For any level of government capability, there is an optimal level of government activity. It is like a Laffer Curve for tax revenue, where revenue rises as taxes rise but up to a point. If the tax rate is too high, revenues fall. Similarly, if the state tries to do too much for any level of capability, its effectiveness initially rises but then falls. There is an optimal level of the scope of state intervention for every level of state capability. For lack of another name, I call this the "Chhibber Curve" of state effectiveness. When a state has over-reached, then doing less — moving from A to B — will improve the effectiveness of the government. Over time, as state capability improves, the scope of state actions can go up and move from B to C.

Government actions can be classified into three categories. Under Category 1, we have minimal functions such as defence, law & order, and public health. Many developing countries are unable to even do these minimal functions competently. The next level, Category 2, is intermediate functions, such as education, environmental protection, encouraging research & development (R&D), financial and utility regulation, and provision of social insurance. Some of these activ-

ities, such as encouraging R&D, are sometimes also called a lighter version of IP. Finally, in Category 3 we have a more activist role for the government in coordinating private activity — fostering markets and cluster initiatives. These more activist functions were traditionally considered IP.

If the state is unable to provide services under Category 1 and 2, such as basic health, and is underfunding education, or failing to implement measures for environmental protection, or provide proper health insurance to citizens, it's not likely to be a great candidate for more activist policies under IP.

States with weaker capabilities must first perform basic and intermediate functions under Categories 1 and 2 before they jump to more activist IP policies. They can support industry but with simpler options like better education and training, encouraging R&D through tax incentives, providing support for industrial parks, and building public infrastructure, but should not get into the more activist "picking" winners for support.

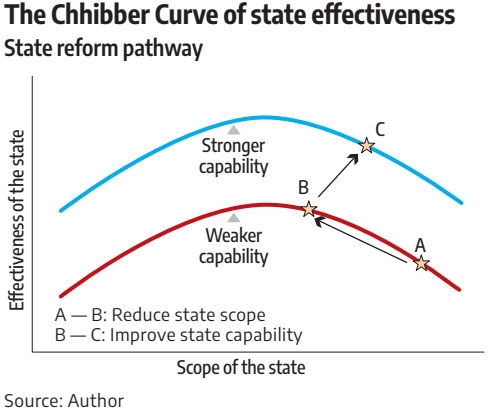
To address the second problem with IP — the relationship between the state and private sector, scholar Peter Evans argued that countries that succeeded in IP had "embedded autonomy" i.e., the government worked closely with the private sector, yet was independent of it. But in practice this is an oxymoron.

The key to successful IP is the design of performance indicators to receive IP benefits. The successful East Asian countries, Korea and Taiwan, used quite different instruments under IP and targeted diverse types of firms. In Korea's case, support was targeted to industries with large *Chaebols* versus Taiwan, which supported industries where SMEs and state-owned enterprises predominated. But in both cases, IP was successful because the yardstick of performance was exports, which ensured that firms receiving IP support had to be internationally competitive. IP benefits were also, at least in Taiwan's case, not targeted at "selected" firms but more widely at the industry.

India is not a great candidate for IP as it is not even



IF TRUTH BE TOLD
AJAY CHHIBBER



Source: Author

adequately providing the basic functions of a state — such as public health and education and scores low on state capability indices. There is also evidence of regulatory capture, especially in telecom. In the Berggruen Governance Index, India's state capability has declined since 2013 despite the promise of "Maximum Governance and Minimal Government".

India tried IP before in the period 1950-1990 through import substitution and state-owned enterprises called public-sector units. But that IP era failed miserably. It has nevertheless ventured into IP through its production-linked incentive scheme, where subsidies are provided to 14 industries. But the PLI subsidy is linked to incremental production and sales rather than to export performance.

Fortunately, so far, the PLI scheme has shown success in iPhone assembly and pharmaceuticals, where the gains have come through exports. Large scale electronics manufacturing and pharmaceuticals — where the subsidy is not even needed — accounted for 73 per cent of total PLI incentives disbursed till FY26.

Disbursal under other industries such as IT hardware, telecom, automotive, ACC battery, and solar PV modules have been limited. In some of these industries, the objective is import substitution, not exports, and there is no way of judging if it will succeed and at what cost. Moreover, these industries will clamour not just for subsidy but also more import protection. Hopefully, the flurry of free trade deals India is trying to reach will limit these.

India needs to focus its scarce public resources on education and public health, not on costly PLI schemes to pick "winners." It must limit the damage by focusing PLI subsidies on exports, putting a hard stop on them, and focusing instead on wider reforms to make industry more broadly competitive and not dependent on IP subsidies.

The writer is distinguished visiting scholar, Institute for International Economic Policy, George Washington University
1. Juhász R, Lane N, Oehlsen E, Pérez VC. 2022. The who, what, when, and how of industrial policy: A text-based approach. <https://tinyurl.com/mr3maeyv>
2. Fernandes & Reed, Industrial Policy for Development: Approaches in the 21st Century, World Bank Policy Research Report, 2026; Mazzucato & Rodrik, Industrial policy with conditionalities: a taxonomy and sample cases, *Industrial and Corporate Change*, 2026

Questions behind the twin crises

Is the Tata Group a family-owned business or a professionally-managed entity? Is Tata Trusts, which is the largest shareholder with a 66 per cent stake in Tata Sons — the holding company of the salt-to-software conglomerate — a promoter in the traditional sense? How important is the Tata name when it comes to the top leadership in the group? Can a charitable organisation, such as Tata Trusts, steer and control a diverse group with some 26 listed entities that alone are valued at around \$320 billion? Is there any single individual or a group of individuals representing the Tata Group as its owner? Should the structure of the Tata Group change to address some of the anomalies prompting the above questions?

Over the last 20 days or so, these questions have surfaced repeatedly in one context or another. Two developments, within a week of each other in August, triggered them. The first event was on August 12, when N Chandrasekaran (popularly called Chandra) announced he would not offer himself for reappointment as Tata Sons chairman once his second term ends in February 2027. The reason behind the surprise move was there in Chandra's letter to the Tata Sons board of directors as well as in the subsequent statement issued by the company: One member at the Tata Sons board meeting on February 24, 2026, did not support a Resolution that was unanimously passed by Tata Trusts last year. The Resolution, which was recorded and recommended by the Tata Sons Nomination and Remuneration Committee, was to renew Chandra's term as executive chairman for another five years.

The second development that brought to focus many of the questions mentioned above was the August

18 adjournment of the Tata Sons annual general meeting (AGM). This was the first time in the 100-year history of Tata Sons that an AGM had to be adjourned. The reason for the adjournment was a lack of quorum. The Tata Sons Articles of Association (AoA), which has been amended from time to time by shareholders with Tata Trusts being the prime mover by virtue of its 66 per cent holding, mandates joint representation of Sir Ratan Tata Trust (SRTT) and Sir Dorabji Tata Trust (SDTT) — the two core trusts — at the AGM. That was not possible as SRTT's decision-making was frozen by the Maharashtra Charity Commissioner earlier this year over an alleged violation related to perpetual trusteeship norms.

While there has been fuzziness around the reasons precipitating the twin crises, within days of each other last month, a closer look will show a functional arbitrariness in both cases. Chandra's decision to not offer himself for a third term could be a matter of individual preference in a given situation. But the events leading up to it reveal a systemic problem at Tata Trusts. An unanimous Resolution passed by the two core bodies of Tata Trusts — SRTT and SDTT — losing unanimity a few months later at the biggest decision-making body of the group — Tata Sons board — signals an organisational weakness. The Tata Trusts Resolution on Chandra was endorsed by its Chairman Noel Tata, and it was opposed at the Tata Sons board meeting by the same person as a nominee trustee.

Even as questions around profitability of some Tata entities such as Air India and Tata Digital were raised by Mr Tata while opposing Chandra's third



NOT FOR PROFIT
NIVEDITA MOOKERJI

term, the real reason of his change in stand, within a few months, has not been made clear. The age of superannuation has also been a part of the narrative but not explicitly. In the Tata Group, executives retire at 65. Going by that rule, Chandra, 63, would have less than two years as executive chairman of Tata Sons if he was to get a third term. This fact was not hidden when Tata Trusts passed the Resolution last year, while praising Chandra's achievements and unanimously backing "continuity" at a time when the group was betting on futuristic areas. If age was an obstacle, was there any board-level discussion on a non-executive chairman position for Chandra, like in the case of Ratan Tata? Unlikely, it seems.

In the case of the Tata Sons AGM adjournment, the alleged violation of trusteeship norms by SRTT could have been addressed in a timely manner. The Maharashtra government, through an Ordinance, introduced an amendment to the Maharashtra Public Trusts Act 1950 on September 1, 2025. According to this law, perpetual or lifetime trustees were capped at one-fourth of a public trust's board strength. Tata Trusts may have had reasons to believe the new law was not meant for existing arrangements, but it should have sought legal clarifications and discussed remedial measures over the last many months. SRTT trustees are Noel Tata, Venu Srinivasan, Jimmy N Tata, Jehangir HC Jehangir and Darius Khambata. Three of them — Noel Tata, Jimmy N Tata and Jehangir HC Jehangir — are life trustees, while only one can remain life trustee, according to the September 2025 amendment.

Irrespective of whether the Tata Group is described as a professionally managed or a family-owned business, the largest shareholder of Tata Sons must ensure there's no further storm in a group that stands for international standards and stability.



A thought for today
People are so bad at driving cars that computers don't have to be that good to be much better
MARC ANDREESSEN

Car Nation

Indians look set to buy 50L cars this fiscal. That's a solid achievement, but not enough

In 1984, India sold 64,013 cars in the entire year. Last month, domestic car sales touched 4.5L. With 20L cars already sold in the first five months, it looks like we'll easily pass the 50L mark this fiscal. Only three other countries have crossed this milestone – US in 1929, Japan in 1989, and China in 2004. So this is quite an achievement. But as world's most populous country, we're nowhere close to our potential. Only 8% of Indian households have a car so far. Per capita car ownership is, obviously, far less. Of course, the other 92% households can't be called a "market" if they don't have the means to buy a car. But that's all the more reason to spur this industry, which can be a ticket to national prosperity like nothing else.

In America, for example, each automobile plant job is estimated to create 18 jobs outside. The multiplier for India would be large likewise. GOI says our auto industry supports over 3cr jobs directly and indirectly. Steel, rubber, plastics, electronics are just some of the inputs. Behind them, you have jobs in plantations, mines, refineries, etc. Cars also create jobs in showrooms, workshops, and banks. So, a car is much more than its owner's aspiration. Per a NITI Aayog report, automobile industry accounts for 7.1% of India's GDP, and 49% of manufacturing GDP. That's why it needs full policy attention and support.

Last year's GST cut on small cars put sales in the fast lane. More steps should be taken to ensure India becomes a top-5 exporter of cars and components. We exported around 9L cars in 2025-26 – more than China's exports in 2019. But China last year exported 83L cars. Point is, the export market is huge and we can carve a bigger share of it. In components also we should aim for a bigger share of global trade than the 3% we have currently. Talking of export markets, US now has few car models under \$30,000. So, about 10L buyers there settle for secondhand cars every year. Can Indian carmakers fill that void, like the Japanese did in 1970s? For that, they would need to invest more in R&D. Globally, automobile industry is among the biggest spenders on research. In US, Ford, GM and Stellantis employ 47,000 scientists and engineers in their labs. Bean counters will call it a cost, but it's the best long-term investment.

Hormuz Card? Not Quite

Iran's chokehold over the critical energy route may wane as world builds alternatives

Following a brief lull, US and Iran are back to skirmishes. American military struck targets along Iran's southern coast, and Tehran retaliated by firing missiles at Jordan, Bahrain, and Kuwait. Oil prices have again begun to trend upwards, with Brent crude hovering around the \$92 per barrel mark on Tuesday, before somewhat easing to \$91 on Wednesday. For the world, this is a movie it has seen on loop since Feb.

What's crucial here is Iran's chokehold on Strait of Hormuz. It targets shipping – including those flagged by neutral countries such as India – in the critical waterway. It has been Iran's 'Trump' card in this war. However, like with any leverage, if used repeatedly, people find ways around it. So, it isn't surprising that countries are already devising alternatives to reduce their dependence on Hormuz. US treasury secretary Scott Bessent said that Hormuz will be a "worthless piece of water" in a couple of years. He may not be wrong. UAE is already furiously building a second pipeline to Fujairah, which will allow almost all of Abu Dhabi's oil to be transported out without using Hormuz. Similarly, Saudi Arabia is expanding its East-West pipeline to ship out oil through its Red Sea ports. Iraq and Jordan have revived plans for a pipeline that will carry up to 1mn barrels per day to Port of Aqaba off Red Sea. Baghdad is also repairing an old pipeline to the Mediterranean via Syria.

The calculation is clear: Iran can't be allowed to have permanent control over Hormuz. It can't hold to ransom global energy supplies. And given there is no immediate solution to the US-Iran deadlock, and with the Israel problem not going away – there is no telling when Tel Aviv will again initiate another round of conflict with Tehran – countries can't leave their energy security in the hands of Trump, Netanyahu, and IRGC. Plus, major producers have roughly a decade to rake in oil revenues. With electrification and renewables steadily increasing their share in global energy mix, the days of petro-dollars are numbered. Hence, the pills – pipelines and storage – for alleviating Hormuz headache. Iran may have overplayed its hand. Hormuz may soon be a footnote.

Namak haram, FSSAI?

Bhujiya Kurkure Party (BKP) launches a Salty March

Bachi Karkaria

The recently packaged BKP is a crackle over the recent snack-smack. Food regulator FSSAI has proposed a red hexagon on crunchy-munchie wrappers flagging excess salt, sugar and fats. Party members are soggy and tired of feeding the hand that bites them. This is how they've burst out.

Bikaneri bhujiya: We've always been on the fire and in the frying pan, but never so badly burnt. Even our baked cousins. We thought FSSAI was one of us only. Fats Salt Sugar Associates of India, no? But now it's acting all healthy-toity. Finding mad angles against us. Who does it think it is? Tukaram Mundhe?

Cheesy kurkure: We can't be crushed like an empty tetrapack. No, ji! The bitten is going to bite back. Too much we've tolerated. Peckish? Grab us. Time pass? Rip us apart. We are here to serve you hand and mouth, or wot?

Chilli chatka: We can file a class-action suit since we are collectively branded 'Junk food'. Surprisingly our contents aren't called 'tukde tukde gang'. Next we'll be accused of subverting *atmanirbhar* – twice over: Hooking folks to Western packaging/ products, and making people too flabby to 'Make in India'!

Nylon sev: Add discrimination. Our lowly oil is degraded; but ghee is ok? Why, because it's part of Ayurvedic wellness routine? Or food for holy fire? This is just prejudice. Pure vs Processed.

Aloo lachha: Suse FSSAI for 'fats-shaming': 'Oh you self-indulgently wallow in oil.' Or, 'No discipline to un-saturate'. What a fall for us from Laloo's *samosa-aloo* metaphor of longevity.

Szechwan chiuda: And from Salt *Satyagraha* to Salt *Hatyagraha*.

Boxed mithai: Wah! Jubilant party members can stuff their faces with us, but we ourselves are marked with a 'laddoo'.

Caramel popcorn: FSSAI is so anti-GenZ, bro. Deep-fried *namkeen* okay for GenJurassic, but in a (back)pack as sinister as a JNU slogan.

Waffle chips: We are never down. Brave defender even Lays down life.

Alec Smart said: "Nepal changed the meaning of 'glacial pace'. Disastrously."

Warnings Can't Stop Rasuwas

Disasters can be minimised only if those on frontlines are taught how to assess and act upon risks. That requires multilevel effort

Saswata Sanyal and Debabrat Sukla

Across South Asia, climate extremes are no longer exceptional events. They are becoming a defining feature of daily life. Yet the people most exposed to these risks, often remain least equipped to understand what warnings mean or how they should respond.

More than 750mn South Asians – around half the region's population – have been affected by at least one disaster in the past two decades, per World Bank. By 2030, disaster-related losses in the region are projected to average around \$160bn annually. ADB estimates that, on a fossil-fuel-intensive path, unchecked climate change could reduce South Asia's GDP by 1.8% by 2050.

There has been progress in early-warning systems. Globally, countries reported a 113% increase in multi-hazard early-warning systems over the past decade. These systems are designed to detect and warn people about hazards that may occur simultaneously or in sequence – for example, a drought that is followed by flooding. The Global Status of Multi-Hazard Early Warning Systems 2025 report, jointly produced by UN Office for Disaster Risk Reduction and World Meteorological Organization, says more than 60% of countries now have such systems.

But does access to better information necessarily make people better prepared?

Evidence suggests it does not. Assessments of early-warning systems have repeatedly identified "risk knowledge" as one of their least developed pillars. The problem is not simply whether information is being disseminated. It is whether people understand what it means for them. Do they know whether to evacuate, move livestock to safer ground, avoid a particular road, protect essential belongings, or remain indoors? A warning that reaches a phone but does not lead to a clear decision is unlikely to save lives.

This challenge is becoming more difficult because hazards themselves are becoming harder to read. South Asia is increasingly vulnerable to multi-hazards: events that compound one another or cascade, with one hazard triggering another. The danger is greatest for people living on the frontlines, where impacts are felt first and most intensely.



Risk literacy requires a systems approach, with clear benchmarks for everyone involved in managing risk. This must begin at both the national and local levels, through protocols designed to support anticipatory action. Disaster authorities across the region may already have defined thresholds, but these need to be translated downwards – to municipalities, schools, community health centres, wards, and households.

Each tier should have its own operational version of a threshold. A particular river level might tell a ward officer when to sound a siren, a school when to suspend classes, and a health centre when to move patients, medicines, and equipment to higher ground. The same forecast must therefore become different, clearly assigned decisions across institutions.

WMO estimates that a warning issued just 24 hours before a hazard can reduce resulting damage by around 30%. But that benefit is possible only when the warning is understood and acted upon.

For Ram Mandir's New CEO, A New Idea

Here's how to properly manage temple funds. No offerings in cash. Monetise all assets. Pool them across all big temples. Task pros to invest in best market options. Divide earnings per an agreed formula

Ashwin Sanghi

With the new CEO of Shri Ram Jambhoomi Teerth Kshetra Trust, Jeetendra Mishra, expected to be appointed today, this is an opportunity to review management of temple funds. Hinduism has always worshipped trinities – Lakshmi, Saraswati and Kali; Brahma, Vishnu and Shiv. Christians, Buddhists and Zoroastrians have their own trinities. And the world of finance, too, has a trinity: Risk, Return and Time. Ignore it at your peril. And that's precisely what the babus who administer temples have done for ages.

It has been argued for decades that temples must be freed from state control. But given the patchy record of temple management, it's time to concede that, in effect, you are damned if you do, and damned if you don't. State control breeds neglect, private control invites plunder.

Leave temples in govt hands, and you get the mess we have. In 2025, Madras HC struck down several state schemes to squander temple money on shopping malls and marriage halls. The same department that paid some pujaris nineteen rupees monthly could not answer an RTI query on what it collects or where the money goes. No church or mosque, of course, endures such endless supervision or abysmal administration.

But hand over temples to private trusts, and we've seen what happens. A trust is only as honest as its trustees. If theft can strike the Ram Jambhoomi Teerth Kshetra, under the nation's brightest spotlight, imagine the possible plunder at thousands of shrines nobody watches.

This is the dilemma. The choice, for generations, has been to choose between two ways of losing. But is there a third way that could win? Here's a proposal, in six parts. It's provocative, but do hear me out.

First, kill cash. Every offering, *archana* ticket and hundi note to be paid via UPI. India built the most sophisticated payments rail on earth; why not use it? Some pilferage will survive, but the unaudited hundi that never hits the books will wither. Yes, it leaves a record of who gave what – a small price to pay.

Second, put capital to work. Not by selling the deity's jewels – that's a fraction of temple wealth. The rest is fallow land, idle buildings, gold asleep in vaults. Tirupati already melts donated jewellery into bars, under the gold monetisation scheme, with no devotee's faith affected. Why not replicate what our richest temple already does?

Third, pool and invest it. Let every temple's monetised assets and daily collections buy units in an endowment fund – call it Dharmic Endowment from Vaults and Assets, or DEVA. Each temple draws returns like a shareholder, in proportion to what it invests. Because offerings arrive daily, DEVA would be no static corpus but a perpetual one – a lifelong SIP, compounding endlessly. Managed like the world's great institutional funds – Norway's GPFG, Singapore's Temasek, Abu Dhabi's ADIA, or the endowments of Harvard and Yale. It could, in time, grow into one of India's largest pools of capital.

Fourth, wall it off. Temasek is state-owned but govt



is barred by charter from directing a single investment or dipping into the reserves. DEVA would adopt that architecture. An independent board, elected by temples whose deities are shareholders, would appoint specialists to run it, but never touch the money. The reserves would sit behind a statutory wall that no minister or bureaucrat could scale.

Fifth, bind the mandate. Discipline cannot be a hope; it must be formalised. DEVA need not build a costly in-house army of asset pickers. Structured as a fund of funds, it would channel its corpus into the best index and mutual funds available, renting the market's finest talent without paying to employ it. Its team would choose from an annually updated whitelist of audited, ranked funds – nothing indefensible against a risk-return benchmark.

Sixth, split the yield by rule. Like a university endowment, DEVA would never touch its corpus, only the returns, shared in fixed proportions, set by its charter. One part goes to each temple for salaries and upkeep, so no shrine lives at the mercy of the day's footfall. Another finances welfare, a sanatan safety net much like missionary and waqf activities. A third is pooled for the smallest shrines, whose offerings can never cover their needs. Sanatan must not allow its institutions to wither. A community must care for its own, with its own.

Temples are on the Concurrent List, so Parliament, too, may legislate – and in conflict, its law prevails. Centre has the power to build this framework. And this does not ask for perfect men; it asks for a design that assumes imperfect ones and boxes them in.

Poet Thiruvalluvar, 2,000 years ago, named four marks of an able ruler: to raise wealth, to grow it, to guard it, and to share it. They are precisely the duties our temples have been denied – by a state that fails, while insisting no one else may try. Gods of this land have outlasted invaders, iconoclasts and interlopers. Surely, they can outlast an investment manager?

Sanghi is an author of several works of fiction

Calvin & Hobbes



Krishn's Skin Tone And Virtues Of Darkness

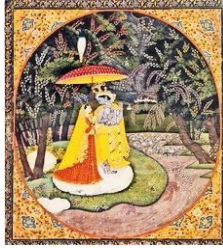
Narayani Ganesh

Krishn in Sanskrit means 'dark'. He is compared to the rain cloud as Ghanshyam – again, dark. Why is Krishn portrayed dark-skinned, sometimes ebony black and at other times, blue? To convey that he is cosmic; as blue-black and deep as the ocean or the infinite, inky black cosmos. One view is that both the ocean and cosmos are so deeply blue that they look black. Be that as it may, Krishn was clearly deified not only as being Divine but also as a very attractive god. Black was considered beautiful; it accentuated facial features and exuded a beautiful aura.

Scientists bemoan the fact that all the various inventions and discoveries that are directed at making our lives more comfortable and convenient, have created so much artificial light that shines through the night that they obscure our view of the night sky. For stars to be visible to the human eye, a

pitch-dark night sky is essential. Which is why serious star-gazers venture far out in the ocean or head to the Poles or high mountains where there is no electricity, to get a good look at a sky bejewelled with zillions of stars and constellations. Can anything rival the awe and thrill one feels while enjoying a sky full of sparkling stars?

In his 2012 Easter address, Pope Benedict remarked, "Today we can illuminate our cities so brightly that the stars of the sky are no longer visible." Writing for the *Templeton Ideas*, Jennifer Wiseman, senior astrophysicist at Nasa's Goddard Space Flight Center and senior project manager on the Hubble Space Telescope, says, "I would look up in the night sky, be curious about what I was seeing and



wish I could just kind of blink my eyes and suddenly go to that star or that one and look around." She grew up in rural Arkansas on a family farm away from city lights. Experts say just gazing at the night sky in awe releases the oxytocin hormone that triggers feelings of love, calmness and general well-being. But modern-day light pollution is drowning out all of that.

There is another, interesting aspect of cosmic darkness. Dark matter and dark energy. Dark matter pulls stuff together with gravity whereas dark energy disperses them; the play of contraction and expansion is constantly going on all around us. It is like Krishn's divine play – sometimes pulling inward, at other times expanding outward. It is this play of opposing forces that keeps

the universe together. Push and pull, push and pull, duality on a cosmic scale! Wiseman points out that unseen dark matter and dark energy are engaged in a tug-of-war; it is also creating a kind of balance that keeps the universe going, creating and dissolving celestial bodies, in an infinite life-cycle, on a cosmic scale.

Paul Simon's opening line in the song Sound of Silence, "Hello, darkness, my old friend..." indicates the need for reflection and inward exploration of the deep, dark and mysterious unknown. When darkness has been exalted both in science and creative arts, and even deified as Krishn, how did humankind come to shun darkness and worship light and light-skim? This is something that indicates ignorance, lack of knowledge and depth, and Janmashtami, Krishn's birthday festival, is a good time to revisit the virtues of darkness.

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Sacredspace


I shall... keep my love in flower, knowing that thou hast thy seat in the inmost shrine of my heart. And it shall be my endeavour to reveal thee in my actions, knowing it is thy power gives me strength to act.

Rabindranath Tagore, Gitanjali

A Plane Plan for China to Consider

BRICS is a good platform to float it

It's no surprise that Air India's mounting losses and request for additional funds have riled up the likes of Singapore's opposition leader Kenneth Tiong, who is baulking at future bailouts by Temasek through Singapore Airlines (SIA). Temasek, Singapore's multinational investment firm, is SIA's largest shareholder. SIA, in turn, owns a fourth of Air India, already facing turbulence after the June 2025 crash, high jet fuel prices, wars in West Asia and Europe, and airspace blockades.

The upcoming New Delhi BRICS summit may be the unlikely, but best, platform to negotiate better deals to use Chinese — and Russian — airspace, especially for long-haul flights. China and India are cautiously traipsing to stabilise relations. Direct flights between the two resumed last October, ending a 5-yr suspension. A regulatory relief to offset Pakistan's airspace blockade can create a new waypoint that's only a minor detour with minimum distance penalty. It will suit Air India the most. Its existing wide-bodied 787s, 777s, and incoming A-350s are best suited for executing this high-altitude turn over the Himalayas, east of Pakistan.



This selective blockade on Indian carriers since 2025, Iran and Iraq shutouts during peak escalation of the West Asian conflict, and soaring fuel bills are hurting India's aviation industry. Planes are flying longer, incurring higher fuel burn and paying more for it. Throw in added maintenance cost, passenger inconvenience and secondary knock-on effects, and the entire network goes into a tailspin. Having the largest US- and Europe-centric long-haul fleet, Air India has been hit much more than global rivals flying through Pakistan, and bypassing a direct West Asian conflict zone. Flying over the Himalayas may not be an all-encompassing fix-it. Technical challenges persist. Planes need special certification and specifications to handle flying over such trying terrain. Yes, it will come at the cost of passenger payloads. But the high trade and tourism potential between China and India can soften that blow.

Why Russia Should End Its Endless War

When Narendra Modi read out India's message to Vladimir Putin on Monday in Bishkek, Kyrgyzstan, on the sidelines of the Shanghai Cooperation Organisation (SCO) summit, he spoke for sanity and humanity. The message to move from 'endless war' to 'end of war' was a reiteration of the PM's earlier articulation to the president at the 2022 SCO summit that 'today's era is not an era of war'. Russia's war on Ukraine — meant to be short, sharp, decisive — has become a grinding 4 yrs-and-running 'forever war' that drains Moscow's coffers, hollows out its military, and leaves its allies with more headaches than leverage. So, self-interest, if nothing else, is the best reason for Putin to listen to his Indian ally.



For Moscow, the arithmetic is brutal. Western sanctions have severely hobbled access to global finance and technology, China help (and Iranian drones) notwithstanding. Oil exports limp along, but only at discounts to China and India that erode long-term revenue. The war has cost an estimated million-plus military casualties and depleted arsenals, leaving it exposed in other theatres. Domestically, the conflict fuels capital flight. A peace deal would allow resources to be redirected to growth rather than attrition. Beijing's trade with Europe dwarfs its commerce with Russia. Instability in Ukraine disrupts supply chains and risks secondary sanctions. Worse, a weakened Russia undermines the balance China seeks against the US. Peace would preserve Moscow as a useful ally. India's interests are equally clear. Bargain-basement Russian oil is tempting, but volatility in Black Sea shipping and sanctions jeopardise supply. But the most compelling case to stop the Ukraine war it started is, ironic as it may sound, to make Russia strong again.



JUST IN JEST

Behold, the sorrow of the perpetrator of prejudice as victim

When a Bigot Gets a Taste of His Own Med

Few metaphors are as ironic as 'the shoe is on the other foot'. It conjures images of smug moralists or barking bigots suddenly discovering a giant corn on their feet. Enter Milo Yiannopoulos, once the British enfant terrible of right-wing provocation, Trump fanboy, ex-editor of Breitbart News, and defender of deportation (especially of Somali refugees), now terrified of deportation by ICE — after he was deported from the US back to Britain by ICE. If irony were a sport, this would be that Messi (own) goal. Yiannopoulos now wants our solace. 'I didn't really understand the physical reality of how institutionalised the brutality is in America,' he said this week. Yes, he didn't quite understand why *he* — White and far right — of all folk, got booted out by brown shirts in tactical vests. He's not even Black, let alone an illegal immigrant! Saturn can, indeed, devour his own children. This applies to everyone whose opinions are stronger than kitchen mustard. You rage and rant about a 'sort of people', and then you find yourself tarred and feathered for being that 'sort of people'. There is something tragicomic about watching, say, a casteist facing racism, or a sexist facing sexism, discover that the gun he or she trains on others is trained on him or her. Such backfiring is impervious to any appeal on the lines of, 'Oh, but I'm one of you!'

Data centre growth needn't drain local water because rules exist – the task is to connect them

Just Join the Paani Points



Nitin Bassi & Munish K Upadhyay



Control the ripple effect

Thane and Visakhapatnam residents have raised concerns that large data centres could worsen water stress. Thane city is facing a public water supply deficit of 53 mn litres a day for domestic and commercial uses. The question goes beyond whether data centres should grow to whether existing water rules governing them can work coherently enough to protect local water security.

India's data centre capacity has grown from 375 MW in 2020 to about 1,575 MW. A 100-MW hyperscale facility could consume around 2 mn litres of water a day for on-site cooling, depending on the technology used. Data centres consumed about 150 bn litres in 2024, a figure projected to more than double by 2030, with many facilities located in water-scarce regions.

Last month, GoI clarified data centres do not, per se, require environmental clearance under Environment Impact Assessment Notification 2006, holding that existing frameworks offer sufficient safeguards. Large building and construction projects hosting such facilities could still require clearance when they cross prescribed thresholds, and appraisal considers freshwater availability, water balance, used water generation, recycling and reuse.

But these thresholds are based on the size of the building and project, not on a data centre's water footprint. Water use is governed through several institutions that do not yet operate under a single framework. India needs to make that architecture work better by opting for the following reforms:

- ▶ Water regulators must strengthen monitoring and verification using satellite data in water-stressed regions. A data centre drawing groundwater re-

quires an NOC from Central Ground Water Authority (CGWA) and must report annually on extraction, used-water generation and water conservation measures.

▶ Once water is discharged after use, State Pollution Control Boards (SPCBs) regulate the effluent under Water Act 1974, through 'Consent to Establish' and 'Consent to Operate' provisions certifying that water pollution safeguards are in place during construction and once servers go live. Bureau of Energy Efficiency's (BEE) District Cooling Guidelines 2023 also encourage replacing freshwater with treated used water for cooling-tower make-up where feasible.

On paper, the process creates a continuous chain of existing oversight. In practice, however, much of the information comes from operator-submitted reports, while regulators have limited capacity for field verification and for detecting unauthorised discharges. Regulators should adopt stronger third-party and tech-enabled verification.

California, for example, uses satellite observations of land subsidence to identify possible groundwater over-extraction and informs closer investigation. India can also use remote sensing-based monitoring to complement physical inspections. For instance, CGWA could verify changes to groundwater storage, using satellite data, such as available from Gravity Recovery and Climate Experiment, a joint science mission by NASA and German Aerospace Centre, in over-exploited blocks and water-stressed cities like Thane before renewing NOCs for data centres.

▶ States must make fragmented rules on reuse more coherent. BEE guidance

on treated used water is advisory, while enforceable reuse rules vary because water is a state subject. Around 15 states have reuse policies covering recycling and zero-liquid discharge, but others lack comparable frameworks. A February 2026 CEEW study, 'Scaling India's Data Centre Ecosystem', found that only 5 out of 15 states surveyed explicitly include sustainability provisions. Most don't prescribe any water use-efficiency standards.

Some states, including Maharashtra, have in practice encouraged data centre clusters in coastal locations rather than in water-stressed interiors. But such approaches are not enforceable either. Facilities with similar servers and cooling systems could, therefore, face different water obligations across state borders.

Rather than leaving the decision to discretion, states should make it compulsory to use treated used water for cooling at data centres in over-exploited blocks and water-stressed areas, in line with AMRUT 2.0, which mandates them to

Water use is governed through several institutions that do not yet operate under a single framework

meet 40% of state industrial water demand through reuse. Further, National Mission for Clean Ganga's support to states on reuse policies and city-level planning under

National Framework on Safe Reuse of Treated Water offers a model for coordinated implementation.

▶ Agencies responsible for digital infrastructure, water and energy should create a common resource-reporting framework. India AI Impact Summit's 'Resilience, Innovation, & Innovation' working group is examining sustainability and efficiency in AI infrastructure. It should help establish a standard template through which larger data centres report water withdrawals, consumption, used water, reuse and energy use to relevant authorities, rather than submitting disconnected information to different agencies.

The EU's 'Energy Efficiency Directive' requires data centres with a capacity above 500 kW to report water input, water consumption and energy performance to a common database. Such information helps regulators understand trade-offs. For example, whether higher water consumption is associated with lower electricity use in facilities, using evaporative cooling for server rooms and vice versa for those using dry cooling.

India still relies largely on facility-level permits and approvals, without an equivalent mechanism to track the sector's cumulative resource footprint, including process-wise water and energy use. Standardised reporting would allow regulators to move from checking individual permissions to understanding how clusters of data centres impact local water and energy systems.

India's digital ascent need not come at the cost of local water security. It already has many regulatory building blocks. The task now is to connect them: verify compliance, harmonise reuse requirements and make resource use transparent.

Bassi is fellow, and Upadhyay is programme associate, Council on Energy, Environment and Water (CEEW)

Buy a Good Biz, or Excitement?



Ananya Roy

August saw 20 companies raise more than ₹21,000 cr; the busiest month in a year. With marquee names like NSE, Reliance Jio and Zepto in the pipeline, supply of new listings should remain elevated. Average listing-day returns have gone from a 2% discount in January-March to a 7% gain in April-June, and a whopping 25% premium in July-August. Of the 22 companies that listed in the latest period, 18 delivered positive debut-day returns. So, it's easy to start treating an IPO as a lottery ticket: subscribe, hope for a premium, and sell on listing day. At the risk of being a wet blanket, it's worth emphasising that listing gains are not a substitute for due diligence. Strong listing gains can create a feedback loop — successful debuts attract more investors, which encourages more companies to come to market, and can make valuations increasingly aggressive. A rising tide also lifts mediocre businesses. Even-

tually, though, rationality prevails, and the market discovers which businesses deserve the premium and which don't. This can leave investors stuck with duds. So, how should an investor go about separating the wheat from the chaff?

▶ **Biz buzz** The first question should be: is this a good business? Does it have a durable competitive advantage in a growing industry? If the industry's prospects look iffy, even a market leader won't be able to make it. At the same time, a small fish in a growing, cut-throat industry will likely get eaten up. ▶ **Financials** Sustainable revenue growth is one piece of the puzzle. Growth should translate into operating leverage and cash flows. With new-age businesses increasingly up on the IPO block, profitability is no longer a given. But if operating leverage has been stacking up along with growth, one can at least make a bet on its path to profitability.

Cash flows are important to track, because they can help determine if the reported profits paint a true picture, or are on account of accounting shenanigans. Debt and working capital intensity also need a watchful eye.



Whaddya think? This IPO worth it?

▶ **Valuation** This is perhaps the most important filter in a hot IPO market. A great business can still be a bad investment if the price leaves little room for disappointment. So, it's critical to compare IPO valuation with listed peers on price-to-earnings, price-to-sales or other relevant metrics, but while adjusting for differences in growth and margins.

Take Bajaj Housing Finance IPO. Debating during the market peak of Sep 2024, its issue price was already at a premium over the industry. Still, market frenzy led to the stock listing at over 100% premium. Since then, reality checks have caused an almost 50% loss to investors.

Another problem with valuations comes up in the absence of relevant peers. Like in the case of AI application business Fractal Analytics, sustained growth will have to set the benchmark for what constitutes a fair valuation, and that can take time. Another question to ask is: what is the money for? How much of the issue is a fresh issue vs an offer for sale

(OFS)? Fresh capital funding expansion or debt reduction can strengthen the balance sheet. An IPO dominated by an OFS means existing shareholders are monetising their holdings. An OFS deserves a closer look at the business prospects — if existing investors are selling, you need to be doubly sure of what you're getting into.

All in all, the offer document deserves more attention than the marketing pitch. Risk factors, related-party transactions, contingent liabilities, outstanding litigation, customer concentration, dependence on key suppliers and regulatory risks can tell a very different story from headline growth numbers.

Jio's proposed ₹37,700 cr issue comes with risks around regulations and capital intensity. NSE's IPO is entirely an OFS, making valuation and business prospects amid BSE's growing might, particularly important. Zepto offers a high-growth story but exposes investors to intense competition, and a business model still navigating the path to profitability.

In a market where everyone is looking for the next multibagger, one should ask: at this price, am I buying a good business, or am I simply buying into the excitement?

The writer is founder, Credibull Capital

Cash No King, But Don't Stash It



Ateesh Tankha & Ganga Narayan Rath

When RBI deputy governor SC Murmu recently said that it was difficult to predict the growing demand for currency notes, was he referring to a logistical problem, or bemoaning widespread use of cash? Big tech and fintech have long promoted digital commerce, payment wallets, cryptocurrencies, and other digital traffic and inventions as the acme of convenience, security and financial inclusion. But this isn't necessarily true for everyone. They have exploited tech to drive faster and more frictionless commerce, to capture a considerable share of the market, have made cyber fraud pervasive, and rendered the economy less inclusive.

After demonetisation in 2016, GoI has championed numerous initiatives to digitalise monetary transactions like UPI and central bank digital currency (CBDC). GoI claims these have reduced expenditure, accelerated economic growth and driven greater inclusion. The results, however, don't necessarily support these claims.

Take UPI, promoted as a secure, interoperable digital payment system to reduce cash dependence and usage. The heavy-lifting required to attract 555 mn

deposit holders and enthuse 65 mn businesses was largely achieved by a trio of foreign-funded service providers: PhonePe, Google Pay and Paytm.

GoI's main contribution to UPI's success centred on two actions: ● Reducing merchant discount rate (MDR) to zero for UPI, and RuPay debit cards in 2020, entrenching the above-mentioned trio as banks' lost interest and smaller payment service providers (PSPs) found it hard to compete.

● Providing a subsidy of ₹6,276 cr between 2021 and 2025, to support RuPay debit cards and low-value UPI P2M (person-to-merchant) transactions.

But this was not nearly enough. Providing PSPs with a subsistence handout is unlikely to produce the right 'animal spirits' required for sustained growth in users and spending. So, GoI passed 'Taxation and Other Laws (Amendment) Bill 2026 to pave the way for MDR charges on P2M transactions. Retail sales grew from \$650 bn in 2016 to \$1.1 tn in 2026. But these were largely driven by growing consumerism and disposable incomes, especially in tier-1 and -2 cities. Even RBI and NPCI acknowledge that while UPI's annual growth rate stands at 15%, cash transactions, driven by large-value, semi-urban and rural transactions, may also have grown by 11%.

Also, PIB and RBI data suggest that while UPI transaction value grew by a CAGR of 155% in the last 10 yrs, with a current annual value of ₹14 tn, cash in circulation in the same

period grew by 12%, with an annual value estimated at ₹1 tn. When one takes into account the velocity of money — speed at which a single unit of currency (or bank token) is exchanged — there can be no doubt that cash may be equally prevalent.

e-Rupee, on the other hand, was originally meant to counter the dollarisation impact of cryptocurrency, and to reduce inefficiencies of cash production and management. Not only were these objectives not met but the initiative also failed to stir interest on both retail and institutional fronts. Eventually, to boost usage, RBI even forced central and commercial bank employees to accept CBDC in lieu of cash for benefit reimbursements.

And just when it appeared that CBDC's adventures were over, GoI has chosen to use e-rupee in certain Union territories to disburse PMGKAY subsidy payments to restrict usage to empanelled grain vendors and fair price shops. This, despite the fact that such a move will disproportionately place the onus of proliferating the



Ma, tumhare paas UPI nahin hai?!

e-rupee on the poor, while forcing them to own smartphones and manage an unfamiliar digital process.

This issue is especially acute for women. Data indicates that, in addition to the persistent barriers women face in adopting financial services, women's mobile phone ownership stands at 75%, with smartphone penetration at a mere 35%.

This is why the real reason for GoI's unflinching support of digitalisation may have little to do with improving efficiency or welfare, and everything to do with control. This becomes evident when one constantly encounters the government need for programmatic payments — automated by rules, triggers or AI — monitoring and compliance.

When taken to the limit, these could result in the alphabet soup of government subsidies — amounting, in 2026, to ₹1,80,879 cr — being disbursed in programmed CBDC and fixed deposits, effectively annulling the withdrawal and inter-convertibility of cash. They could also enable draconian measures that make tax collection systemic and oppressive.

Ultimately, while digital payments offer benefits to a significant section of consumers, cash represents a choice that allows a large portion of the population to feel independent and secure. Maintaining this distinction is democratic, and remains one of the means of ensuring that power of the government is balanced by the will of the people.

Tankha is MD, eTrans Solutions, and Rath is former general manager, RBI



THE SPEAKING TREE

Journey, Not Destination

SUMIT PAUL

A famous line attributed to Spanish literary great Miguel de Cervantes, 'the road is always better than the inn,' suggests that the journey itself may hold more value than the destination. The road, with all its challenges, discoveries and experiences, is what truly enhances one's life, rather than the destination or end goal. It is during the journey, whether physically or metaphorically, where one learns and grows, encountering unexpected beauty and hardships that shape one's character.

An Urdu poet put it succinctly, 'Tujhe paa lena mein woh betaab kaifiyat kahan/ Zindagi woh hai jo teri justjoo mein kat gaye' — Where's that desirable feeling of restlessness in wooing you?/ The excitement of love and life lies in your eternal quest. We grow through striving and moving forward, rather than settling down too soon. They say, harkat mein barkat hai, action begets positive results. Facing challenges on the path shapes who you become.

Happiness is in the process; it's not in the destination. Once we 'achieve' our 'goal,' joie de vivre dissipates. The 'goal-lessness' slows us down physically, mentally and intellectually. We tend to become slothful and sluggish. It's like, 'Paane ki aarzo mein zinda tha/ Jo mil gaya toh zinda na raha' — He was alive to achieve/ After achieving that he ceased to exist.

Remember the song, 'Jeevan chalne ka naam, chalte rahne subahosham...' — complacency or resting on our laurels can put a stop to our growth and ascension. To be complacent is to be mediocre. Keep complacency at bay.



Le Doyenné

Saint-Vrain, France

There is something wonderfully audacious about Le Doyenné. Leave Paris behind, drive into the countryside and arrive at a restaurant whose most important ingredient may be the patch of earth outside its windows.

Set in the former stables of Château de Saint-Vrain, Le Doyenné is the creation of Australian chefs James Henry and Shaun Kelly. Here, the garden is not a supporting act. It's effectively



ively the menu. The estate's regenerative farm supplies vegetables, fruit and herbs, and what is ready to harvest dictates what reaches the table.

Vegetables arrive raw, charred, fermented, smoked or transformed into sauces and accompaniments, retaining enough character to remind you where they came from. Recent menus have included everything from tuna with fennel, pistachio and marjoram to duck with béarnaise and courgette flower, followed by the sort of inventive dessert — fennel, blackcurrant and coffee, for instance — that makes you reconsider vegetables as a dessert course.

The glass-and-wood dining room, overlooking the grounds, completes the bucolic spell. Le Doyenné succeeds because its philosophy never feels bolted on: the farm, kitchen and landscape are one continuous idea.

Chat Room

Call a Town Hall In the Town Hall

Appropos 'Our City-City Needs Bang-Bang' by Shreya Nath (Sep 2), cities can only be as smart as those who govern them. They need to fund themselves first on capital and later on revenue account. When city corporations de-fray bulk of revenue on salaries, the crux lies in reinventing both the bureaucracy and tenets of effective governance. Administrative mechanisms need to ensure professional purity and acumen to raise finances, deliver and sustain results. Resources must flow to quality education and human empowerment. Town planning must be immune to the real estate lobby be energy sufficient, and implement basic civic discipline and the political will that must go with it. Major Indian cities that are raising municipal bonds must learn to defend them and establish value growth. Systems, technology and capable mayors together make good cities. R Narayanan Navi Mumbai

Sovereignty Vote

Iceland's rejection of renewed negotiations on joining the European Union is a reminder that, even in an age of mounting geopolitical anxiety, national sovereignty remains a more potent political force than the promise of collective security. The referendum came at a moment when the arguments for closer European integration might have appeared unusually compelling. Russia's growing activity in the Arctic, uncertainty over the durability of American security commitments and the strategic tensions surrounding Greenland have all made the North Atlantic a region of renewed geopolitical importance. Iceland, a NATO member without a standing military, has obvious reasons to seek stronger institutional anchors.

Yet Icelanders chose otherwise. By a narrow but decisive margin, they rejected even the reopening of negotiations ~ a preliminary step rather than membership itself. The reasons reveal something important about the limits of geopolitical logic. For Iceland, the European question was ultimately not about abstract ideas of continental solidarity or military cooperation. It came down to control.

Fishing, which remains central to the country's economy and national identity, became the symbol of a larger anxiety: whether decisions fundamental to Iceland's future would remain in Icelandic hands. That sentiment cannot simply be dismissed as provincialism. Small nations often understand sovereignty differently from large ones. For countries with centuries of secure statehood and substantial geopolitical weight, pooling sovereignty in supranational institutions can appear a rational bargain.

For a small island nation whose modern identity was forged through a struggle for independence, sovereignty is not merely a constitutional arrangement. It is part of the national story. The referendum also exposes a recurring weakness in the politics of integration. Supporters tend to make technocratic arguments: larger markets, lower costs, monetary stability, institutional access and enhanced security.

Opponents, meanwhile, ask a simpler and more emotionally powerful question: who will be in control? The latter question is harder to answer with statistics. This does not mean Iceland has turned its back on Europe. It already participates in the European single market through the European Economic Area and belongs to the Schengen zone.

Its choice is therefore more nuanced than outright isolationism. Iceland appears to prefer cooperation without surrendering the maximum possible degree of political autonomy. That distinction may hold lessons for the European Union. The assumption that a more dangerous world will inevitably drive countries towards deeper integration is questionable.

External insecurity can just as easily sharpen concerns about national control. When the world becomes unpredictable, electorates may seek the reassurance of institutions closer to home rather than more distant centres of authority. Iceland's vote is thus bigger than a dispute over fish or EU membership. It demonstrates that global uncertainty does not automatically weaken nationalism. Sometimes, it strengthens it. For Brussels, the message is uncomfortable but clear: integration cannot be marketed merely as a rational response to danger. Unless political leaders can persuade citizens that shared sovereignty enhances rather than diminishes national control, even the strongest strategic arguments may founder on a simple democratic instinct ~ the desire to remain master of one's own destiny.

Balloon War

War has a way of making obsolete technologies new again. In Ukraine, one of the world's most technologically intensive conflicts is now finding uses for an invention that predates the internal-combustion engine: the balloon. Reports that Ukrainian forces are using balloons to carry FPV drones towards Russian positions point to something larger than an ingenious battlefield improvisation. They illustrate how the economics of modern warfare are changing.

The decisive question is increasingly not who possesses the most sophisticated weapon, but who can combine available technologies most imaginatively. The reported technique is deceptively simple. A balloon carries a drone across part of the distance, conserving its battery. Once near the intended area, the drone can be released and directed towards a target. Reports from Russian military sources suggest such systems have been used against logistics routes in occupied southern Ukraine, extending the reach of relatively inexpensive FPV drones beyond their operational range.

There is a brutal economic logic to this. Modern air-defence systems are enormously expensive. Radars, interceptor missiles and combat aircraft are designed to defeat sophisticated threats. But an adversary can impose costs simply by sending large numbers of cheap objects into contested airspace. A balloon need not be invulnerable to be useful. It may be enough that identifying, tracking and destroying it costs the defender disproportionately more than launching it cost the attacker.

Ukraine has become particularly adept at exploiting this asymmetry. Unable to match Russia aircraft-for-aircraft or missile-for-missile, it has turned necessity into a doctrine of innovation. Maritime drones have challenged the Black Sea Fleet. Long-range drones have struck oil refineries and industrial infrastructure far inside Russia. Operation Spiderweb demonstrated the vulnerability of strategic aircraft to comparatively cheap unmanned systems positioned close to their targets. The balloon is part of the same intellectual tradition: do not compete symmetrically when asymmetry offers a cheaper route to the same strategic effect. This does not mean balloons are a revolutionary weapon. They depend on weather, wind and favourable conditions. They lack the reliability and precision of missiles. Nor should every claim emerging from a battlefield saturated with propaganda be accepted uncritically.

Yet their importance lies elsewhere. Military establishments have traditionally equated technological superiority with expensive and complex platforms. The Ukraine war is challenging that assumption. Artificial intelligence, commercial communications technology, cheap drones and even nineteenth-century aeronautics can be combined into systems that impose serious problems on a conventionally superior adversary. The future battlefield may therefore look less like the science-fiction visions of defence contractors and more like a technological bazaar: sophisticated software attached to cheap hardware, civilian devices adapted for military purposes, and old technologies given new life by modern networks. That should concern every military planner. Superiority may no longer belong simply to the side with the best weapons. Increasingly, it may belong to the side clever enough to discover that an old weapon, used differently, is not old at all.

Alignment, not alliance

In the India-Japan dynamic, strategic distance is not a prerequisite for autonomy. A nation may have no formal alliance but still work with partners of choice on defence technology, intelligence, or logistics, exercising political discretion in how it uses those capabilities. In a multipolar world, the essence of autonomy is the option to partner rather than to shun it

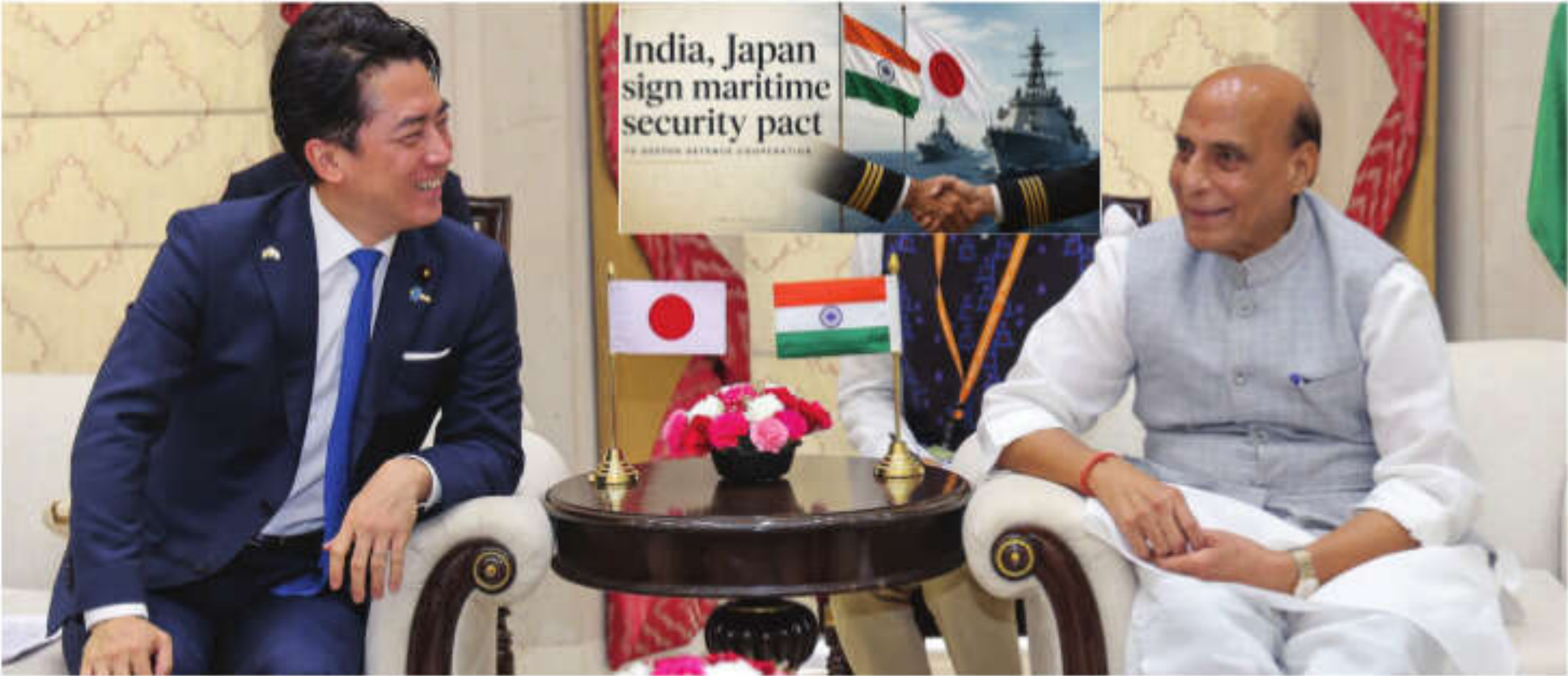
Viewing the maritime security agreement that India and Japan recently inked in New Delhi through the lens of China simplifies its understanding. The two countries share motivations stemming from a more aggressive China, their economic dependence on open sea routes, and a mutual desire to prevent any one nation from controlling the Indo-Pacific region. Viewing the new agreement solely as an anti-China coalition ignores its actual significance. India and Japan are forming a significant strategic alignment, mirroring alliances seen in the evolving international order, though without a formal treaty.

In this respect, the operational nature of the arrangement between Rajnath Singh and Shinjiro Koizumi, the defence ministers, is what gives it import. The concept of a free and open Indo-Pacific has been discussed for years, but concrete actions are now backing it. Under the terms of the framework, the Indian Navy and the Japan Maritime Self-Defence Force will work together more closely on everything from search and rescue and disaster relief to humanitarian assistance and the sharing of information and maritime-domain awareness.

The agreement provides for naval visits and exercises, personnel and expert exchanges, and the use of port and repair facilities, as well as logistical support. Taken in isolation, these are hardly revolutionary measures. Taken together, they amount to something of strategic consequence: the start of an interoperable maritime relationship.

The difference is a meaningful one. One thinks of alliances in terms of formal pacts and the like, not least the undertaking to come to each other's military aid if attacked. In the present-day Indo-Pacific, strategic alignment has a different dynamic. States will exchange information and make themselves logistically compatible; they will exercise and learn to operate in concert, but there is no treaty obligation to go to war. This is where the India-Japan partnership is heading.

Geography is the reason for it. India holds a commanding spot in the Indian Ocean, and Japan is located close to the eastern



limits of China's maritime periphery. The Malacca Strait and the Indian Ocean lie between them, with some of the most vital sea lanes in the world for the transport of manufactured goods, commodities, and energy. Freedom of navigation is thus a matter of national and economic security, not an abstraction.

China is part of the equation. With the People's Liberation Army Navy extending itself into the Indian Ocean and Beijing's activities in the East and South China Seas, the strategic picture for Delhi and Tokyo has changed. However, the impact is not the same. For Japan, the western Pacific and the East China Sea are of immediate concern. India has the added continental problem of its Himalayan border dispute with China and a maritime worry over the Chinese build-up in the Indian Ocean.

Cooperation is all the more compelling for such differences. Identical threat perceptions are not called for, only overlapping interests. Safeguarding sea lines of communication is a case in point. With improved awareness, a deeper understanding of the extensive maritime domain is possible. More advanced exercises will allow the armed forces of both countries to know one another. They can develop capabilities in logistics, unmanned systems and mine counter-measures that will be valuable in a crisis, and yet neither has to cede any strategic autonomy.

We also need to look at the industrial side. Discussions are occurring about merging Japanese technology with India's expanding defence manufacturing capabilities, such as in shipbuilding. With Japan's defence transfer rules under review, new possibilities are emerging that were unimaginable a decade ago.

This makes the UNICORN integrated communications antenna system for ships noteworthy, even beyond the project's scale. This marks a political milestone, as it is the first transfer of this nature between them.

India and Japan have a history of strong diplomatic and economic relations, but their defence-industrial collaboration has been more cautious.

A stronger material basis for the relationship will be established if momentum is generated in partnerships concerning shipbuilding, production, research and development, or technology transfer.

It is worth examining the agreement more closely. Both countries show an interest in developing networks beyond just bilateral relations. The trilateral naval exercise with Indonesia at the beginning of the year is one example. Again, the collaborative efforts in Indo-Pacific logistics and humanitarian assistance demonstrate a more comprehensive perspective on regional security. Through initiatives like the Quad, exercises such as Dharma Guardian and JIMEX, and defence cooperation with the United States and Australia, these collaborations are constructing a layered security system for the Indo-Pacific.

One would be hard-pressed to compare this with the alliance system of the Cold War era. There is no centralized command, no headquarters, nothing in the way of an automatic collective-defence commitment.

Instead of a hierarchy, it is a networked order where states collaborate in different configurations for distinct goals, like one group focusing on maritime surveillance and another on supply chains and technology.

India finds this approach to its liking. New Delhi has taken pains to show that strategic autonomy is not forfeited by deepening relations with Washington, Canberra or Tokyo. Its continued dealings with Russia and membership of the BRICS



SHIBASHIS CHATTERJEE

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Protect the health and well-being of flood survivors

The impact of a flood doesn't end when the waters recede. A second crisis invariably follows. In the flash-flood-hit areas of Rasuwa and Dhading districts, flood victims and displaced patients are grappling with shortages of essential medicines, unsafe water, poor sanitation and uncertain access to basic healthcare, as if escaping the deadly torrent of water wasn't enough. Even Trishuli Hospital in Nuwakot is running out of medicines and fuel to run generators and ambulance services.

While it is understandable that the flood's unfathomable force has tested the government's strength by sweeping away roads, electricity and internet wires, bridges and other essential infrastructure needed to keep services running, survivors shouldn't be left without medicine and well-being in camps, regardless of the circumstances. Any relief programme must go beyond

rescuing stranded people. The government and humanitarian agencies have already sent medical supplies and health professionals to affected areas, but they must ensure that the supply is enough and reaches the people who need it most. Among those at the greatest risk are people with chronic illnesses such as diabetes, high blood pressure, asthma and heart disease ~ conditions that require regular medication. But survivors lost their medicines in the flood and are now solely dependent on the government to obtain them. Pregnant women, new mothers, children and older people are even more vulnerable and may need emergency services at any moment. They also need enough nutrition. According to UNICEF, more than 17,000 children require 'urgent humanitarian assistance' following the



Letters To The Editor | ✉ editor@thestatesman.com

IAS officer

Sir, Apropos the news report 'IAS officer Divya Mittal resigns after 13-year stint' published today, the resignation of UP cadre IAS officer Divya Mittal raises important questions about the meaning of public service and the pressures faced by those who choose to uphold their convictions.

Mittal's career appears to have been driven by a simple belief: that standing with what is right is a duty, not an option. Her approach of reaching out directly to people, holding public meetings in remote areas and addressing basic issues such as drinking water reflects the essence of grassroots administration.

Yet, her experiences also highlight the uncomfortable relationship that can develop between an independent bureaucracy and political interests.

Civil servants are expected to implement the government's policies, but they must

also have the institutional space to act fairly, fearlessly and according to established rules. Frequent political pressure over transfers and postings can undermine that independence and discourage officers from taking difficult decisions.

Mittal's decision should therefore prompt introspection. An officer may leave the service, but the system must ensure that honesty, courage and commitment to citizens do not become liabilities for those who practise them.

Yours, etc., Sanjay Chopra, Mohali, 31 August.

Ask us

Sir, If the government truly wishes to hold a mirror to its claims of Amrit Kaal, its census questionnaire should also ask citizens about the lived realities that define everyday governance.

Consider these: Have you ever had to bribe a government official for getting your

work done? How often have your elected local representatives met you after being elected? How easy was it to get your faulty electricity meter replaced? Are there dangerous potholes in your locality?

How often do you get tap water and what is its quality? Are there enough working street lights in your locality?

Are the footpaths in your locality free from hawkers and stray cattle? Are you disturbed by DJs or loudspeakers at religious/elections or other functions?

The answers to these basic questions would reveal more about the state of governance than any boast at an international conference.

They would expose whether 'development' is felt in the lanes and mohallas, or only in the headlines.

Until such questions are asked, the census will remain a sterile exercise in numbers, not a reflection of citizens' daily struggles.

Yours, etc., Avinash Godbole, Dewas, 27 August.

and Shanghai Cooperation Organization are testament to a reluctance to be cajoled into any inflexible bloc.

In the India-Japan dynamic, strategic distance is not a prerequisite for autonomy. A nation may have no formal alliance but still work with partners of choice on defence technology, intelligence, or logistics, exercising political discretion in how it uses those capabilities. In a multipolar world, the essence of autonomy is the option to partner rather than to shun it.

Japan is also changing. Tokyo's security perspective has expanded beyond its post-war strategic culture. Driven by worries over China's military power and exposed sea lanes, Japan has become willing to play an active part in regional security. The willingness to transfer defence technology and equipment indicates a change.

There is no indication that a military pact between the two countries is close. Nor is it right to cast every cooperative venture as a means of containing China; doing so would be to miss the public goods that come from maritime cooperation, from search and rescue and disaster relief to making shipping safer and protecting commercial routes for smaller states in the Indo-Pacific.

However, to suggest China has no bearing on the matter would be unrealistic. Geopolitics does not have a vacuum in which to create its institutions. Sometimes the best way to balance is without the pretence of a balancing coalition.

What makes the new accord between India and Japan noteworthy is that it defies either extreme: it is not simply a memorandum exchanged by friendly governments, nor the germ of an Asian NATO. More subtly, it is the steady building up of operational familiarity, access and information between two powers in the Indo-Pacific whose interests are converging. That is how balancing is done in the new order, through networks where states can be intense in their cooperation and yet leave themselves room to manoeuvre, as opposed to fixed blocs arrayed against one another.

make sure that vulnerable patients receive uninterrupted care. It must keep its promise to provide free treatment and, in the long run, develop health-resilient disaster systems. Nepal's past experiences, notably the 2023 Jajarkot earthquake, should serve as a wake-up call for authorities. Following the earthquake, people were forced to stay under makeshift tarpaulin sheets and didn't have enough clothes to cover themselves. As a result, more than 30 people eventually succumbed as the cold exacerbated their underlying conditions. We cannot afford a medical emergency in flood-affected areas.

The flash flood that hit the Bhotekoshi River on August 26 has claimed the lives of more than 700 people and left many marooned. Nepal must not allow a second crisis to claim those who made it through. Access to basic and emergency health services, clean drinking water and sanitation is a fundamental right of citizens.

Asansol woes

Sir, With the rapid expansion of Asansol city, various problems have been plaguing the inhabitants. One of the most troubling is the illegal encroachment on roads and pavements across the city. One of the busiest thoroughfares, SB Gorai Road and its footpaths have been encroached by a great number of so-called 'hawkers' who are originally from Jharkhand, Bihar and Uttar Pradesh. They refuse to budge an inch even in peak hours. Pedestrians are compelled to walk along the main road with every possibility of being run over. The problem worsens with the free movement of unclamped cattle on the road. This picture is also seen on other roads in the city, impeding the movement of people. I, as an inhabitant of the city, would like to appeal to our local MLA and Minister, Mrs. Agnimitra Paul to take punitive action against the offenders.

Yours, etc., Tapas Kumar Das, Asansol, 26 August.

Mining revenue must be the means, not end



TUHINA A. SINHA

There is a basic economic truth that India cannot afford to ignore as it races towards becoming a developed economy: when the cost of an essential industrial input rises, the burden rarely stops at the source.

A higher tax on coal can mean higher power costs. A higher cost of iron ore can translate into more expensive steel. Higher steel and cement prices raise the cost of roads, bridges, railways, housing, automobiles and virtually every major infrastructure project.

This is why the Mines and Minerals Amendment Act, 2026 must be understood not as a narrow dispute between the Union and the States, but as an important intervention in India's national economic architecture.

At its core, the legislation addresses a simple question: can essential mineral inputs be subjected to an increasingly fragmented patchwork of State-level taxes and cesses, with the eventual cost being borne by the entire Indian economy?

For a country investing in infrastructure and manufacturing on an unprecedented scale, the answer has to be no.

The immediate context for the legislation is the landmark nine-judge Constitution Bench judgment of the Supreme Court in July 2024 in Mineral Area Development Authority v. Steel Authority of India.

By an 8:1 majority, the Court held that royalty is not a tax and affirmed the power of States to tax mineral rights under the constitutional scheme.

The judgment was constitutionally significant. But it also created a new fiscal possibility: mineral-producing States could seek to impose additional taxes and cesses on mineral rights and mineral-bearing land, over and above existing royalty and other statutory payments.

Jharkhand was among the States that moved rapidly to exploit this newly clarified fiscal space. Parliament has now sought to establish a more predictable national framework.

This distinction is crucial. The amendment is not about taking away States' legitimate mining revenues. The Union government has maintained that States continue to receive the overwhelming share of mining-related revenues. The issue is the proliferation of additional levies that can raise the effective cost of extracting and using minerals.

Consider the economic chain. Iron ore may be extracted in Jharkhand or Odisha, but the steel manufactured from it is used across India. Coal mined in Jharkhand does not merely serve Jharkhand; it feeds India's electricity and industrial ecosystem. Limestone mined in one State ultimately becomes cement used to build infrastructure in another.

Minerals are therefore not ordinary local commodities. They are foundational national inputs.

India is building highways, freight corridors, ports, airports, railways, power plants, homes and defence infrastructure at extraordinary speed. The national economic interest therefore requires mineral prices and industrial input costs to remain competitive and predictable.

If every mineral-producing State begins adding its own taxes and cesses, the country risks creating a race in which each jurisdiction seeks to extract more revenue from the same national supply chain.

The cost does not disappear. It moves forward - from the mine to the manufacturer, from the manufacturer to the infrastructure developer and ultimately from the economy to the consumer.

A mineral tax imposed locally can therefore create an economic cost nationally. The MMDR amendment recognises this fundamental reality.

The politics surrounding the legislation are particularly revealing in Jharkhand. Following the Supreme Court judgment, the Hemant Soren government enacted the Jharkhand Mineral Bearing Land Cess Act, 2024. The resulting revenues became substantial. According to figures cited by the State government, collections were around Rs 1,379 crore in 2024-25 and rose sharply in 2025-26.

Soren subsequently argued that mining-related revenues constitute an exceptionally large component of Jharkhand's own revenues and warned that the new legislation could deprive the State of thousands of crores. There is a legitimate argument here about fiscal federalism. Mineral-rich States must receive a fair return from the resources extracted from their territory.

But another question deserves equal attention: What should a government do when it receives a sudden, extraordinary stream of revenue from a finite natural resource? The economically prudent answer is clear: a substantial part should be converted into permanent productive assets.

Mineral wealth is finite. Roads, irrigation, power infrastructure, schools, hospitals, logistics networks and human capital are investments that can outlive the minerals that financed them.

This is where Jharkhand's record warrants scrutiny. The State has substantially expanded recurring expenditure, including large welfare commitments. Its 2025-26 Budget, for instance, allocated Rs 13,363 crore to the Maiba Samman Yojana and around Rs 5,000 crore for free electricity, while revenue expenditure substantially exceeded capital expenditure.

The point is not to argue that welfare spending is illegitimate. A government must protect vulnerable citizens. The larger issue is fiscal composition.

A government sitting on an extraordinary natural-resource revenue stream should use it to accelerate capital formation and raise the State's productive capacity. It should build the infrastructure, skills and industrial ecosystem that allow future generations to prosper even after the mineral deposits decline.

The available fiscal data do not establish that every rupee of additional mining revenue was squandered. But they do raise a legitimate question about whether Jharkhand has converted its exceptional mineral opportunity into an equally exceptional investment push. That question cannot simply be dismissed as partisan politics.

There is an unmistakable irony in the present controversy. The Soren



government used the fiscal space created by the 2024 Supreme Court judgment to impose a new mineral-bearing land cess. Parliament has now exercised its constitutional authority to establish greater uniformity in the mineral-tax regime.

Yet the same Chief Minister has launched a political campaign portraying the legislation as an assault on Jharkhand's rights. Soren has announced a statewide agitation, while JMM has warned of escalating its protest.

One can understand a Chief Minister defending the fiscal interests of his State. But there is a larger question that needs to be asked: Is a mineral buried beneath Jharkhand's soil economically relevant only to Jharkhand, or does it form part of India's national industrial ecosystem? The answer is obvious.

Jharkhand's coal powers industries far beyond its borders. Its iron ore feeds steel production that supports infrastructure throughout India. Its minerals enter national supply chains.

Federalism cannot mean that each State is free to impose an unlimited fiscal burden on inputs that are indispensable to the national economy. Equally, national economic integration cannot mean depriving mineral-producing States of legitimate revenues.

The objective of the MMDR amendment is to strike precisely this balance.

The most unproductive way to view this legislation is through the familiar prism of Delhi versus the States. India needs strong States and a strong Union. It needs cooperative federalism, not competitive fiscal extraction.

States must receive substantial and predictable revenues from mineral

development. Mining-affected communities must benefit. Environmental costs must be properly accounted for. But Indian industry must also have a stable and competitive mineral regime. That is what a mature federation should seek.

There is an even larger lesson here. India cannot become a developed economy simply by extracting more minerals. It must convert mineral wealth into human capital, physical capital and productive capacity.

The true measure of a mineral-rich State is therefore not how much additional tax it can impose on a mine. It is how much additional prosperity it can create from that mine.

Coal should become reliable energy. Iron ore should feed globally competitive steel. Mineral revenues should finance infrastructure, education, healthcare and industrialisation. Resource wealth should become a foundation for prosperity rather than an excuse for ever-expanding recurring expenditure.

This is ultimately the significance of the Mines and Minerals Amendment Act, 2026. It seeks to ensure that India's mineral wealth does not become trapped in a fragmented regime of competing fiscal claims, raising costs across the national economy.

For India to become a developed nation by 2047, its minerals must serve not merely the State in which they are found, but the national economic transformation that they can make possible.

That is not an assault on federalism. It is an assertion of the economic logic of a functioning federation.

The writer is a national spokesperson of BJP and an acclaimed author.

100 Years Ago



Front page of The Statesman dated 03 September 1926

OCCASIONAL NOTE

A FURTHER debate in the House of Commons though acrimonious and noisy has not pointed the way to a settlement of the coal strike. Mr. Ramsay MacDonald attacks the Government with bitterness; Mr. Lloyd George is the ceaseless critic of Ministers; but neither has shown himself capable of producing proposals that can bridge the gulf between the owners and the miners. It is all very well to say that the Government should bring forward a scheme upon which negotiations can be re-opened, but all effort in that direction has failed. The Government has tried to be helpful first in accepting the greater part of the report of the Samuel Commission and secondly in passing the permissive Eight Hours Act, but these efforts have seemingly only added to the difficulties. A meeting of miners' delegates was held yesterday, but no account of the proceedings has yet been received. There is some indication that the miners are now prepared to make proposals on which negotiations may be resumed, being convinced that nothing can result from their purely negative attitude.

News Items

U.S. ENTERPRISE

HOLD ON MILLION ACRES IN LIBERIA

LONDON, AUG. MR. H. S. Firestone Junior, vice-president of the Firestone Plantation Company, has arrived at Southampton from New York en route to Liberia, where, it is said, America is concentrating to hold a lease of over a million acres, of which at present 2,000 are under cultivation. But it will be a considerable time before production is extensive. Mr. Firestone pointed out that American capital had enabled half a million acres of rubber in the Philippines to be developed, and if a Bill was passed by the local legislature, he expressed the opinion that America would eventually be able to supply her own market — Reuters.

TANGIER SCENES

WORKERS' ANGER OVER MAN'S ARREST

(“TIMES” SPECIAL SERVICE.) LONDON, AUG. Tangier passed a troubled night, and rowdy scenes occurred in the streets. The Spanish Workers' Union, learning that one of their members had been arrested with a view to deportation, summoned a mass meeting at midnight. Large crowds filled the streets, and visits were made to the cafés, where the waiters were compelled to strike. Order was restored by the intervention of the Spanish Consul, who promised to enquire into the case of the arrested man. The latter was placed on a Spanish warship, and the crowds dispersed before daylight.

AIRMAN KILLED

CRASH INTO RIVER NEAR NAVAL FACTORY

PHILADELPHIA, AUG. COMMANDER John Rodgers, survivor of the crew of the seaplane which was lost en route to Hawaii, was flying near the naval aircraft factory when he nosedived into the river. He sustained fatal injuries — Reuters.

FAMOUS VIOLINIST

NEW YORK, AUG. MR. Jascha Heifetz, the famous violinist, has been operated upon for appendicitis. He is doing well. — Reuters.

When a part of us dies silently

NARAYANAN KIZHUMUNDAYUR

Language is far more than a collection of words and grammatical rules. It is the living memory of a people, carrying their history, beliefs, customs, songs, stories, and unique understanding of the world. Every language reflects a distinct way of thinking and interpreting reality. Yet, in our rapidly globalizing world, thousands of these linguistic treasures are disappearing, often silently. The last speakers of many endangered languages are living witnesses to cultures that may vanish forever when they are gone.

Linguists estimate that nearly half of the world's approximately 7,000 languages are endangered. Some are spoken by only a handful of elderly people, while others have fewer than a hundred fluent speakers. Every few weeks, somewhere in the world, a language falls silent forever. Unlike the extinction of an animal species, which often attracts global attention, the death

of a language usually goes unnoticed. Yet its loss is equally irreversible.

Languages disappear for many reasons. Economic opportunities often require people to adopt dominant languages such as English, Mandarin, Spanish, Arabic, or Hindi. Parents may encourage their children to speak these languages, believing they offer a better future. Migration to cities, globalization, intermarriage, and the influence of television, cinema, and the internet further weaken the use of local tongues. In some cases, governments have historically discouraged or even prohibited indigenous languages in schools and public institutions, leaving generations disconnected from their linguistic heritage.

The disappearance of a language is not merely the loss of vocabulary. It is the loss of an entire worldview. Indigenous languages often contain detailed knowledge of medicinal plants, farming techniques, weather patterns, and local ecosystems accumulated over centuries. Many possess words and expressions

that have no equivalent in other languages because they describe experiences unique to a particular culture. Oral traditions, myths, folk songs, and rituals are deeply rooted in language. Once a language dies, much of this cultural wealth becomes inaccessible.

The story of the last speakers is often deeply moving. Imagine an elderly woman who is the only person left capable of speaking the language she learned from her parents. She remembers lullabies, proverbs, and stories that no one else understands. She carries within her a library that has never been written down. When she passes away, an irreplaceable chapter of human civilization disappears with her. Such stories are unfolding across continents - from the indigenous communities of the Americas and Australia to remote villages in Asia and Africa. India, celebrated for its linguistic diversity, also faces this challenge. The country is home to hundreds of languages and dialects, many of which are spoken by small tribal communities. Several are now endangered because

younger generations increasingly shift to regional or national languages for education and employment. The loss of these languages would diminish India's remarkable cultural mosaic.

Despite these challenges, there is hope. Modern technology has become a powerful ally in language preservation. Audio and video recordings, digital dictionaries, online archives, and mobile applications allow endangered languages to be documented and taught. Universities and linguistic organizations work alongside native communities to record grammar, vocabulary, folklore, and oral history. Some communities have established language nests, where children learn directly from elder speakers, helping to revive traditions that seemed destined to disappear.

However, preservation cannot rely solely on scholars or governments. Communities themselves play the most vital role. A language survives only when it is spoken at home, sung in festivals, used in daily conversations, and passed naturally from one generation

to the next. Pride in one's mother tongue is the strongest safeguard against extinction.

Protecting endangered languages is not an exercise in nostalgia. It is an investment in humanity's intellectual and cultural diversity. Just as biodiversity strengthens ecosystems, linguistic diversity enriches human civilization by offering multiple ways of understanding life and solving problems. Each language is a unique voice in the great conversation of humanity.

The last speakers of endangered languages remind us that every language matters, regardless of how many people speak it. Their voices are not echoes from a fading past but urgent calls to preserve the richness of human expression. If we allow these voices to disappear, we lose not only words but also wisdom, identity, and history. Saving endangered languages is, ultimately, an act of preserving the collective heritage of humankind.

The writer is a Thrissur-based accountant and freelance contributor.

Crossword | No. 293570

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Yesterday's Solution

O S A F S O W R

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Y N C H S S L

P E T R I C H O R C E L L O

H L N A U E A V

E X E R T R E S O N A N C E

N T O T H T D R

ACROSS

1 Noblemen poison wine (9)

6 Credit card finally found in marketplace on return (5)

9 Canadian politician impolite in letter to Mitsotakis? (7)

10 Clergyman pockets a pile (7)

11 Place in Surrey for one needing meat (5)

12 First off, replace outside toilets and relax (4,5)

13 At home adult takes exercise, being unfit (5)

14 Lumpy old bed aunt moved out of bedroom initially (9)

17 Religious teacher from Chartres regularly ignored Jesus? Not right (9)

18 Singers from church knocked back port (5)

19 Expert breaks into stately mansion at first? That's easy (2,7)

22 One's driven up river on island (5)

24 State aid put back into local area (7)

25 Smart outfits inlaid with gold will get admirers (7)

26 Build playground in vacated establishment (5)

27 Bag with tea in, and sweetener (9)

DOWN

1 Joint account's closing in difficult situation (5)

2 Run out with disgusted expression over players getting plastered (9)

3 Having painful joints, he tucked into drink with a spasm (9)

4 English composer Sullivan worked with him, a wag (7,8)

5 Extremely subtle documentaries broadcast 4's work (8,2,5)

6 Lark Ascending enthral a South African village (5)

7 As before, not all recommend it totally (5)

8 Resignation is more certain to involve split (9)

13 Dish in Venice, starter of toasted carrot (9)

15 One may replace Yale lecturer with hick, most foolishly (9)

16 Piece of wood that will make 8? (3-2,4)

20 Father and daughter kept in trim (5)

21 Love role displaying creative style (2,3)

23 Once more offend Amber? (5)

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with The Independent, London)

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Editor's
TAKE

SCO Summit: A win for India in Bishkek

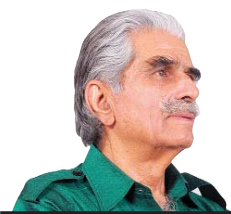
Bishkek has offered a moment of diplomatic convergence - and a reminder that declarations are easier to sign than geopolitical differences are to resolve

The 26th Shanghai Cooperation Organisation summit closed in Bishkek on September 1, with Prime Minister Narendra Modi and the other heads of state signing the Bishkek Declaration, marking the bloc's 25th anniversary. Hosted by Kyrgyz President Sadyr Japarov, the two-day summit brought together ten member states, fifteen partner countries and two observer nations. Prime Minister Modi's agenda rested on three pillars – security, connectivity and opportunity. On security, he pressed for dismantling the entire terror ecosystem: its financing, recruitment, radicalisation and the safe havens that sustain it, insisting there could be no double standards and that terrorism must never be treated as anyone's strategic asset. On connectivity, he backed regional trade and market integration, but only where it respects sovereignty and territorial integrity – a familiar Indian caveat aimed at projects such as China's Belt and Road corridor running through Pakistan-occupied Kashmir. What gave the moment its weight was where it happened: Pakistan Prime Minister Shehbaz Sharif sat at the same table, invoking his own country's sacrifices against terrorism. Yet the Declaration still carried the substance India has sought for years – a strong, collective condemnation of terrorism in every form, rejection of double standards, and a call to combat the cross-border movement of terrorists.

That every member, Pakistan included, signed on to that language is the real story, even without naming any specific attack. Beyond the rhetoric, the summit delivered India concrete institutional gains: approval of a new Universal Centre for Countering Security Threats, an updated protocol on cross-border crime cooperation that aids the fight against narco-terrorism, adoption of English as an official SCO language, and hosting rights for the SCO Civilization Dialogue Forum this autumn – thirteen outcomes in all, by the Ministry of External Affairs' own count. The summit's ambit reached well beyond South Asia. The Declaration condemned the US-Israeli strikes on Iran as violations of international law and favoured a more multipolar order over unilateral sanctions – an SCO positioning itself against Western-led institutions. That sits awkwardly alongside India's own recalibration: a February trade deal cutting US tariffs from 50 per cent to 18 per cent came bundled with a commitment to wind down Russian oil purchases, even as Modi sat with Putin in Bishkek, reviewing the full spread of India-Russia ties, energy included. With Xi Jinping there was no scheduled bilateral, just a warm handshake – modest, but consistent with the thaw since Tianjin. The real test begins now. Later this month, Modi, Xi and Putin reconvene in New Delhi for the BRICS summit, a sterner test of whether Bishkek's cordiality survives contact with unresolved friction on the border and in trade. Declaratory unity against terrorism has been signed before, Pakistan included, without reliably converting into extradition, financial action or intelligence-sharing India can point to. Bishkek gave India better language. What New Delhi does with it will decide whether this was a turning point or one more ritual repeated on schedule.

Laldenga: From insurgency to peace

In *From Guerrilla Fighter to Chief Minister*, Zoramthanga Chhangte traces the turbulent journey from the 1966 uprising through years of exile and failed negotiations to the historic Mizoram Peace Accord of 1986. The book offers a deeply personal Mizo perspective on a conflict that ultimately gave way not to enduring bitterness, but to reconciliation and lasting peace



ASHOK K MEHTA

On August 22, Zoramthanga, a three-term (ending 2023) former Chief Minister of Mizoram and long-time President of the Mizo National Front, received his BA degree from Gauhati University, 60 years after graduating from Dhanamanjuri College, Imphal, then affiliated with Gauhati University. On June 26, the Indian Express carried in its column "40 years ago" its front-page lead as "Laldenga would be new CM of Mizoram in an MNF-Congress I coalition government", replacing the incumbent Chief Minister Lalthanhawla, who would be his deputy CM. The Mizoram Peace Accord is one of India's most successful internal peace processes, negotiated with Laldenga by four Indian governments, culminating in PM Rajiv Gandhi's pointed efforts – this after Congress I had signed peace accords in J&K, Punjab, Assam, Nagaland and Tripura.

The story From Guerrilla Fighter to Chief Minister is told by Zoramthanga Chhangte, a Mizo who graduated from Laldenga's PA and became his most trusted aide and Vice President of the MNF. He is an eternal believer in Jesus Christ, the Lord God of his life and its turbulent trajectory. The book has 80 short chapters covering the movement in graphic detail.

A former Havildar in the Indian Army, Laldenga was fluent in English and Hindi and taught English at a local school for ₹5. The insurgency and bid for secession began on 1 March 1966 with the declaration of a Unilateral Declaration of Independence and the launch of Op Jericho, which simultaneously targeted Aizawl (capital of Mizoram), Lunglei and Champhai, along with scattered posts in Mizoram. The Army was not deployed in Mizoram at the time; only the Assam Rifles and paramilitary forces were present. Military operations were meticulously planned, combining deception, surprise and siege tactics, though the Mizo National Army (MNA) had very few weapons to start the insurgency.

The Aizawl attack had to be abandoned due to the loss of surprise, but rebels later ambushed and killed four Assam Rifles soldiers. The Aizawl Assam Rifles headquarters fell under siege, with water pipelines destroyed. MNA asked Assam Rifles to surrender as Army helicopters attempted to drop water and evacuate casualties but were unable to land. Zoramthanga writes that Gen Sam Manekshaw, then Eastern Army Commander, was wounded while flying in one of the helicopters, which is incorrect. Meanwhile, police outposts, the



THE STORY FROM
GUERRILLA
FIGHTER TO CHIEF
MINISTER IS TOLD
BY ZORAMTHANGA
CHHANGTE, A MIZO
WHO GRADUATED
FROM LALDENGAS
PA TO BECOME HIS
MOST TRUSTED
AIDE AND VICE
PRESIDENT OF MNF.
HE IS AN ETERNAL
BELIEVER IN JESUS
CHRIST, THE LORD
GOD OF HIS LIFE
AND ITS
TURBULENT
TRAJECTORY

The writer, a retired Major General, served as Commander, IPKF (South), Sri Lanka, and was a founder member of the Defence Planning Staff, now the Integrated Defence Staff

1976 peace talks resulted in MNF accepting a ceasefire and a solution within the Indian Constitution but refusing to surrender their weapons. For the Delhi talks, Laldenga was parked at 34 Gulmohar Park, a safe house, while "negotiating with one Om Mehta as Doval was doing what he is best at – divide MNF and MNA", with partial success. The Delhi talks failed, forcing Laldenga and Zoramthanga to escape from the safe house in 1978, but Laldenga was arrested and sent to Tihar jail. Advocate Swaraj Kaushal (married to Sushma Swaraj of the BJP) got Laldenga released (in 1990, Kaushal became Governor of Mizoram, where I met him).

On July 31, 1980, the second formal ceasefire was announced, but talks failed again and Laldenga flew off to London. Brig T Sailo, whom I knew, had retired from the Indian Army and was CM of Mizoram; his son was underground. As counter-insurgency against the MNA intensified, the MNF was declared an unlawful organisation. The third 'Quit Mizoram' notice was given to non-tribals and Gorkhas. In April 1984, Congress won the state elections; Sailo was defeated with the help of MNF. Lalthanhawla became Chief Minister, and Laldenga returned from London. Another ceasefire was declared in December 1984 following the most intense round of talks between Congress and MNF, with the latter agreeing to lay down arms. On 30 June 1986, 20 years after MNF took up arms, Laldenga was appointed interim CM following an interim accord between Congress and MNF. It was a compromise between the central government and rebels-turned-democrats who were mainstreamed with a safe landing.

The provisions of the accord were: MNA to surrender arms, sever ties with other banned groups, MNF to accept the Indian Constitution, grant of statehood with Special Category status and Legislative Assembly, continuation of Inner Line Permit, choice of state language, grant of state university and High Court, compensation for those killed in the 1966 uprising, rehabilitation of cadres and a lot more. Zoramthanga's book is guided by faith through conflict towards a destiny of peace guided by Jesus Christ. It is dedicated to Mizoram's martyrs. The narrative is through a Mizo lens; the account of the insurgency is scant and scattered, as Zoramthanga was focused on the peace process accompanying Laldenga. Op Jericho is a revealer. While Pakistan hosting L and Z in Rawalpindi after Dacca is a mystery, China providing training and a substantial quantity of weapons is not.

The peace process is a saga of failed talks which eventually led to a unique peace accord in which Rajiv Gandhi was heavily invested. The sound accord has led to durable peace and good governance, largely due to Mizos' love for and fear of God-a must-read book.

Aizawl jail and treasury were captured. Assam Rifles declared SOS. On March 5, for the first time in India's counter-insurgency history, IAF jets strafed the MNA, and Aizawl was left pulverised and ablaze. The siege was lifted, and MNA withdrew into the jungles to fight another day.

The attacks against Lunglei and Champhai towns were successful and resulted in surrender. From 1 to 15 March 1966, barring Aizawl, major portions of Mizoram were under the administrative control of MNF, with the capture of nearly 700 weapons, colossal ammunition and ₹2 million from the Treasury. MNA rightly did not resist the advance of the Indian Army, which entered Mizoram from Silchar, advancing to Aizawl, which Zoramthanga equated with a scorched-earth operation. While Laldenga crossed into East Pakistan, MNA volunteers stayed back to protect civilians and continue the insurgency.

MNF was not welcome in East Pakistan during Gen Ayub Khan's time. Over time, MNA contingents moved to China for training and weapons. The 1971 war forced MNF/MNA to shift to Burma's Arakan hills. Ironically, MNA fought against the Indian Army along with Pakistan's SSG in the Chittagong Hills. Laldenga and his party were keen to start peace talks with India and remained in Pakistan from 1971 to 1975, during which time Laldenga and Zoramthanga met President Zulfikar Bhutto.

Secret talks were held in Kabul, Bangkok, Geneva, Hyderabad and finally Delhi. Ajit Doval, then Assistant Director, IB, Aizawl, monitored the peace talks.

After Mujib ur Rehman's assassination, MNF moved back into Bangladesh from Burma. The

What kind of world does our news create?



RAJYOGI
BRAHMA
KUMAR
NIKUNJ JI

2ND OPINION

Peaceful world has been the main aim of humanity since time immemorial and one can say this without any doubt whatsoever that media being not only the mirror of the society but also as the leader, guide and somewhat moulder of the society can play this important role to re-establish peace in the world.

Today if we take any morning news-paper in hand and have a look at its columns, we would see that most of the news covered are about events of deviant human behavior, bride burning, oppression of lower caste people by higher cast, railway accidents, floods and fires, scandals, political defections, dacoities, hostility between religious communities and warfare between countries. Is it RIGHT?

Again, presenting news in a tart, saucy, and sensation-



al fashion is another common feature. In reality, it amounts to making people addicted to sensational, hot, nerve-rattling and blood-curdling news as one makes a person addicted to over-spicy curries and excessively hot tea or very strong and lip-burning coffee.

The result is that when there is no news of a big scandal, a horrible murder, a terrific railway accident or a major racket or a calamity in a paper, readers say: "Oh Man! There is no news today; today's paper is totally tasteless." This trend has become so common that, in journalism, it has become a saying that bad news is good news.

After reading such news day after day, the average reader becomes discouraged to see that justice, goodwill, and honesty are conspicuously absent and feels persuaded to adopt the ways of the world around them. The need for value-based journalism is thus being felt and propagated, particularly in the Asian Continent. At its recent con-

ference, the South Asian Journalists Association stressed and advocated self-regulation to uphold values in the media. These values guide us to distinguish between right and wrong, between do's and don'ts.

We must first realise that the root cause of all kinds of misery and crime lies mainly in unethical thoughts, words, and acts of man. Incidents like robberies, dacoities, embezzlement, adultery or manufacture of new destructive weapons by some countries, all these spring from what may well be called 'impurity of thought' or, in other words, from violence, hate, greed, etc. in the minds of men. These evils can be reduced or, even up-rooted, by tackling the root-cause itself, viz., pollution of thought, or in other words, by inculcating in people what goes today by the name of moral values, humanism or purity in the mind of man. Hence, such news, articles and features help to solve problems of the individual and the society through purity in thought, word and deed and it will do so by bringing Supreme and soul also in the world of news and views since the world has now become too materialistic and man has moved far away from his beloved Creator. Therefore, every media person should realise that a world full of peace and happiness will not arrive without a positive and constructive role for the media.

The writer is a spiritual teacher and a popular columnist

LETTERS TO THE EDITOR

Digital platforms reshape cinema viewing.

The way people watch cinema has changed significantly with the growth of OTT and social media. Today, a film's success depends not only on theatres and television but also on digital platforms. This transformation has created both opportunities and challenges for the Indian film industry. Social media has become a powerful tool for connecting films with audiences. Platforms such as Instagram, YouTube and Facebook allow filmmakers to promote trailers, songs and behind-the-scenes content directly to viewers. Audience reviews and online discussions can also influence a film's popularity quickly. OTT platforms have further changed viewing habits by offering greater choice and convenience. People can watch films at a time and place that suits them. This particularly benefits regional cinema, helping Kannada and other regional films reach audiences beyond their traditional geographical boundaries. However, digital platforms should not weaken the theatrical experience. Cinemas still offer a collective cultural experience that streaming cannot fully replace. The future should therefore be viewed not as a competition between theatres and digital platforms, but as an opportunity for both to complement each other and help Indian cinema reach wider audiences.

NISARGA | UTTAR PRADESH

Terrorism cannot be a strategic asset

Prime Minister Narendra Modi's assertion at the Shanghai Cooperation Organisation summit that terrorism cannot be considered a strategic asset highlights a fundamental principle of international security. Terrorism is a threat to humanity and cannot be justified as a means of achieving political or strategic goals. Any state or organisation that attempts to exploit terror ultimately contributes to instability and insecurity. The response to terrorism must therefore go beyond expressions of concern. Terror networks must be systematically dismantled by targeting their sources of funding, recruitment, training and logistical support. Nations must also prevent their territories from being used as safe havens by extremist organisations. A common, uncompromising approach is essential, as terrorism in one country can threaten others. The SCO provides an important platform for regional cooperation. Member countries should strengthen intelligence-sharing, coordinate counter-terrorism efforts and combat terror financing. Differences should not hinder cooperation on collective security. Modi's message deserves to be translated into sustained action. Treating terror as a strategic instrument only prolongs conflict; dismantling its entire ecosystem is the only credible path towards lasting regional stability.

RUKMA SHARMA | PUNJAB

Balancing protest and public order

This refers to the news report "SC invokes special powers to scrap FIRs over CJP protests" (September 2). The Supreme Court's decision to invoke its special powers and close FIRs arising from the protests deserves attention, especially because prolonged criminal proceedings can affect students and young people for years. The court's distinction between ordinary protesters and those with serious criminal antecedents is necessary. The larger issue is how authorities handle public protests. Peaceful dissent is essential to a democratic society, but violence, destruction of property and threats to public safety cannot be overlooked. Authorities' response must be measured and proportionate. Indiscriminately registering cases against participants may create avoidable hardship and burden both the police and the courts. Clearer guidelines are needed. Police should identify individuals with credible evidence of specific offences rather than rely on sweeping action. Video recordings can help distinguish peaceful participants from those involved in unlawful acts. Accountability matters when force is excessive, or innocents are wrongly implicated. Public order and democratic freedoms can coexist. With restraint and proper investigation, both can be upheld.

SM JEEVA | CHENNAI

Daiv Vani

WISDOM FOR A MEANINGFUL LIFE

Chummalru: The art of simply being

People travelled from across the world to Arunachala, carrying questions that had troubled them for years - about the self, about suffering, about the meaning of existence. They came expecting long discourses. Instead, they found Ramana Maharshi seated in silence, his eyes calm, his presence still.

At first, visitors would ask their questions aloud, waiting for elaborate answers. But something curious happened. In his presence, the questions themselves began to quieten. Many who came confused left without a single word exchanged, their doubts dissolved not through explanation, but through simply sitting in that silence. Ramana Maharshi's teaching had a name in Tamil - "*Chummalru*" - do nothing, simply be. Not idleness, but a stillness so complete that the noise of the mind finally settles, and what remains is clarity that no words could have given.

We live convinced that answers come from more talking, more advice, more searching outside ourselves. Ramana showed the opposite - that the truth we seek is not found by adding more, but by quietening the mind enough to hear what was always there. Try it for five minutes today. Sit. Do nothing. 'Chummalru'. See what surfaces when you stop chasing the answer.

—DAIV

Ensuring public health through regulating food items

While the Food Safety and Standards Authority of India has taken important steps to strengthen hygiene standards and regulate unsafe practices, much more needs to be done to ensure that what reaches the consumer’s plate is genuinely safe, hygienic and transparently sourced



SUBHASH CHANDRA AGRAWAL

News reports about school children falling sick after taking food served under the Mid-Day Meal Programme. News reports frequently surface about insects, frogs, lizards, rats, etc., as well as substandard raw materials like rice and pulses, with many foreign ingredients reportedly used to cook mid-day meals in schools. Schools should serve only packaged food, preferably baked food, to ensure hygiene. It will also accommodate the peculiar food habits of some children, such as avoiding onion and garlic. Thirty Parliamentarians once appealed to the Government to replace cooked food in the Mid-Day Meal Scheme with packaged biscuits procured from reputed companies recommended by the Mumbai-based Biscuits Manufacturers Welfare Association (BMWA). The Government can save money by encouraging big packaged-food manufacturers to sponsor the programme in return for publicity for their trade names. Corporates can also be asked to fund the Mid-Day Meal Scheme with packaged food supplied under Corporate Social Responsibility (CSR), which is mandatory for large companies.

Extend scope of IRCTC widely to prepare packaged food for schools and trains

Units of Indian Railway Catering & Tourism Corporation Limited (IRCTC) should be set up in every district of the country and should also produce baked items. IRCTC can provide packaged food products as mid-day meals in schools and to train passengers, where there are frequent complaints about freshly cooked meals. IRCTC products can then be sold in the open market to foster healthy competition with private companies and offer quality products at economical prices. IRCTC can raise initial funding for such a mega-project through long-term, tax-free bonds. It will also provide large-scale employment, even in rural areas, preventing migration to cities in search of employment.

Opening many IRCTC units in every district will create significant employment, preventing rural youth from rushing to urban areas in search of work. Funds for setting up such a large number of IRCTC units can be generated from special long-term, interest-free IRCTC bonds that are mandatory to disclose unaccounted black money.

Appreciable steps taken by FSSAI

The Food Safety and Standards Authority of India (FSSAI) deserves praise for taking steps to make it compulsory for all eateries to display hygiene ratings on their doors. But it should be ensured that the hygiene rating is not based only on cosmetic aspects of the dining area. The rating should also cover kitchen and storage areas. It is common for rats to be in eatery stores, and kitchens to be unhygienic.

FSSAI has also taken another important step to regulate the reuse of cooking oil through repeated frying, since repeatedly fried oil is a serious health hazard. The time has come for FSSAI to make it compulsory for every eatery, however small, to install RO water purifiers and prominently display information about their installation. FSSAI should also take steps to ensure that kitchenware for vegetarian and non-vegetarian food is kept separate in eateries to respect the sentiments of vegetarian people. This aspect should also be displayed prominently and compulsorily in all eateries.

Adulterated Honey

The Supreme Court on 19.04.2021 had sought comments from the Central and State Governments on reports of adulterated honey being marketed in India, even in popular brands of renowned companies, where some special type of sugar imported from China, mixed with honey, bypasses tests as required by the Food Safety and Standards Authority of India (FSSAI). Research by the Centre for Science and Environment says only three out of 70 samples of honey marketed in India could pass the internationally accepted NMR spectroscopy test. If the report is correct, then it is playing with the lives of Indian people because diabetic people consume honey, as it is otherwise considered safe for diabetic people. FSSAI



should adopt the internationally accepted NMR spectroscopy test for giving sale permission for honey.

Brown sugar should be compulsory

India is experiencing a severe diabetes epidemic, often termed the “diabetes capital of the world”, with an estimated 101 million people living with diabetes and another 136 million with pre-diabetes as of 2025-2026. The best way to control such a diabetic epidemic is to make it compulsory to use brown sugar for all commercial and medicinal purposes (syrops, etc.) instead of normal white sugar. Recently, a famous confectioner of Chandni Chowk (Delhi) introduced a specially prepared sweet for diabetic people. As demand for brown sugar grows, sugar manufacturers will divert production to it instead of white sugar.

Famous branded companies marketing packaged water bottles and cold drinks have dual pricing for the same product: one normal price for open-market sale, and a higher one for sale on flights, in theatres, and in five-starred hotels, etc. This anti-consumer practice must be stopped. The best is to set up water-bottling plants of Rail Neer, marketed by IRCTC, in different parts of the country.

Check use of harmful oils and animal fats

Harmful oils and animal fats are commonly used at roadside dhabas and in some eateries in the name of butter. Central and State Governments should take necessary steps so that such spurious ‘butter’ cannot be used. After the shocking incident of adulterated ghee being found in the holy prasad of laddoos at Tirumala Tirupati Devasthanam during the earlier regime, it has become necessary to take preventive steps to ensure that confectioners and eateries do not use such adulterated desi ghee. Manufacturers of desi ghee must mandatorily share the brand name and other details with the Food Safety and Standards Authority of India (FSSAI). Instead, such information can be made public by directing confectioners, eateries, etc., to display details of branded raw goods, including ghee and oil, at prominent places. Taking cognisance of alleged incidents of spitting and mixing urine in eateries in Uttar Pradesh, Chief Minister Yogi Adityanath rightly directed that the name and address of operators, proprietors and managers be displayed at all food centres, making it compulsory for chefs and servers to wear masks and gloves, besides making the installation of CCTV cameras compulsory in hotels and restaurants. Even Minister Vikramaditya Singh of the Congress-led Himachal Pradesh government wanted to follow the same pattern. With so many Rohingyas and Bangladeshis present in India, such steps should be mandatorily taken by all States, keeping aside pseudo-secular politics. Vegetarianism is spreading fast worldwide, with World Vegetarian Day celebrated every 1st October. The Government of India should approach the United Nations to celebrate 1st October as Vegetarian Day on the lines of Yoga Day.

Only branded milk and milk products may be allowed

Considering the usual reports of unauthorised units found producing synthetic milk and spurious milk products like khoya and paneer. To ensure the supply of pure milk and milk products, at least in cities where branded milk and milk products are easily accessible, with government-owned Mother Dairy and co-operative giant Amul, apart from some other private companies like Vita, Verka, Sudha, Saras and Nandini now marketing milk and milk products, the sale of only branded milk and milk products may be permitted in cities where such branded milk and milk products are available.

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The transformation of UP’s Vantangiya community



DEEPENDRA MOHAN SINGH | MAHENDRA KUMAR SINGH

left many forest-dwelling communities marginalised. The Vantangiya community of Uttar Pradesh is a striking example. For decades, its members lived in forests, contributed to colonial and post-colonial afforestation programmes, but remained deprived of basic civic amenities and development opportunities.

The history of the Vantangiyas dates to the early twentieth century, when the British expanded afforestation programmes across North India. Poor and landless labourers were settled in forests to cultivate crops and tend tree plantations, becoming known as Vantangiyas. The community comprises people from different castes, with many from backward-caste and Dalit communities. ‘Taungya’, from Bamar, means a cultivation field on a hill. The Taungya system combines agriculture with forestry, with crops cultivated before trees are planted on the same plot. German botanist Dietrich Brandis introduced a teak-based Taungya system in Myanmar in 1856. India later adopted the system for reforestation, particularly after large-scale colonial exploitation of forests. By the early nineteenth century, England’s oak forests had been severely depleted by logging, creating a timber crisis for the Royal Navy. India’s forests consequently became an important timber source. From the 1820s, large quantities were extracted and exported. The expansion of railways from the 1850s intensified demand because wood was required for fuel and railway sleepers. As forests around railway lines were rapidly depleted, India introduced the Taungya system in 1890 to facilitate reforestation.

The Sal-based Taungya system was introduced in the Gorakhpur Forest Division in the early twentieth century and proved successful. Labourers cleared allotted plots, cultivated crops and planted Sal trees before being moved after four or five years. Independence in 1947 did not immediately change their situation. Vantangiyas continued working in afforestation programmes, owned little or no agricultural land and lived in temporary huts. Repeated displacement left many without documents establishing their citizenship or access to government welfare schemes. The situation deteriorated in the early 1980s when the Forest Department reportedly sought agreements from Vantangiyas stating that their rights over forest land would end after completion of afforestation. The community refused to sign. They were subsequently treated as encroachers, resulting in conflict in 1985 in which two people died, and more than two dozen were injured. The Vantangiyas thereafter organised the Vantangiya Vikas Samiti to articulate their demands. A significant political intervention came with Yogi Adityanath’s election to the Lok Sabha from Gorakhpur in 1998. He took up the community’s concerns both in Parliament and on the ground. Recognising that education and healthcare were essential to integration, he mobilised institutions associated with the Maharana Pratap Shiksha Parishad and Guru Shri Gorakshnath Hospital. A temporary school was established in Tinkonia No. 3 forest village in Chargawan block. Named Hindu Vidyapeeth, it became a symbol of efforts to bring education to a community that had remained outside the mainstream. Yogi Adityanath also began celebrating Diwali with residents of Tinkonia No. 3, a tradition that continues. The Forest Rights Act, 2006, provided an important legal framework by recognising the rights of Scheduled Tribes and other traditional forest dwellers. Vantangiyas in Gorakhpur obtained residential and agricultural land rights. Yet their settlements did not receive revenue-village status. This administrative exclusion meant many government programmes related to housing, healthcare, drinking water, roads, education, and MGNREGA could not be implemented effectively. The community therefore continued its struggle for recognition as revenue villages and integration into the Panchayati Raj system, receiving sustained support from Yogi Adityanath.

The decisive turning point came in 2017, when Yogi Adityanath became Chief Minister of Uttar Pradesh and declared the Vantangiya settlements in Gorakhpur district as revenue villages. Settlements including Tinkonia No. 3, Rajahi Azad Nagar, Rajahi Khale Tola, Aambag and Chilibilwa consequently gained access to government welfare programmes. In 2018, projects worth approximately ₹215 lakh were launched, followed by projects worth around ₹1.32 crore in 2019. By then, 895 toilets and 788 houses had been constructed, 647 families received electricity connections under Saubhagya, 895 Antyodaya ration cards were issued and more than 600 people received Ujjwala connections. In 2020, projects worth ₹65.77 lakh-including paved pathways, community toilets, Panchayat buildings and Anganwadi centres-were inaugurated or launched. The government also provided housing approvals, ration support, uniforms, and sweaters. In 2021, the government inaugurated or launched eight development projects involving roads and other basic infrastructure. The Vantangiya experience is therefore more than a story of material development. It represents a transition from administrative invisibility to citizenship in practice. Revenue-village recognition opened the door to Panchayati Raj institutions and government schemes, while roads, houses, electricity, healthcare, education, sanitation and social-security benefits improved everyday life.

The larger lesson is that inclusive development requires more than welfare expenditure. Communities historically excluded from formal administrative structures first need recognition, documentation and institutional inclusion. The transformation of the Vantangiya villages demonstrates how administrative reform, political representation and targeted welfare programmes can combine to advance social integration.

Yogi Adityanath’s sustained engagement with the Vantangiya community — from Gorakhpur MP to Chief Minister—shows how political intervention can turn marginalised communities’ demands into policy action. The Vantangiya story thus provides an important example of how inclusive governance can restore dignity, expand citizenship and enable historically isolated communities to participate more fully in India’s development journey.

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The body remembers: Rethinking the hidden stress of childhood



PARDEEP NANGLU

social comparison, bullying, loneliness, a phone that never switches off — and a different picture emerges: children carrying more psychological weight than we credit them with, minus the emotional toolkit adults spent decades building. Not all stress is harmful - some teaches adaptation and builds resilience. What matters is the difference between stress that’s brief and manageable, and stress that turns prolonged and overwhelming. Harvard’s Centre on the Developing Child calls the second kind “toxic stress”: excessive or repeated activation of the body’s stress-response systems, especially when a child lacks stable relationships that help them recover.

Left unaddressed, it can shape a developing brain and other biological systems in lasting ways. Adults also underestimate how large a small problem can feel to a child. Because emotional regulation, perspective-taking and impulse control are still developing, something that looks minor from outside — a friendship fallout, a bad exam, a sharp scolding — can register internally as closer to a crisis. Modern neuroscience keeps confirm-

ing what ancient traditions long assumed: mind and body aren’t separate systems. When a child perceives a threat, the brain signals the autonomic nervous and endocrine systems together — heart rate climbs, muscles tighten, breathing shifts, cortisol enters the bloodstream. If safety returns, the body settles back towards baseline. The trouble starts when a child’s nervous system keeps receiving one message: you are not safe. Researchers call this accumulated cost “allostatic load”, and a growing body of research traces how early adversity becomes biologically embedded through interconnected neural, immune, metabolic and hormonal pathways.

This is why a stomachache, headache, disrupted sleep, withdrawal, aggression or slipping grades deserve curiosity rather than judgement. They aren’t always simple “bad behaviour” — they can be the body’s vocabulary for a feeling the child has no words for yet. The CDC notes that ordinary fears and sadness are normal parts of growing up, but persistent or extreme symptoms are worth a professional look. The more useful question for parents and teachers isn’t “how do I stop this behaviour” but “what has changed?” Has a sociable child gone quiet? A once-confident one turned fearful? Is perfectionism creeping in? Has sleep or appetite shifted? Are aches appearing with no obvious cause? Is the child avoiding school, friends or activities they used to enjoy? These shifts are information, not defiance.

A child rarely announces distress in clinical language. It shows up instead as “I don’t want to go to school”, a slammed door, a long silence, or an



unexplained stomachache.

How the adult responds matters enormously: a calm parent signals safety. At the same time, a reactive one can unintentionally deepen the child’s fear — part of why an adult’s own emotional regulation is itself a form of child mental-health care. It also means resisting the urge to fix, correct or lecture. A struggling child often needs an attentive adult, phone down, asking “what happened?” instead of “why did you do that?” — and validating the feeling while holding a boundary on the behaviour: I understand you’re angry, but hitting isn’t okay. That distinction, honouring emotion without excusing harm, is foundational to healthy development.

India’s contemplative traditions — yoga, meditation, pranayama, Ayurveda — have explored the links between breath, awareness and well-being

for millennia. They aren’t a replacement for evidence-based care, but when combined thoughtfully with it, they add real value: teaching a child to notice a thought or feeling without instantly reacting - a few conscious breaths, a mindful walk, a moment of gratitude, quiet attention to nature-builds genuine self-regulation.

Research increasingly supports this. A 2024 meta-analysis of mindfulness-based interventions in children aged 6 to 12 examined outcomes including attention, cognitive flexibility, emotional and behavioural regulation, distress, social competence and physical health — part of a wider case for cautious optimism. The goal isn’t permanently placid children; it’s helping them notice what they feel clearly enough to respond, rather than react.

Psychological care that ignores the body is incomplete. Is the child sleeping, moving and eating enough, spending time outdoors, connecting meaningfully with others? The WHO recommends children and adolescents aged 5 to 17 get an average of at least 60 minutes of moderate-to-vigorous activity daily, with vigorous, muscle- and bone-strengthening activity built in regularly-movement that supports fitness, cognition, and mental health together. Sleep matters as much: a chronically exhausted brain cannot regulate emotion well. Then there’s the digital world every child now carries in their pocket — an endless stream of comparison and stimulation. The American Academy of Paediatrics notes that digital media can disrupt sleep, activity, and emotional regulation, even as it also offers learn-

ing, creativity, and connection. The answer isn’t a blanket ban but thoughtful, family-level boundaries on when and how they’re used.

One way to hold this together: regulate — breathing, emotional awareness, movement, steady routines; relate — secure relationships where a child feels seen and safe; restore — sleep, play, nature, nutrition, creativity, genuine rest. Schools have a role too, teaching emotional vocabulary, conflict resolution and self-compassion as basic life skills, not just crisis response. None of this works alone — parents, teachers, counsellors, paediatricians and communities all shape the environment a child’s nervous system keeps learning from.

The real question isn’t how to make children perform better. It’s how to raise human beings capable of moving through difficulty without losing themselves. A child is not a problem to be solved but a developing consciousness growing inside a family, a culture, a society. India’s old instinct - observe before reacting, bring awareness before judgement — sits remarkably close to what modern stress biology now confirms. So perhaps the better question isn’t “how do we make this child behave”, but “what is this behaviour trying to tell us?” Asked with patience, that question turns childhood stress from a problem to be eliminated into an invitation — to build calmer homes, kinder schools, and a culture where children are allowed not just to succeed, but to feel safe enough to grow.

The writer is a US based psychologist, holistic mental health and mindfulness educator

The Tribune

ESTABLISHED IN 1881

SIR omissions

ECI must ensure that no eligible voter is left out

THE third phase of the Special Intensive Revision (SIR), carried out in 16 states and three union territories, has witnessed the removal of over 6 crore names so far, according to the draft voter lists. In Delhi, nearly one-third of the names have been excluded; the corresponding proportion is around one-fifth (19-21%) in Telangana, Maharashtra, Karnataka and Arunachal Pradesh. Haryana (16.38%) and Chandigarh (12.80%) are not far behind, while there are 9.63% deletions in Punjab, which goes to the polls early next year.

Delhi’s case, in particular, demands exceptional scrutiny. The Election Commission of India (ECI) says the exclusions largely concern voters classified as absent, shifted, dead, duplicate or otherwise untraceable following house-to-house visits. It has pointed to the national capital’s large floating population as a possible explanation. Indeed, migration and frequent changes of residence can complicate electoral registration in a city with a highly mobile workforce. But mobility cannot become a pretext for ineligibility. The Telangana government has flagged concerns after lakhs of names were placed in categories requiring verification, while Maharashtra’s draft roll excluded more than 2 crore names, with permanent shifting and absence accounting for the largest shares. Such figures demonstrate the administrative challenge, but they also underline the importance of safeguards.

A window has been provided for aggrieved people to submit claims and objections. However, the West Bengal experience has shown that this process is far from easy. Opposition leaders have alleged that SIR is facilitating politically motivated exclusions, including claims concerning minority voters. The ECI needs to counter these accusations with concrete constituency-level evidence. The priority should be to ensure that no eligible voter is left out. An accurate electoral roll is essential to democracy. So is the confidence of the citizens in the entire exercise.

Corruption backlog

As cases pile up, deterrence weakens

THE fight against corruption suffers from a debilitating contradiction: the machinery to investigate wrongdoing is extensive, but the machinery to deliver timely justice remains painfully slow. The latest Central Vigilance Commission (CVC) report highlights the scale of the problem. As many as 7,229 corruption cases investigated by the CBI were pending trial at the end of 2025. More alarming, 409 had remained unresolved for more than 20 years, while 2,447 had been pending for 10 to 20 years. A corruption case that drags on for decades defeats much of the purpose of prosecution. The accused may retire, witnesses may become unavailable, records may be harder to trace and public memory may fade. Most importantly, the deterrent value of punishment is diminished. The message that reaches potential offenders is not that corruption will certainly be punished, but that accountability can be postponed almost indefinitely.

The problem cannot be laid entirely at the judiciary’s door. The CVC report points to delays at several stages, including investigation, obtaining documents and responses from foreign jurisdictions, and securing necessary sanctions. As of December 2025, 473 corruption cases were still under CBI investigation. There were also 14,083 appeals, revisions and writ petitions pending in the Supreme Court and high courts. Therefore, investigative agencies must be adequately staffed and technologically equipped, prosecutors strengthened and corruption courts provided sufficient judicial and administrative capacity. Cases pending for five, 10 or 20 years should be subject to systematic monitoring, with responsibility fixed for avoidable delays.

The objective of an anti-corruption regime cannot simply be to register cases or secure convictions eventually. It must ensure that justice is swift enough to deter, fair enough to command confidence and final enough to restore public faith.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, FRIDAY, SEPTEMBER 3, 1926

Cartman murder case

THE trial of Private Thomas is not the first case in which a European has been tried in this country for causing the death of an Indian and allowed to go scot-free. There have been numerous similar cases in the past in which the accused persons have been let off on one plea or another; either the spleen of the deceased has been found to be diseased or death has been attributed to sheer accident, or else, where a conviction could not be avoided, a nominal sentence has been regarded as sufficient to meet the ends of justice. We do not for a moment suggest that in all these cases the accused should have been convicted or awarded the capital sentence; but it does seem strange that in spite of hundreds of such cases going before the courts during the last three-quarters of a century, the charge of murder was not held to have been adequately proved in one single case. A European does not cease to be a human being, moved by ordinary human passions and emotions, on setting foot on Indian soil; and it is impossible to believe that he becomes incapable of committing offences which are every day committed all over the world. On the contrary, there is ample evidence to show that a section of Europeans in this country holds the life of an Indian very cheap, and would kill one with as little compunction as they would have in killing a mosquito. We have no doubt that the better class of Europeans does not approve of this state of affairs; and the government itself does not want to perpetuate the circumstances which render such miscarriage of justice inevitable. But the fact remains that so long as racial discrimination continues to be recognised by law, it is impossible to avoid such judicial scandals.

OPINION

Tortuous journey of India-China talks

Special Representatives framework has degenerated into an exercise in crisis management



MANISH TEWARI
LOK SABHA MP AND
FORMER I&B MINISTER

TWENTY-FIVE rounds, 23 years, one agreement, and even that has been subject to constant revision through reinterpretation. India counts the rounds held; China counts the ridgelines held.

Conceived in 2003 under then Prime Minister Atal Bihari Vajpayee to bypass diplomatic hair-splitting and forge a high-level political settlement, the Special Representatives framework has slowly degenerated into a procedural exercise in crisis management.

Its sole structural milestone, the April 11, 2005, Agreement on Political Parameters and Guiding Principles, also essentially lies hollowed out. Article VII of this agreement was intended to protect “settled populations” — safeguarding territories like Tawang. New Delhi read the compact as “Tawang secured”. Beijing has spent two decades unread it.

Finally, in March 2017, then Chinese Special Representative Dai Bingguo declared that Indian concessions in the east were key to Chinese “accommodation” elsewhere.

When the two current Special Representatives met in Beijing on August 25 for the 25th round of the dialogue, the mechanism turned 23 with not even a kilometre of the boundary settled.

Since the April-June 2020 Chinese intrusions across the Line of Actual Control (LAC), the mandate has inverted: India finds itself negotiating a tactical disengagement and friction-point buffer zones rather than strategic boundary demarcation, effectively trading established patrolling rights to preserve a fragile peace.

The eight points of consensus and outcomes arrived at on August 25 read more like a crisis management mechanism than a boundary dispute settlement process. Even the terms of reference of the Expert Group on Boundary Delimitation and the



DIALOGUE : India’s National Security Adviser Ajit Doval met Chinese Foreign Minister Wang Yi in Beijing last week. PH

Working Group on Border Management under the Working Mechanism for Consultation and Coordination (WMCC) on India-China Border Affairs are yet to be mutually settled.

Conversely, the promised “Early Harvest” in sector-wise delimitation, hyped after the 24th round on August 19, 2025, has been given a quiet burial in the latest pronouncements, leaving behind in concrete terms only a scheduled 26th round in India next year.

A device created to deliver a settlement now exists to administer its absence. Is the mechanism working, or is it merely meeting?

The western sector is the oldest wound. The Treaty of Chushul (1842) between the Dogra Durbar, Lhasa, and the Qing dynasty pledged old, established frontiers without defining one. WH Johnson’s 1865 survey placed Aksai Chin within Kashmir. Claude MacDonald’s note of March 14, 1899, to the Tsungli Yamen offered China most of the Aksai Chin plains. Peking never replied. The silence was weaponised. China drove its Xinjiang-Tibet highway through Aksai Chin, announcing it in 1957. Ten Indian policemen were killed in a fire-fight at Kongka Pass on October 21, 1959, while roughly 38,000 square km of Ladakh came under unlawful Chinese occupation. Another 5,180 square km of the Shaksgam valley, illegitimately occupied by Pakistan, was signed

The resumption of flights and pilgrimages masks a critical reality: the need to restore the pre-April 2020 status quo on the LAC.

away on March 2, 1963, to China. All of this territory rightfully belongs to India.

The eastern sector is the newest claim. The McMahon Line was delineated in notes exchanged by Henry McMahon and Lonchen Shatra at Simla on March 24-25, 1914. China’s plenipotentiary initialled the draft Convention on April 27, but Peking repudiated it. Britain and Tibet signed a revised version of the Convention on July 3, proceeding without China.

On that repudiation rests Beijing’s claim to roughly 90,000 square km of Arunachal Pradesh. Why Tawang, above all? Because the sixth Dalai Lama was born at Urgelling near Tawang in 1683, and whoever holds Tawang holds a veto over the politics of reincarnation, the only legitimising currency of Chinese rule in Tibet. The claim

is theological, but the gains sought are territorial.

The middle sector, some 2,000 square km from Barahoti to Shipki La, is the only one whose maps were exchanged, in 2000-01, under Article X of the Confidence Building Measures Agreement of November 29, 1996, binding both sides to “speed up the process of clarification and confirmation” of the LAC. When western sector maps were shown in June 2002 during the 14th Joint Working Group meeting, the Chinese side withdrew them within minutes, and the exercise has been dead since then. It was never attempted in the case of the eastern sector.

Why does Beijing refuse to clarify the LAC? Because cartographic ambiguity is a standing licence for coercion, and every unclarified kilometre is a future salami slice.

Then Chinese Premier Zhou Enlai carried the original bargain to Delhi in April 1960: China would recognise the McMahon Line in the east if India surrendered its claim over Aksai Chin in the west. India declined. The Officials’ Report of February 1961 recorded two irreconcilable cases, and the Lok Sabha resolution of November 14, 1962, vowed to recover every inch of “the sacred soil of India,” a parliamentary lock no government has dared to pick since then. By 1985, during the sixth round of the border talks, Beijing upended its own offer, demanding the east,

meaning Tawang, as its price.

Vajpayee’s China policy book-ended the irony. On May 11, 1998, he justified Pokhran-II to US President Bill Clinton by citing “an overt nuclear weapon state on our borders” that had committed armed aggression in 1962. This was leaked to *The New York Times* in two days, and repairing that damage took five years and came at a price. In the 2003 Beijing Declaration, Vajpayee recognised Tibet as part of China and gained implicit Chinese recognition of Sikkim in turn.

Article VII of the April 2005 agreement was supposed to protect settled populations. Beijing has systematically neutralised this clause on the ground by populating contested frontiers with over 600 dual-use *Xiaokang* border villages, converting uninhabited buffer zones into State-backed civilian strongholds. Beijing has tenanted the dispute before negotiating it.

India’s answer, the Vibrant Villages Programme, approved by the Union Cabinet only on February 15, 2023, committed Rs 4,800 crore to developing hamlets already emptying out. Can a demographic offensive be answered with a pilot scheme?

Broad theatre-level transgressions by China happened between April and June 2020. If nobody intruded, what then did 21 rounds of corps commander-level talks disengage? Whose land became the buffer zones Indian patrols cannot enter? What of the 26 of 65 patrolling points reported beyond reach at the January 2023 DGPs’ conference?

The understanding reached on October 21, 2024, restored coordinated patrolling at Depsang and Demchok, not the status quo ante of April 2020 in all areas. When did status quo ante quietly exit our lexicon?

Beyond the choreography, the Special Representatives process has been repurposed from settlement to a sedative. Instead of actually resolving the border dispute, it is now used just to keep things calm before major summits — such as the upcoming BRICS event in Delhi.

Thirty-four WMCC meetings have produced only repetitive statements. The resumption of flights and pilgrimages masks a critical reality: the need to clarify the border and restore the pre-April 2020 status quo on the LAC.

THOUGHT FOR THE DAY

There is no objective reason for discord between India and China, and neither is a threat to the other. — Atal Bihari Vajpayee

The invisible scissors and thread

RAJ K BHARDWAJ

IT was an ordinary, work-from-home afternoon. My laptop lay open before me. Emails demanded replies. Virtual meetings were waiting. Deadlines required undivided attention. My nine-year-old daughter seemed to have a different view of the afternoon. She walked into my room time and again.

Sometimes she wanted a sheet of paper. At other times, a pencil. Once, she needed a printout. She was working on a craft project, ‘The Peaceful World’. I helped her each time, though not without impatience. After a while, I began to feel edgy. I had work to finish. Her requests, though small, started to seem endless. Finally, I looked up from the screen and said, “Please don’t disturb me again.”

She stood there for a moment and asked, “Dad, can you please give me invisible scissors?”

I barely looked up. “Invisible scissors?” I asked. “What are those?” She didn’t answer. She simply walked away, but her question stayed behind. That evening, I hugged her and asked, “What did you mean when you asked for invisible scissors?”

She looked at me with innocence, as though she were explaining something obvious. “Dad,” she said, “our relationship is connected by an invisible thread.” Then she added: “I love you very much. That’s why I keep coming to you again and again. If you don’t want me to come to you anymore, then please give me ‘invisible scissors’ so that I can cut the thread.”

For a few moments, I was speechless. I looked at my kid who had spent the afternoon creating ‘The Peaceful World’ from colourful sheets of paper, while I had been trying to manage a world of deadlines and responsibilities. And I wondered who among us had understood peace better. As adults, we work hard because we want to build secure futures for our children. We tell ourselves that we will make up for today’s absence tomorrow. But childhood does not wait. It arrives in the form of repeated interruptions. A request for paper. A pencil. A printout. A conversation. A chance to be seen or heard. Sometimes, all that a child wants to ask is, “Are you still connected to me?”

I had always believed that lessons moved in one direction — from parent to child, from elder to younger. Yet, every now and then, children dismantle that certainty with astonishing grace. They do not speak the language of management theories or productivity frameworks. They speak the language of love.

That afternoon, my daughter taught me that relationships are sustained not by grand declarations, but by the invisible threads woven through ordinary moments of attention and presence. I never found those “invisible scissors”. And I hope I never do.

The writer is a finance professional based in Mohali

LETTERS TO THE EDITOR

Early warnings can help

Apropos of ‘Pay heed to Himalayan warnings’; the catastrophic floods in Nepal have highlighted the critical role of continuous monitoring and advance warning in saving lives in an emergency when ‘time is life’. A ten-minute window given to pupils and teachers by an alert headmaster at the Tribhuvan Trishuli Secondary School saved nearly a thousand lives. Extrapolating the same for the entire disaster-hit region, an advance warning can save many more people. Given that such events are occurring with increasing frequency; priority should be given to spotting potential disasters.

CHANDER SHEKHAR DOGRA, JALANDHAR

Punjab right in asking for share

Refer to ‘Punjab’s water rights cannot be wished away’; the state’s natural resource cannot be given to Rajasthan without any payment in return. Keeping in mind the current economic condition of the state, such an outlook is justified. The costs that the Centre paid to downstream Pakistan in lieu of its unavoidable riparian rights in Sutlej, Beas and Ravi should not be forgotten. The prosperity of the food bowl of India was the result of the investment made by the Central government in the past that cannot be ignored. Punjab is well within its rights to assess its share on the basis of its contribution and raise the issue accordingly.

ASHOK KUMAR GOEL, PANCHKULA

Politically aware electorate

With reference to ‘Punjab’s water rights cannot be wished away’; the electorate needs to be politically aware to separate the grain from the chaff while choosing the right hands to entrust with the reins of power for the next five years. Political transparency and sincerity is a *sine qua non* for the future of the state and its people. The electorate must therefore look beyond rhetoric and judge political leadership by its commitment to safeguarding Punjab’s long-term interests.

JAGVINDER SINGH BRAR, PATIALA

Treat rainwater as a resource

With reference to ‘Gurugram’s rain problem is really a planning problem’; the recurrent urban flooding is not merely a drainage issue — it reflects a deeper failure of water planning and governance. We neither prepare adequately for floods nor for droughts. The right perspective is to treat rainwater as a resource, not a nuisance. Rainwater harvesting must move from an occasional project to a routine civic habit, embedded in every building, institution, road and colony.

MM GOEL, KURUKSHETRA

We need growth with equity

Refer to ‘Economic boost’; no doubt the news that India’s GDP grew by 7.8% in the last quarter is encouraging, but how has this impressive growth benefited the common man? If growth is truly inclusive, why do more than 80 crore Indians still have to queue up for 5 kg of free ration to survive? Why do price rise and food inflation continue to pinch the household budget of the middle class? The ground reality is stark. Unemployment, especially among educated youth, remains very high. The rupee is at its lowest ever against the dollar. Real economic boost will be when jobs increase, inflation is controlled, and dependence on freebies reduces. We need growth along with equity.

YASH KHETARPAL, PANCHKULA

Employment growth essential

Apropos of ‘Economic boost’; a 1% rise in GDP creates much less than a 1% increase in jobs, showing a weakening link between economic output and hiring of staff. Modern economic expansion is driven by technology, automation and capital-intensive sectors. Companies produce more value with fewer workers. For economic growth to be truly sustainable and inclusive, the relationship between production and employment must be carefully balanced.

KR BHARTI, SHIMLA

Digital ambitions in a fractured BRICS



INDIA faces the uphill task of making a success of the forthcoming BRICS summit in New Delhi. Being held in the midst of geopolitical tensions in which member countries are enmeshed, it would be a diplomatic achievement of a high order to achieve a consensus outcome.

No wonder New Delhi is keeping the focus on economic development and cooperation in areas like digital currencies and speeding up cross-border payments. Even these are set to spark controversies as the US continues to view any perception of de-dollarisation with resentment and suspicion. This was evident from the fact that US President Donald Trump threatened to raise tariffs and complained of anti-Americanism after the previous summits held in Russia and Brazil.

A bigger challenge will be to reconcile the views of all 11 members. The original bloc comprised Brazil, Russia, India

and China with South Africa joining subsequently to create the acronym BRICS. As it sought to become the voice of the Global South, others joined the group which now includes Egypt, Ethiopia, Indonesia, Iran, Saudi Arabia and the United Arab Emirates (UAE).

While there is a wide disparity in economic terms as well as geography between the members, the biggest divide now is the West Asian war. With Iran on one side and the UAE on another, the prospect of a unified declaration looks bleak. The BRICS foreign ministers' meeting in May ended with the Chair's statement rather than a joint declaration.

New Delhi seems set to highlight economic issues. The summit's broad theme of building for resilience, innovation, cooperation and sustainability is likely to form the basis for discussions that could provide areas of commonality for all emerging economies. A highlight will be the prospect of seamless cross-border payments and adoption of central bank digital currencies (CBDCs). This is aimed at making trade among BRICS members cheaper, faster, and more transparent. Though the group commands as much as 35% of the global GDP, trade within the bloc has not reached significant levels. Improving the speed of digital payments could accelerate this process.



DIGITAL CURRENCY : New Delhi is keeping the focus on economic development . AI GENERATED IMAGE

A key issue in this regard is interoperability of digital payment systems, like India's home-grown UPI, along with systems functioning in other countries. Brazil has its own instant payments system known as Pix. The Rio declaration had highlighted the need for interoperability of payment systems to ease the process of cross-border transactions.

However, CBDCs or digital currency schemes are at a pilot stage in most countries. Despite this reality, India's central bank has been pushing for BRICS to include linking of the digital rupee to similar currencies of other member countries. The aim is to link these systems even as these are developing beyond

BRICS is trying to map out a new financial architecture for the Global South.

the nascent stage. It will make cross-border transactions more efficient while promoting the use of the digital rupee. Given that the bloc is diverse in terms of systems of governance, tremendous effort will be needed to bring about such linkages. The agenda for the upcoming meeting will have to include issues like interoperable technology and rules of governance to make this initiative a reality.

While digital payment systems and CBDCs are far removed from the concept of a BRICS currency, the entire issue is being treated with kid gloves to prevent any adverse reaction from Washington. Any briefings about the need to promote more efficient cross-border

transactions include an official caveat that proposals are not directed at any country. Even the RBI, in earlier comments, sought to clarify that promotion of the digital rupee is not a move towards de-dollarisation. The caution stems from Trump's outburst during previous summits.

The measured approach cannot disguise the fact that BRICS is trying to map out a new financial architecture for the Global South. The efforts to reform the Bretton Woods institutions to give a greater role to emerging economies have moved slowly. The result has been the creation of the bloc's New Development Bank, which is so far playing a low-key role. But it does provide loans in national currencies, thus reducing the exchange rate risk. So, the deliberations on these issues may not be de-dollarisation in the real sense but there is a growing shift to trade in national currencies. China and Russia are already carrying out most of their trade in yuan and ruble. India, on the other hand, is slowly expanding trade in national currencies with countries like the UAE while the longstanding rupee trade arrangement with Russia has been expanding to deal with crude oil imports.

The BRICS summit will thus continue a dialogue that voices the aspirations of the Global South. The problem

is, the group is now engulfed by geopolitical tensions that are likely to impede the aim of bringing about faster growth through economic cooperation.

The New Delhi summit will have some advantages over last year's meeting in Rio de Janeiro. And that is star power in the form of the bloc's leading lights. Both Russian President Vladimir Putin and Chinese President Xi Jinping will be attending the summit, as will Iranian President Masoud Pezeshkian. They will be arriving fresh from the Shanghai Cooperation Organisation meeting in Bishkek. Another luminary is the UAE's Crown Prince Sheikh Khaled bin Mohamed Al Nahyan.

It will take some deft diplomacy to ensure that the BRICS summit ends without much friction. The presence of both UAE and Iran leaders at a time when the West Asian conflict has been aggravated can create a tricky situation for the host country. Equally, the presence of both Putin and Jinping indicate their support to a bloc that can emerge as a potential counterweight to the North. This could help India keep the focus on economic cooperation, promotion of digital payments and easing cross-border transactions. It may thus end up as a low-key event, but that would probably be the best outcome in such fractured times.

When young Indians stop being afraid



SOMETHING happened at Jantar Mantar this summer that I am still trying to understand. At first sight, there was nothing mysterious about it. Young people gathered in protest over examinations, unemployment and other grievances. There were slogans, placards, social media campaigns and confrontation with the police. India has seen student protests before, many of them much larger. None of this by itself explains why I keep returning to Jantar Mantar.

Perhaps I have been asking the wrong question. The question may not be what happened at Jantar Mantar, but what happened to the young?

The protest centred on real grievances, but its growth seemed disproportionate to any single demand. It garnered an extraordinary following on social media. Yet numbers on a screen are not people on a street. Millions may press a button out of curiosity or anger without leaving their homes. For some time, the multitude existed largely on phone screens. And yet they were there — not necessarily at Jantar Mantar, but across the country: watching, commenting, making memes,

writing slogans and poetry, circulating videos, arguing, laughing and sharing. Something without much organisation, structure or resources had caught their imagination. It was like a green shoot appearing on a tree that had long seemed dry.

Then the street and the screen began feeding each other. What happened on the ground was carried elsewhere; what was created elsewhere returned as slogans, posters, jokes and arguments. The distinction between participant and spectator became blurred. Even this, however, does not fully explain what followed.

The police action can be debated separately. State force often gives a movement a life its organisers themselves could not have given it. But I am less interested in what the police did than in what the young did afterward.

Consider a small incident. A young girl finds a police bus carrying away fellow students. A police vehicle, uniformed men and detained protesters represent authority far greater than one young woman standing on a road. Yet she stands before the bus and demands that the students be released. They are released. The importance of the moment lies not merely in the release, but in what must already have happened inside that young woman before she could stand there. Where did the fear go?

India has never lacked brave young people. One act of defiance proves little. The question becomes significant when similar acts appear often enough for us to wonder whether some-



OUTRAGE : Centuries of prejudice cannot disappear in a few weeks, but an experience has occurred.

thing more fundamental is changing. Is the youth beginning to see authority differently? Are they discovering that a policeman is answerable to law, that a minister can be questioned, an institution challenged and that something does not become right merely because somebody older, more powerful or respectable has pronounced it so?

Perhaps, more importantly, they are discovering one another. Young Indians grow up carrying identities of caste, religion, region, language, class and gender. These do not disappear at a protest. In the face of a common danger, the person beside you can cease momentarily to be a social category. She becomes the person who holds your arm when the police advance; he becomes the stranger who gives you water. Someone you never knew becomes the person whose detention makes you stand before a police bus. Centuries of prejudice cannot disappear in a few weeks, but an experience has occurred — and experience

Knowledge no longer travels only vertically — from elder to child, teacher to pupil, authority to citizen.

with stories from the *shastras*, the wisdom of saints and gurus, and civilisational inheritance; to bring them closer to traditional ideas of food, dress, habits and behaviour and away from what is perceived as corrosive Western modernity. The intention may be sincere. But has the problem been correctly understood?

What if this generation does not suffer primarily from a lack of knowledge? The young Indian carrying a smartphone inhabits an intellectual universe unimaginable to earlier generations. The same screen can take her to the Ramayana, the Constitution, Ambedkar, Gandhi, Bhagat Singh, Vivekananda, Marx, Savarkar, feminism, caste debates, science, history and events across the world. Much of the information may be superficial or false, but its plurality is real. More importantly, the young can compare, question, search for alternative interpretations, discover contradictions and challenge the challenger.

Knowledge no longer travels only vertically — from elder to child, teacher to pupil, authority to citizen. It also moves horizontally among millions of people who may never meet. That alters the relationship between knowledge and authority.

There is nothing wrong in telling a young person a story from the Ramayana. Civilisations survive partly because they continue telling their stories. But why assume that the listener will derive precisely the lesson we want them to learn? She may ask a question, know another version, interpret Sita differently or find

rebellion where we intended to teach obedience — and she may still love the Ramayana. The assumption that young Indians can be "brought back" may misunderstand both the young and culture itself. Brought back to what?

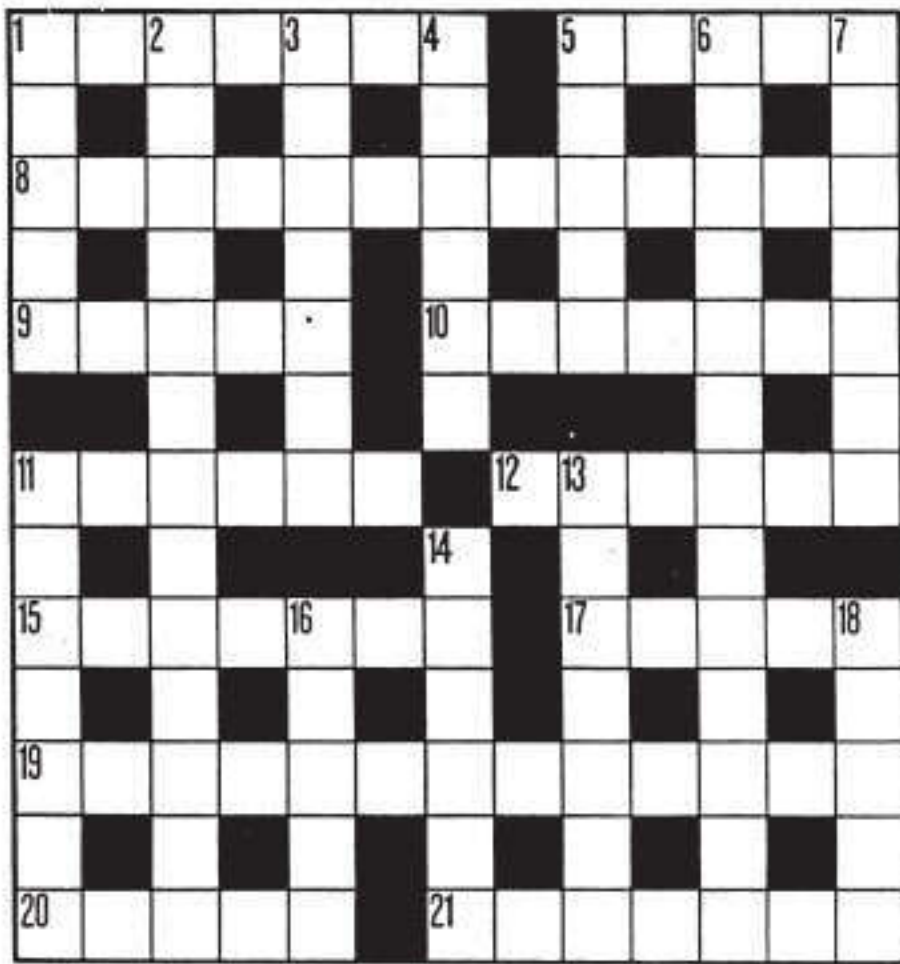
That question takes me again to Jantar Mantar. Perhaps we have been examining it too exclusively as a political event — asking what protesters demanded, how government responded, what police did and who gained politically. These are legitimate questions, but perhaps not the most consequential ones. Governments come and go, ministers survive or resign, examinations are held again and controversies are replaced by others.

But what happens when fear begins to recede? What happens when a generation discovers through collective experience that authority can be questioned, strangers can stand together, inherited divisions can be crossed and an individual who appeared powerless yesterday can stand before a police bus today?

Whether this change is political, social, technological, generational or cultural — or something of all of them — is difficult to say. Nor would I yet call it a cultural revolution. Revolutions are easier to identify retrospectively than while one is living through them.

But perhaps that is the question Jantar Mantar has left behind. We were watching the protest and asking what it would do to the government. Should we instead have been watching the young — and asking what it was doing to them?

QUICK CROSSWORD



ACROSS

- 1 Permanent (7)
- 5 Distinctive mark (5)
- 8 Peppermint-flavoured liqueur (5,2,6)
- 9 Authoritative doctrine (5)
- 10 Surfeit (7)
- 11 Ship's boat (6)
- 12 Rising (6)
- 15 Good-natured (7)
- 17 Subject set for discussion (5)
- 19 Be very obvious (5,3,1,4)
- 20 Core of key personnel (5)
- 21 With intent to deceive (7)

Yesterday's Solution

Across: 1 Stiff, 8 Comedown, 9 Major, 10 Go to town, 11 Pagan, 12 Let, 16 Alcove, 17 Anorak, 18 Gap, 23 Study, 24 Well-worn, 25 Spoof, 26 Illinois, 27 Steer.

Down: 2 To a fault, 3 From A to Z, 4 Morose, 5 Lemon, 6 Colon, 7 Inane, 12 Leg, 13 Tap, 14 Soft spot, 15 Hard core, 19 Afraid, 20 Await, 21 Slyly, 22 Swank.

DOWN

- 1 Clearly expressed (5)
- 2 Dexterity in conjuring (7,2,4)
- 3 State repeatedly (7)
- 4 Slippery (6)
- 5 Paid out (5)
- 6 On the other hand (2,3,4,4)
- 7 Drunk (3-4)
- 11 Outstandingly important (7)
- 13 Trap for the unwary (7)
- 14 Snub (6)
- 16 Give way (5)
- 18 Each single (5)

SU DO KU



MEDIUM
epaper.tribuneindia.com

YESTERDAY'S SOLUTION

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

CALENDAR

SEPTEMBER 3, 2026, THURSDAY

- Shaka Samvat 1948
- Bhadrabad Shaka 12
- Bhadrabad Parvishite 18
- Hijari 1448
- Krishna Paksha Tithi 7, up to 2:26 am
- Vyagatha Yoga up to 6:33 pm
- Kritika Nakshatra up to 12:30 am
- Moon enters Taurus sign 7:26 am

FORECAST

SUNSET:	THURSDAY	18:44 HRS
SUNRISE:	FRIDAY	06:00 HRS
CITY	MAX	MIN
Chandigarh	32	25
New Delhi	33	24
Amritsar	33	26
Bathinda	36	25
Jalandhar	33	26
Ludhiana	33	26
Bhiwani	37	25
Hisar	38	26
Sirsa	37	26
Dharamsala	28	19
Manali	25	17
Shimla	22	16
Srinagar	31	20
Jammu	34	27
Kargil	27	13
Leh	25	12
Dehradun	28	21
Mussoorie	24	17

TEMPERATURE IN °C

INTERNATIONAL EDITORIALS



The International Criminal Court faces a new reality

Takaichi understands the changing landscape of a multipolar world

MASAHIRO MATSUMURA
CONTRIBUTING WRITER

The Trump administration's recent imposition of economic sanctions against Tomoko Akane, president of the International Criminal Court (ICC), marks a perilous juncture for international justice. Calling on allies to reject the court's authority and withdraw entirely, Washington's offensive is part of a broader push to dismantle institutions tied to global governance. Yet the friction runs deeper than mere anti-globalist rhetoric.

At the heart of Washington's outrage is the ICC's attempt to prosecute U.S. military personnel over civilian casualties incurred during operations the United States considers legitimate self-defense — an assertion of universal jurisdiction that Washington views as an unacceptable violation of national sovereignty. The immediate trigger, however, was the ICC issuing an arrest warrant for Israeli Prime Minister Benjamin Netanyahu over alleged atrocities in Gaza following Hamas' brutal terrorist attacks — an operation whose broader legitimacy Washington explicitly backs.

For Tokyo, the crisis hits close to home. Judge Akane is a former Japanese prosecutor whose leadership symbolizes Japan's steadfast commitment to the court. Japan remains the ICC's largest financial contributor, funding roughly 15% of its budget.

Yet Japanese Prime Minister Sanae Takaichi initially called the U.S. sanctions against Akane "very unfortunate," a response criticized by opposition lawmakers, human rights groups and some members of the Japanese press and her own party as too weak. She subsequently sharpened her position, saying the sanctions were "incompatible with Japan's position."

The fact remains, however, that the Takaichi government has refrained from retaliatory action, prioritizing smooth relations with Washington instead. While critics condemn this as a weak concession to American pressure, the situation must be

evaluated within a far broader context: the profound structural shifts reordering the global balance of power.

To understand the ICC's present vulnerability, one must examine its origins. Founded in 2002 under the Rome Statute, the court represented an unprecedented leap forward in international law. Previously, violations of international humanitarian law were pursued under the doctrine of state responsibility. The ICC shattered this paradigm by establishing universal jurisdiction over individual political leaders and military officers through a permanent, supranational court.

While ad hoc tribunals like Nuremberg and Tokyo followed World War II, their moral authority was dogged by questions about whether they were "kangaroo courts" administered by the victors. The drive for a permanent tribunal gained irresistible momentum in the 1990s, catalyzed by the horrors of the Holocaust and the brutal atrocities of the Balkan wars. The creation of the International Criminal Tribunal for the former Yugoslavia laid the groundwork for European-led momentum toward a permanent international court.

Yet the ICC's structural flaws were evident from the start. Major global powers — including the United States, Russia, China and India — alongside regional actors like Israel and North Korea, never acceded to or ratified the Rome Statute. Arresting and prosecuting individuals residing in nonmember states, particularly sitting political or military leaders, directly conflicts with national jurisdiction and remains practically impossible. Where functional national legal systems exist, war crimes can be tried in domestic military courts, rendering the ICC redundant. Consequently, the court's intended role was to step in only when a nation lacked a functioning justice system.

Crucially, the ICC possesses no independent enforcement mechanism. Independent of the United Nations, it cannot deploy peacekeepers or command police forces, nor can it directly leverage the U.N. Security Council. To execute warrants, the court relies entirely on the voluntary cooperation of state parties — an arrangement that requires the active support, or at least tacit neutrality, of major powers. Exercising enforcement against a major power, or



The recent U.S. pressure placed on the International Criminal Court forces a decision on the institution's long-term viability. AFP-JIJI

a state under a major power's protective umbrella, is a structural impossibility.

When the ICC functioned effectively, it was precisely because these geopolitical alignment conditions were met. The court's success stories have almost exclusively involved prosecuting atrocities committed by military dictatorships in developing nations across Africa and, to a much lesser extent, Asia — cases where major powers passively acquiesced and small-to-middle powers overwhelmingly approved.

Viewed through a bird's-eye lens, the international "rule of law" was able to function only because it operated beneath the umbrella of a U.S.-led liberal international order backed by overwhelming American power. For over two decades, successive Japanese governments poured diplomatic energy and financial resources into support-

ing this framework, including the ICC. But a lag between shifting power dynamics and legal structures is inevitable. Ironically, by the time a Japanese jurist assumed the court's presidency, that liberal international order had significantly eroded, giving way to a fragmented, multipolar balance-of-power system.

More than eight decades after the end of World War II, the world confronts an uncomfortable truth: The postwar international legal order is not permanent. Because 80 years spans a full human lifetime, it is easy to mistake a historical phase for an eternal reality. The postwar rule of law was specific to a unique historical moment. Today, driven by shifting power dynamics, a new iteration of international legal norms is actively in the making.

While the core of the United Nations and international legal frameworks will not

collapse overnight, substantial adaptation is unavoidable. What the current moment demands is not rigid legal consistency, but pragmatic political adjustment.

Based on the ICC's actual track record, its operational scope should be practically restricted to addressing atrocities committed by authoritarian regimes and military dictatorships in developing nations, while excluding cases involving major powers or their primary allies.

Purists will rightly argue that such a compromise codifies a glaring double standard. Yet in realpolitik, an imperfect court operating within defined limits is vastly preferable to an institutional collapse in which the ICC is abolished or rendered entirely hollow.

Prime Minister Takaichi's diplomatic alignment with Washington reflects a clear recognition of this shifting landscape. As

Japan navigates the transition to a multipolar balance-of-power system, keeping pace with the United States, its primary ally, remains Tokyo's top strategic priority. Rather than making grand moral declarations that yield no leverage, the Takaichi administration should use its considerable diplomatic and financial influence to quietly reshape the ICC's scope. Embracing a pragmatic middle ground — even at the cost of being accused of double standards — is the only realistic way to preserve the court's core existence and essential functions in an unapologetically multipolar world.

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The U.K.'s bedroom generation is a ticking time bomb

LARA WILLIAMS
BLOOMBERG

The transition to adulthood has never been easy. My own early twenties, about a decade ago, were a time of high anxiety, low self-esteem and steep learning curves. There were friendship group dramas, internships with bad bosses and the stress of in-person job interviews.

But there was also plenty of social interaction: small talk at the office and big talk at parties. In fact, there was little true alone time in the spin cycle of university, work, house shares, dating and socializing that shaped me into the person I am today.

A decade on and the transition to adulthood looks quite different — and has become significantly more difficult. Nearly a million young people in the U.K. are classified as NEETs, a term referring to people aged 16 to 24 who aren't in education, employment or training. To put that number into perspective, one in eight young people are detached from both learning and work.

This crisis has nothing to do with laziness. Young Brits are struggling to find jobs or access training programs, and some are managing chronic illnesses and disabilities. And perhaps most profoundly, they're more socially isolated than any previous generation. According to the Office for National Statistics, 32% of 16- to 29-year-olds report feeling lonely often, always or some of the time, more than any other demographic.

Surveys have shown that young people in both the U.S. and U.K. are spending much more time alone than they used to. American 15- to 29-year-olds, for instance, spent 45% more time alone in 2023 than in 2010, a larger increase than among any other group.

It's easy to imagine and indeed calculate the economic costs of this disaster. A June report on young people and work, led by former lawmaker Alan Milburn, found that for each year an individual is NEET, their average lifetime earnings decline by an estimated £52,000 (\$69,800). The wider economy also suffers: £58 billion would have been added to U.K. gross domestic product if every 18- to 24-year-old NEET had been in full-time employment last year. Meanwhile, the full NEET cohort represents a loss of more than £3 billion in tax revenue.

Given that context, it's not surprising that Gen Z is shaping up to be more pessimistic than their elders. A report from the Institute for Public Policy Research think tank found that only one in four Brits aged 16 to 27 agree that everyone has a fair chance to go as far as their hard work and talent will take them — the lowest share of all the age groups. It also

analyzed data from Understanding Society, a long-running survey of U.K. households, finding that young people have been growing steadily more gloomy about their futures since at least 2017.

But when I read the first-person accounts of young people stuck in NEET purgatory, what strikes me is less their financial or even psychological states and more the intense isolation of their day-to-day lives. With many still living in their childhood homes, with little regular, in-person interaction with friends, colleagues or potential partners, there's a reason some call Gen Z the "bedroom generation."

Yes, over the last decade or so, everything from work-from-home to the dominance of streaming entertainment has made the world a more solitary place in general. But NEETs are particularly vulnerable. With many stuck living with their parents and short on money, they can't afford to head out for a coffee or a pint with friends. They're not working, so forget co-worker chit-chat. Without the funds for a car (or even a driving license), their mobility is limited.

For a sense of how deeply this is impacting young people, consider the rise of so-called loneliness influencers, who romanticize being single, friendless and living alone. You can find their videos on TikTok and Instagram with captions such as: "POV: you live alone in NYC and have no friends so your nights look like this," showing 20-somethings, typically women, eating a sad solo meal at home and drinking soda



Supporters of children's advocacy groups hold a rally calling for stronger support for young people with special educational needs and other issues in London last September. REUTERS

out of wine glasses in front of the TV.

Even the act of applying for jobs — an essential one for those hoping to escape NEET-dom — has been sapped of human contact. Ellie Harris, head of children and young people's policy at IPPR, says young people have told her of applying for hundreds of jobs and having zero contact with another human being throughout the process. Rejection emails are automated or absent and it's never clear if anyone has actually looked at the application. In a truly dystopian twist, video interviews are now being conducted by artificial intelligence. For those

stuck in a rejection cycle, this eliminates the chance for constructive feedback — or just the reassurance that their efforts are recognized by another person.

Studies show that extended social isolation is associated with health risks comparable to those of obesity and smoking. It can also interrupt cognitive development and critical milestones such as identity formation.

It all brings me back to my early twenties, when I was lucky enough to have lots of social contact. It was, at times, uncomfortable or tiring. But it also taught me to

navigate different relationships, built my confidence and helped me make my own way in the world. Today's NEETs are missing out on these crucial life lessons.

What are the societal impacts of a huge proportion of a generation that's stuck in their bedrooms, unable to live independently, go out with friends and work alongside people who are different from them? Unless the NEET crisis is resolved, we'll soon find out.

Lara Williams is a Bloomberg Opinion columnist covering climate change.

opinion

Social-media age bans won't make children safer

Removing addictive features could be one work around.

KELLY STONELAKE
SEATTLE
PROJECT SYNDICATE

When I joined Facebook in 2009, I believed in the mission that founder Mark Zuckerberg espoused: to connect and empower people around the world. We all know how that turned out. Meta, now the parent company of Facebook, Instagram and WhatsApp, is focused on generating as much engagement as possible, which has led to platforms that addict, enrage, misinform and polarize users. I worked at Facebook for 15 years before becoming a whistleblower. I was in the rooms where smart people built and marketed the features that encourage compulsive use — infinite scroll, autoplay algorithmic feeds. These design choices were made deliberately, with the goal of maximizing profit above all else. Fortunately, the world is waking up to the harms caused by social media, especially to young people. In early July, an independent panel presented its final report on how the European Union can keep children safe online to European Commission President Ursula von der Leyen, with a legislative proposal expected after the summer.

The blanket-ban approach treats addictive social media as inevitable. It isn't. It is the product of years of corporate lobbying and governments' reluctance to regulate. Equally important, such an approach is ineffective.

features directly — a strategy that both scientific consensus and public opinion support. If governments really want to keep kids safe, they must require social-media platforms to prove their safety — as is already required of food companies and car manufacturers — to gain access to the teenage market. The blanket-ban approach treats addictive social media as inevitable. It isn't. It is the product of years of corporate lobbying and governments' reluctance to regulate. Equally important, such an approach is ineffective. Australia pioneered the world's first social-media ban for minors when it barred users under 16 from holding accounts last December. In March, the eSafety Commissioner's compliance report found major enforcement gaps and no reduction in cyberbully-



ing or image-based abuse reports. In April, more than half of 12- to 15-year-olds still had active accounts. As a result, Australia has also begun to target the toxic features proven to erode kids' health and well-being. Similarly, Canada, Spain, Brazil and Germany are waking up to the importance of putting the onus on tech companies to ensure their platforms are designed safely. More governments must turn their attention to banning the design features that harm kids and then holding tech firms to strict, third-party-verified safety standards. Over 170 organizations have signed a petition calling for this safety-by-design approach and U.K. charities have released guidance on what these standards could look like. Moreover, this position has gained broad public support. In a recent poll of five European countries, three-quarters of adults surveyed said that they wanted a "safe-by-design" approach to social media, making platforms inaccessible to children until their safety is proven. The debate has also entered the court-

room. In February, the European Commission warned TikTok to change its addictive design or face fines up to 6% of turnover. More recently, a preliminary decision by the Commission found that Meta failed to assess the addiction risks from infinite scrolling and attention capture, putting the firm in breach of the Digital Services Act (DSA). In the United States, four states are seeking \$1.4 trillion in penalties from Meta for designing Facebook and Instagram to addict young users. Interoperability is another reform worth fighting for. If social-media platforms share data, users can switch to safer alternatives without losing their network. That way, they won't be trapped when a platform is, say, bought out by a far-right billionaire who turns it into a cesspit of extremism. Ultimately, all reforms depend on strong enforcement mechanisms. Governments have tried to regulate social-media platforms using voluntary commitments and laws like Australia's, with fines for violations. But the world's most profitable companies might simply absorb those penalties as a cost of

doing business. The consequences must be significant enough that they can't be priced in. Europe, which has a track record of shaping the global regulatory environment, now has the opportunity to lead the world in creating effective, meaningful guardrails for children's online safety. It is promising that von der Leyen — who, despite experts' warnings, had committed to a blanket age ban for much of the past year — has signaled a new direction, saying that "the rule in Europe is safety-by-design" when announcing the independent panel's final report. And while that report recommends age restrictions, it frames them as temporary pending the redesign of addictive and harmful features. It also puts the burden of proving social media's safety on tech firms, rather than regulators. The EU already has a head start on a safety-by-design approach: the DSA provides a legal basis and proof of concept. The special panel cited recent enforcement action under the DSA against TikTok for its addictive features, as well as ongoing proceedings against Snapchat, X/Grok and Meta. With this shift in the political wind, the EU

must now enshrine in law a safety-by-design approach, recognizing it as the only viable solution to social-media platforms that were built without regard for the harms they cause. That means expanding this framework in the forthcoming Digital Fairness Act, expected later this year, rather than tinkering at the edges of the rules. If a social-media platform is stripped of infinite scroll, engagement-optimized defaults and constant push notifications, it is likely much safer for young people. By contrast, an age ban leaves the platform itself unchanged, only delaying its harmful effects. A safety-by-design solution would reduce exposure to a product proven harmful to kids and teens and reshape market incentives, creating space for safer platforms to compete. The EU requires most products entering the bloc to be safe by law. Social media should be no different. Kelly Stonelake, a former Meta executive turned whistleblower, is an advocate for children's online safety. © Project Syndicate, 2026.

As the European Union considers how to protect and empower young people in a digital world, it must resist the impulse to rely solely on a social-media ban for minors. REUTERS

Conducting diplomacy with America's showman-in-chief

Stephen R. Nagy



The international community often finds itself perplexed by the diplomatic style of U.S. President Donald Trump. One day he denounces an ally in the harshest terms; the next he signs what he calls the "best deal ever" with them. This political whiplash, from fury to friendship, may appear random, but it follows a recognizable pattern. To understand how to navigate this presidency, world leaders must recognize that they are not dealing with a traditional statesman but with a showman whose approach draws from a deeply ingrained playbook. Trump's diplomacy can be viewed through three lenses: the ruthless mentorship of his lawyer Roy Cohn, his use of provocative language and the theatrical instincts honed during his years as a reality television star. The foundation of Trump's worldview owes much to Cohn, the infamous political fixer who became his lawyer and mentor. As Pulitzer Prize-winning author Kai Bird details in his recent biography, "American Scoundrel: Roy Cohn's Dark Journey from Joe McCarthy to Donald Trump," Cohn was a master of ruthless tactics and media manipulation. Trump regularly sought his advice, absorbing not just his mannerisms but elements of his combative philosophy. The central tenet of what might be called the "Cohn Doctrine" is brutally simple: Never admit defeat, never apologize and, under almost all circumstances, declare victory.

This philosophy, as Bird's book illustrates, is less about achieving a conventional victory than about controlling the narrative. For Cohn, the court of public opinion could matter more than a court of law. Trump has carried a similar instinct into politics and diplomacy. That means negotiations can become opportunities for personal triumph. Leaders dealing with Trump therefore have an incentive to give him room to present an agreement as a victory, even when both sides have made concessions. We have seen variations of this approach around the world. Consider Ukraine. In early 2026, President Volodymyr Zelenskyy was subjected to a humiliating public dressing-down at the White House. Yet within months, Trump was again speaking warmly of him. Zelenskyy managed the reversal with patience. Rather than escalating the public feud, he worked through partners and diplomatic channels to repair the relationship. He gave Trump room to pivot without forcing him to acknowledge that his position had changed. For Zelenskyy, the objective was not winning an argument with Trump. It was preserving the American support crucial to Ukraine's survival. He understood that accommodating the showman's need for a dramatic arc could serve his country's interests. He also knows he may have to repeat the exercise. Japan, under both Shinzo Abe and Sanae Takaichi, offers another example of managing Trumpian diplomacy. Trump has repeatedly criticized Japan over trade and defense, and has even invoked Pearl Harbor while discussing the alliance.

Japanese leaders have generally responded with strategic deference rather than public confrontation. Abe famously cultivated a close personal relationship with Trump, while Tokyo emphasized investments, defense spending and economic cooperation that could be presented as advancing American interests. Takaichi has followed a similar course. When confronted with provocations such as Trump's Pearl Harbor remark, she declined to turn the comment into a public dispute. The objective was not to answer every rhetorical provocation but to preserve access and channel the relationship toward Japan's strategic priorities. Japan's approach recognizes a distinction that is essential when dealing with Trump: His rhetoric does not always translate directly into policy. Reacting publicly to every insult risks elevating the rhetoric while making substantive negotiation more difficult. Canada illustrates the risks of a more confrontational approach. Canadian Prime Minister Justin Trudeau and members of his government repeatedly pushed back publicly against Trump. After visiting Trump at Mar-a-Lago following the 2024 U.S. election, Trudeau subsequently lamented Kamala Harris' defeat as a "setback" for women's progress. Whatever the merits of the sentiment, it was unlikely to improve his relationship with the incoming president. His successor, Prime Minister Mark Carney, initially adopted a more disciplined approach but has increasingly responded publicly to Trump amid deteriorating relations between Ottawa and Washington. At Davos, Carney declared a "rupture" in the international order. More recently,



speaking in Quebec after Canada-U.S. trade negotiations broke down, he questioned Washington's reliability, saying Canada was finding dependable partners "everywhere in the world, except in the United States. Except in the United States. And Russia." Two days earlier, when a reporter suggested Canada appeared to be entering a trade war, Carney replied: "You're at war when you get attacked. We got attacked." Such rhetoric creates precisely the kind of public confrontation in which Trump thrives. Insults, counterinsults and displays of defiance can transform a substantive disagreement over tariffs or security into a personal contest played before domestic audiences. That does not mean allies should simply surrender to Trump's demands. Zelenskyy, Abe and Takaichi demonstrate something subtler: A government can protect its interests while avoiding a public battle over who has prevailed.

Three principles follow. First, understand the importance Trump places on victory. Leaders need not concede their substantive interests, but they can frame agreements in ways that allow Trump to describe the result as strengthening the United States. The packaging of an agreement can sometimes be separated from its substance. Second, distinguish provocation from policy. Trump's rhetoric is often aimed at a domestic audience and designed to attract attention. Publicly rebutting every taunt can amplify it and turn a manageable dispute into a test of wills. Quiet diplomacy, backchannels and private negotiation may accomplish more. Finally, be proactive. Rather than waiting for Trump to make demands, governments can present initiatives in defense, trade or technology that advance their own interests while also fitting his political priorities.

In effect, they can help construct the victory Trump will inevitably want to announce. The lesson is one of strategic realism. Trying to force a conventional diplomatic framework onto an unconventional presidency is unlikely to work. Nor does effective diplomacy require foreign leaders to admire Trump or accept every demand. It requires understanding how he operates. The most successful leaders will not necessarily be those who defeat the showman in public. They will be those who let him take his bow while making sure that, when the curtain falls, their own national interests have been protected. Stephen R. Nagy is a professor at International Christian University, a senior fellow at the Macdonald-Laurier Institute and a visiting fellow at the Japan Institute for International Affairs. His new book "Japan as a Middle Power State" releases this fall.

With a president for whom every room is a stage, negotiating effectively can mean picking battles and taking wins behind the scenes. REUTERS

Managing housing and the economy is not child's play

Ooshie is the sound of credibility exiting federal government reforms

Does cabinet minister Anika Wells really get her economic understanding from the proverbial child-attracting cereal box? It seems likely. Thanks to Wells, Ooshie may soon come to represent not a small plastic toy given away by Woolworths but the sound that is made when the last drops of credibility exit the Albanese government's budget-led housing and tax reforms.

Ms Wells, best known for her extravagant family travel on the taxpayer dime, told her video followers this week that a supermarket stocking more Ooshie toys to meet demand was no different to the Albanese government's intervention in the housing market. In both cases, greedy collectors are to blame. The problem is it is easier to mint another Ooshie than to build another house.

On that score, the federal government is about 220,000 dwelling short of its target, the cost of building a new house is rising fast along with rents, and the value of existing houses nationwide is tipped by experts to slide by 20 per cent.

Ms Wells compounds her mathematical misunderstandings when she says the difference between a 20 per cent house deposit and a government-subsidised one of 5 per cent is the equivalent of having to save \$150 for an Ooshie as opposed to the going rate of \$30. Pardon?

Back in the real world, Commonwealth Bank has revised downwards its forecast for home prices, calling a housing correction for the country's main capital cities and saying the decline is faster than anticipated. The nation's biggest bank cites a combination of higher interest rates and the Labor government's tax policy changes as contributing to the faster pace of decline. The speed of the fall exposes the poor quality of advice to government from Treasury that the budget tax changes would have only a limited impact on property prices and rents. The official advice was: "The reduction in investor demand is expected to lead to a small and temporary slowing in house price

growth, estimated to see prices grow by around 2 per cent less over a couple years relative to no tax policy change." On rents, Jim Chalmers listened to left-wing think tanks rather than heed the experience of what happened the last time the federal government tinkered with negative gearing and property, when rents soared.

Anthony Albanese insists the tax changes are making a difference for first-home buyers. But the number of first-home buyers, the group the Albanese government claims it is helping with its housing intervention, is falling, not growing. Many who did buy a first home using the federal government's low deposit scheme will be experiencing negative equity, having lost their deposit but still owing the lender more than the house or unit is currently worth.

Another flow-on effect from steep house price falls is that parents are less likely to have the equity available to help their children get a foot on to the property ladder. More worrying still, those who have increased their own mortgage to help others may be facing equity issues of their own if price falls of 20 per cent are realised.

The impact of lower house prices will flow into the broader economy as households tighten their belts. Ordinarily this would assist the Reserve Bank of Australia in its fight to tame demand to cool inflation rather than continue to lift interest rates. However, Tuesday's data from the Australian Bureau of Statistics shows government spending and borrowing continue to rise, soaking up any spare capacity. There was a 10 per cent quarterly growth in government spending, and despite a 9 per cent bump in the total tax take the federal government still recorded a deficit of \$3bn in the three months to June while debt more than doubled the previous quarter to more than \$23bn. The next instalment will be Wednesday's national accounts, which will show whether the national economy is stalling into stagflation. Ooshie.

Carroll quizzed over secret tax

The unfunded 'rail line to nowhere' is likely to blow its budget

Despite emphasising he is not Daniel Andrews or Jacinta Allan, Victorian Premier Ben Carroll, 87 days from the state election, is under pressure over Labor's secret \$8bn rail levy. The Rail Improvement Charge, devised under Mr Andrews in 2021 and imposed by Ms Allan in late 2024 when Mr Carroll was deputy premier, was designed to help pay for the unfunded Suburban Rail Loop – the controversial "line to nowhere".

The 1 per cent levy on all public transport fares was briefed to the full cabinet in June 2024, Anthony Galloway reports, raising hard questions for Mr Carroll and his deputy, Gabrielle Williams. Senior Labor figures say Ms Williams, as transport minister in late 2024, argued against announcing the levy at a press conference at which fare rises were imposed. The levy, which came after soaring business and property tax rises, was approved by the budget and finance committee, of which Mr Carroll was a member. As a Labor source close to Ms Allan told Galloway: "Gab is the reason it did not get announced... It was going to be announced at that press conference but she refused to do it."

Figures close to Ms Williams deny this, saying the claims are being made for "pretty nefarious reasons".

Anxious to be seen as a new broom and a leader who respects taxpayers' money, Mr Carroll scrapped the tax last week after its existence was revealed by the Victorian Auditor-General. Mr Carroll apologised to Victorians for the impost, which he said was "created and implemented without transparency and accountability". It was.

Mr Carroll also announced what he said was major cost-cutting of the SRL, which

amounted to no more than shaving \$1bn to \$2bn from the \$34.5bn budget for the first stage of the project, linking Cheltenham to Box Hill. In a devastating indictment on Labor's signature project, the Auditor-General said the SRL would "more likely than not" blow its budget and its funding was "not transparent".

Mr Carroll, a former public transport minister under Mr Andrews, insists he had no knowledge of the levy at that stage but he and Ms Williams, as cabinet ministers in the Andrews and Allan governments, cannot distance themselves entirely from it. The SRL – which Liberal leader Jess Wilson has pledged to pause and review should the Coalition win office in November – and its funding are shaping as an issue in what could be a three-way election, depending on One Nation's ability to make inroads.

In late July, Newspoll showed the Coalition leading the primary vote in the state on 31 per cent, ahead of Labor on 28 per cent and One Nation on 19 per cent. Much has happened since then. Ms Allan has been ousted and One Nation has built momentum, although Victoria is very different to South Australia, Western Australia and the federal seat of Farrer in southern NSW, near the Victorian border. If it is to be competitive, the grievance party must show it has the policies and competence to tackle Victoria's dire, debt-ridden predicament. The unfunded SRL and the secrecy surrounding it, along with trade union dominance and corruption, are indicative of much that is wrong with Victorian Labor's governance. The election race must bring forward credible plans to return our second largest state's finances and decision-making to a sound footing.

Axis of evil challenges the West

A week after Donald Trump announced his "Economic D-Day" plan for Tehran's "economic asphyxiation", the 10-nation Shanghai Co-operation Council summit between leaders of "axis of evil" nations China, Russia and Iran – plus India – is a reminder of how difficult it will be for the US President to achieve his goal. He and US Treasury Secretary Scott Bessent described their strategy for bringing Iran to its knees – in the absence of a military victory – as "the most crushing economic operation taken against any country". Any nation, business or financial institution giving Iran a "financial lifeline" would face dire consequences, they warned.

As the countries that matter for Iran's economic survival gathered at a two-day summit in Bishkek, Kyrgyzstan, that was dominated by China's Xi Jinping, there was contempt for US demands that the world join in crushing Iran's economy. India's involvement was crucial. It maintains extensive trading relations with Tehran.

The Bishkek summit underscored the limits of US economic warfare and Mr Xi's ability to sustain Washington's foes, not just in Iran but also with Vladimir Putin in the Russian tyrant's war on Ukraine. The summit rolled out the red carpet for Iranian President Masoud Pezeshkian, highlighting the leverage that the wars in Iran and Ukraine have given Beijing in providing an economic lifeline to Tehran and Moscow, frustrating the US. From all accounts, Mr Xi did not give the slightest hint in Bishkek of being willing to change that support. Ahead of his much-anticipated visit to Washington on September 24, he appeared resolute in backing Iran and Russia, while cautious about declaring that support in public.

Amid renewed attacks by US and Iranian forces, Mr Trump's "Economic D-Day" strategy is vital. But the Bishkek summit underlines the limits of US-led economic warfare and the need for Mr Trump to do more to get the help of US allies instead of abusing them.

LETTERS

WA by-election result could rinse and repeat for a while

The by-election result in Western Australia may well be a fore-runner of what lies ahead. One Nation is coming for you and deservedly so ("Personal attacks help One Nation", Editorial, 1/9).

Australians increasingly find that life under this government is tougher than ever before.

The cost of living – the weekly grocery bill; mortgage repayments or rent (more than 10 interest rate rises under this government); electricity and other utilities; being forced into buying an electric car; building a new home; and parents struggling to send their children to a private school to avoid the shambles existing in the state system.

Never before has this country had three million people living on or below the breadline and all we get now is a government that thinks it is entitled to govern. **Randal Whyte**, Sherwood, Qld

With their record parliamentary majority and the Coalition in disarray, federal Labor thought they could, and did, do whatever they wanted to because there was literally no one to stop them.

By not taking One Nation into consideration, they miscalculated

badly as they never saw the rise in popularity of One Nation coming.

Prime Minister Anthony Albanese's kneejerk response of labelling the hard-right populists as "dangerous, divisive and downright dishonest" seems like an insult to the voters of Farrer and Secret Harbour, but is itself potentially dangerous. **Peter Winzar**, Palm Beach, Qld

The West Australian by-election win was a splendid result for Pauline Hanson and One Nation, but November's Victorian state election will be the acid test.

A credible performance in Victoria will confirm the party as a permanent feature of the nation's political landscape. If One Nation's strategists are wise, they will focus on the appalling levels of crime prevailing in the state. **Terry Birchley**, Bundaberg, Qld

The swing to One Nation in the Secret Harbour by-election gives a message about the Australian electorate that the political pundits are struggling to comprehend.

While many families are battling to pay bills at the supermarket checkout, our government is spending massively on

important issue and worth debating. But arguing that antisemitism played no part in the Bondi massacre is a different matter.

The attackers deliberately targeted Jewish Australians gathered to celebrate a Jewish festival. It is difficult to separate the attack from antisemitism simply by describing the gunmen as evil. Flanagan is also right to raise concerns about free speech. But there is a danger in making that argument in a way that dismisses the experience of Jewish Australians who have faced threats and doxing.

Anybody can be critical of Israeli government policy without being accused of antisemitism. But we should also recognise antisemitism when Jews are deliberately targeted because they are Jews. **John Kempler**, Rose Bay, NSW

I wasn't at the Festival of Dangerous Ideas so I can only go on reported quotes from Richard Flanagan's statements.

Many of us non-Jewish Australians do stand with you, Nick Dyrenfurth, and all Australian Jews ("Richard Flanagan is in denial on true sources of Jew hate", 31/8). Unfortunately, we seem to be for the most part an unfashionable silent mob who lack the guts to take on "acclaimed" writers, academics, inner-city humbugs and virtuous affluent lefties.

Apart from, of course, Pauline Hanson. **Robin Barker**, Bondi, NSW

False productivity sign

Jim Chalmers, who apparently believes that artificial intelligence will herald a permanent new era of productivity, has deluded himself ("Jim faces productivity

puzzling projects such as "net zero" and running up a huge debt.

Both the government and opposition parties use ambivalent language, promising clear policy "close to the election".

Australians expected immediate action after the Bondi massacre but saw political hand-wringing and statements with no action. The electorate expects the Labor and Liberal parties to tell it like it is and fix the problem. Instead they hear carefully crafted statements guaranteed not to offend anyone or fix anything.

So it's no surprise that taking the electorate for mugs will spark the reaction we now see in the swing to One Nation. **Alan Woodward**, St Kilda, Vic

The Liberals need to make up their minds, try to get into government in their own right and lose to One Nation or join One Nation to remove the worst government we have ever had.

The Liberals and One Nation have policies that are similar if not the same; they are basically on the same side against the ALP. They might as well swallow their pride and work with One Nation to free this country and its people from

Chris Bowen's obsession with an energy source that is not only very expensive, debt-inducing and a drag on the whole economy but is taking Australia and its people backwards in a land of plenty. **Graham Thomas**, Kadina, SA

Clearly One Nation is so far ahead in Secret Harbour and in the national polls that it is very likely Victoria will fall first to One Nation, followed by our inept federal government. No one in the ALP seems to be able to assess real technical or economic matters correctly. The result is massive increases in cost of living, loss of major industries to overseas destinations, uncontrolled immigration and a total don't-care attitude towards ordinary people. **John McBratney**, Lancefield, Vic

I fully agreed with Anthony Albanese when he described One Nation as a threat to Labor.

I strenuously disagreed with him when he described the hard right as "dangerous, divisive and dishonest". Clearly, Albanese mis-spoke in that instance as he described himself perfectly. **Jeff Trudgian**, East Victoria Park, WA



The Australian's front page, Tuesday, September 1

test as AI boost stalls", 1/9). In the US, data since World War II is unequivocal: technological revolutions (including the dot-com boom) have always failed to accelerate output per hour worked – the most frequent measure of productivity – much beyond its historical average.

Robert Solow's famous observation remains apt. In 1987 (the year he won the Bank of Sweden Prize in Economic Sciences in Memory of Alfred Nobel, which is commonly referred to as the Nobel Prize in Economics), he said: "You can see the computer age everywhere but in the productivity statistics." Today, exactly the same reality applies to AI.

If the Treasurer really wants to boost Australia's dismal productivity, there's no alternative other than labour market and tax reform, private sector investment and government sector thrift. **Chris Leithner**, Kingston, Tas

While the jury is still out on the potential of improved productivity from artificial intelli-

gence, the one factor that would certainly encourage productivity-enhancing capital investment, affordable and reliable energy, is being tragically neglected by the Albanese government as it continues to waste billions of dollars on its renewables superpower obsession.

Even though there are some differences in specific strategies, One Nation and the Coalition reasonably align on energy policy, with both emphasising a pragmatic and balanced energy mix to bring down prices and to introduce nuclear power, the superior technology for 24/7, zero emission and environmentally minimalist energy.

You would think that working together in parliament, sensible policies could be formulated.

But first a strategy has to be agreed on that harnesses the combined 50 per cent voter support for both to be realised at the next federal election.

The future of the nation depends on it. **Ron Hobba**, Camberwell, Vic

LAST POST

Labor's most senior West Australian MP, Madeleine King, partly blames misinformation, social media and online bots for the bruising Secret Harbour by-election defeat and argues the party must prioritise face-to-face contact with voters. It's obvious that she just doesn't get it. Hopefully, Anthony Albanese will go to the next election with the same opinion ("Blame the bots for ALP's seat", 1/9). **Ross McDonald**, Gordon, NSW

"Dangerous, divisive, dishonest." Pot, kettle, black. **Kevin Lathbury**, Willetton, WA

In the aftermath of the WA by-election, yet another negative can be added to the Jim-Albo personality profile: sore loser. **William Mapleston**, Ashgrove, Qld

Does anyone imagine One Nation will be in serious contention at the next federal election? Surely it should be seen as little but a protest vote at by-elections, more of a danger to the Coalition than Labor? **K. MacDermott**, Binalong, NSW

One Nation is on a roll, but Geoff Chambers is correct in that the quality of its candidates is going to be one weakness that will need to be managed ("Hanson 4.0 ain't nothing like 1996", 1/9). Weak candidates will only reinforce the view that One Nation is unfit to govern. **Peter McKenzie**, Gracemere, Qld

The Prime Minister told the faithful last weekend: "They'll say anything and do anything to win votes. Bend any facts. Peddle disinformation and disinformation." If that's the case, it looks like One Nation has taken a leaf out of his playbook ("Orange flames licking at the House of Labor", 31/8). **Virginia Rogers**, Melbourne

What a sweet irony: household batteries will function better in a warming climate ("A chilling effect on Bowen battery policy", 1/9). **Paul Prociw**, Mount Mellum, Qld

Once upon a time a man's home was seen to be his safest refuge, but the plundering and redistribution of wealth continue apace under the ALP ("View from the plummet", 1/9). It would seem nothing is immune, with the only thing likely to go up in the next little while being interest rates. **Nick Palethorpe**, Turramurra, NSW

It is a conundrum that those seeking to enter the property market are understandably championing the accelerating fall in housing prices but, paradoxically, the moment they are successful in buying a property their point of view reverses. **Dave Chibeba**, Toormina, NSW



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BOOKSHELF | TOM BALL

Brutal life of a soldier and symbol of broken Russia

Russian border guards unfortunate enough to be stationed in the High North are not there to prevent foreigners from sneaking in. They are there to stop Russians from slipping out.

Along the banks of the Pasvik River, which separates Russia from Norway, are watchtowers, a barbed-wire alarm fence and surveillance cameras. On the night of January 13, 2023, Andrey Medvedev put them to the test. He stepped out on to the river's frozen surface and began running.

Immediately a flare went up and illuminated the polar darkness. He heard dogs barking and shots ringing out behind him. But he didn't stop and somehow reached the other side. When he saw a Norwegian number plate he lay down on the ground, took a swig of vodka and slowly stretched out his limbs.

Medvedev's escape from his homeland became an international news story. As a former commander with Wagner, the since disbanded private military group, he was – and remains – one of only a very small number of Russian soldiers to have deserted the army and sought asylum in Europe.

Within days of his arrival in Norway, Medvedev stated that he was willing to provide testimony for a war crimes investigation

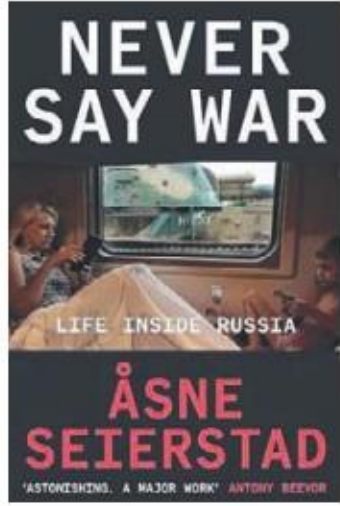
against Wagner. He said he had witnessed Wagner soldiers executing Ukrainian prisoners of war as well as Russian deserters.

Yet for all his physical bravery, Medvedev, 30, is not the sort of man one would necessarily choose as a hero. Defectors rarely are. In his native Siberia he had been a drinker and brawler; in Norway he reverted to type. Three months after crossing the Pasvik River he was given a 14-day suspended sentence for his involvement in a bar fight. Two months after that a woman in Oslo was granted a restraining order against him. The next year he was sentenced to 120 days in prison for assaulting his girlfriend, whom he had met a few weeks earlier at a petrol station.

Asne Seierstad's superlative Never Say War defies obvious categorisation. Like Antonio Scurati's books about Benito Mussolini, it is perhaps best described as a nonfiction novel, a factual epic about Russian society during wartime, with Medvedev as the protagonist.

Seierstad and he met a few weeks after his escape, at a McDonald's in Oslo. When she told him she wanted to write a book about his life, he responded positively.

"My story should be written like Shantaram," he told her, referring to the autobiographical novel by



Never Say War: Life Inside Russia
By Asne Seierstad,
translated by Sian Mackie

Virago, 512pp, \$68

Australian bank robber Gregory David Roberts. "But you should feel like you're reading Dostoevsky," Medvedev's brutal life certainly lends itself to a Dostoevskian retelling.

Having spent hundreds of hours interviewing the former soldier, Seierstad relates with vivid detail the story of his violent childhood, doomed youth and later participation in the war in Ukraine.

We are told of the beatings meted out by his alcoholic father. The death of his mother in a tractor accident. More beatings in prison. "There are many varieties of violence, and it is in this culture that I believe we have grown up," Seierstad quotes Nobel prizewinning historian Svetlana Alexievich as saying. By the time Medvedev arrived in Ukraine in the summer of 2022, having signed a lucrative yet Faustian contract with Wagner, he had little to live for. All the better, he thought: "The best soldier is one nobody will miss."

Seierstad, a Norwegian journalist, is best known for The Book-seller of Kabul, her account of life inside Afghanistan during the US-led invasion. She also has reported from Iraq, Chechnya and Kosovo, and covered the trial of Anders Breivik, the extremist who killed dozens of teenagers on the island of

Utøya in 2011, which became the book One of Us. But Russia was where she started her career. Having studied Russian at university, she spent three years in Moscow as a newspaper correspondent, covering the chaotic post-Soviet transition under Boris Yeltsin.

After meeting Medvedev, Seierstad decided to return to Russia in a series of short visits to document life behind the new Iron Curtain and the society that produces men such as Medvedev. Common to nearly all interviewees is the incredible candour that Seierstad is able to elicit from them.

In February 2024 Medvedev's asylum application was rejected, although he was granted a renewable temporary residence permit that enabled him to stay in Norway. This year, however, after serving his 120-day prison sentence, he snapped off the ankle tag he was required to wear and crossed the border into Sweden. His whereabouts are unknown.

As with the other Russians whom Seierstad depicts in the book, she never passes judgment on Medvedev. But one perhaps senses a desire for him to do better. He is a deeply flawed man. Yet his life is emblematic of the tragedy that modern Russia has become. **THE TIMES**

DAILY CARTOON | JOHANNES LEAK



PAUL KELLY Howard's realism rewrote rules on borders



It is the 25th anniversary of one of the decisive events in our history – the landfill denial of the MV Tampa that saw a showdown between the compassionate acceptance of open borders and the principle of national sovereignty vested in the control of borders.

The Howard government's decision to deploy the military in August 2001 to stop the Tampa disembarking on Australian territory with more than 430 asylum-seekers became a global drama that polarised attitudes towards John Howard as prime minister.

The consequences of that event still resound in Australia and in other jurisdictions. It was driven by Howard's conviction that the Tampa be denied by any means of executive power while his opponents invoked the moral and universal obligation on rich nations to welcome asylum-seekers arriving on their doorstep.

The politics of Tampa were primal and brutal. Australia was under virulent assault from global opinion makers. The risks Howard ran to impose his will were astonishing. At several points Howard could have been thwarted or defeated. In the cause of sovereignty he chose an extreme solution that came with a cost in humanitarian concern. At the time nobody foresaw the full legacy – that Howard would establish an iron law of Aus-

tralian polity rejecting asylum-seekers arriving by boat and that, a generation later, this would be envied by many democratic nations.

Ultimately, the issue was settled by public opinion. Howard's stand – the strong man as populist – was one of his most popular decisions as prime minister. When the Rudd-Gillard government tried to reverse Howard's policy it was crushed by public hostility. When the Abbott government embraced Operation Sovereign Borders – to stop the boats – it championed the Howard precedent.

Anthony Albanese, once an open-borders exponent, has now signed up to Howard's doctrine. Border protection is the most singular defeat suffered by the progressive movement in this country over the past 30 years. Yet much of the left, while vanquished on the issue, remains defiant and unrepentant.

By 2001 asylum-seeker arrivals were part of a criminal and lucrative people-smuggling industry. In the previous three years more than 8000 people had arrived by boat. Papers were going back and forth from cabinet searching for an answer. Immigration minister Philip Ruddock told the author: "We were under attack from people-smugglers."

When the Tampa sailed over the horizon it was a threat and an

opportunity for Howard. Under captain Arne Rinnan, the Tampa had collected the asylum-seekers from a stricken boat and had set course for Indonesia. The flash-point for the Howard government came when the asylum-seekers "threatened" the captain – in Rinnan's words – demanded he change course to Christmas Island and entry to Australia, and warned they would jump overboard unless he complied.

"We couldn't tolerate that," Howard said. Department of Prime Minister and Cabinet head Max Moore-Wilton said: "Australia had to draw the line as a nation." Howard's office chief, Arthur Sinodinos, said: "Ministers felt 'if we caved in to this, how could we possibly explain it to the Australian people?'" Ruddock later told ministers there was intelligence that a pipeline of 10,000 people were waiting to come from Indonesia. The cabinet was rock solid – every senior minister was committed: Peter Costello, Alexander Downer, Peter Reith.

Denying landfill was filled with hazards. Howard was making up policy as he went: "I knew it was a risky decision." What would happen to the asylum-seekers, already facing medical issues? The government tried to get Indonesia to accept the boat, but Jakarta shut its door. The captain, having initially followed instructions, finally decided to defy authorities and entered Australian waters.

It was assumed outside the government that Howard would crack at this point. Instead, the national security committee ordered the SAS to board the Tampa and take control of the ship.

Howard's blood was now up. With the politics moving into hysterical mode, Howard defied the UNHCR and insisted that none of the Tampa people would land or be processed in Australia.

Yet he came to the brink of defeat in the courts. In a farcical situation, Federal Court judge Tony North, who had found against Howard in the waterfront case, now found against him in the Tampa case – a ruling that would have destroyed Howard's entire position. On appeal, the govern-

ment won 2-1 in the court. The upshot: the human rights lawyers had failed to stop the government.

Facing another crisis Howard and his ministers had to decide: If Australia was saying no, who in the world would take the Tampa boat-people? After days of alarm and desperate diplomacy, the answer came: New Zealand prime minister Helen Clark took 150 and Nauru accepted 280, with Howard and Ruddock unveiling the Pacific Solution, a new legal and administrative model that said asylum-seekers could be sent to Pacific nations for processing.

While ALP leader Kim Beazley supported the deployment of the SAS, he opposed Howard's Border Protection Bill. Explaining the supreme principle on which he acted, Howard told parliament: "Every nation has the right to effectively control its borders and to decide who comes here and under what circumstances, and Australia has no intention of surrendering or compromising that right."

Howard and his ministers had to decide: If Australia was saying no, who in the world would take the Tampa boatpeople?

There are four conclusions.

First, as an island continent Australia has a geographical advantage and a political expectation it will protect its borders, a situation few other nations enjoy. Second, the Tampa was not a rejection of refugees but an insistence that Australia would accept refugees only in an offshore program. In the decades before 2001 Australia had been generous in accepting more than 500,000 refugees including from all races – largely in offshore processing in co-operation with the UN – the core point being government control of the program.

It was the critics who said Australia must now accept the reality of global people movements and accept the arrival of asylum-seek-

ers by boat who really aspired to a radical change in refugee policy, a change that Howard rejected.

Some advocates, however, pretended the Tampa decision was a one-off – that prioritising compassion in this case would have no "pull factor" legacy when the entire history of asylum-seeker experience in Australia and globally ran to the contrary: nations that signal acceptance get more people arriving. This was the reality that undercut the moral appeals.

Third, Tampa was a significant factor in Howard's 2001 election win, notably when linked to the 9/11 terrorist attack on America. Howard agreed it was a "major issue" in the campaign that also saw Pauline Hanson's One Nation party virtually obliterated. But the government warrants condemnation for the disreputable ploy of linking boatpeople with terrorists.

Fourth, many prominent critics accused Howard of racism and of regressing to an old-fashioned quasi-White Australia bias over the Tampa event, a claim confounded by the reality: safe borders created the conditions for an expanded offshore legal immigration intake. This was the chief and enduring public policy legacy.

The permanent migration intake increased from 74,000 to just under 160,000 while Howard was PM. During Howard's first three years in office, net overseas migration averaged 86,000 annually, while in his final three years the average was 188,000 – an astonishing increase. The big lift came in the second half of the Howard era, after 2001, when immigration expanded rapidly with a marked boost in the nation's racial and cultural diversity, with more Asian and more Muslim migrants.

This is fundamental to Howard's legacy and was achieved with remarkably little political unrest about immigration policy. That many progressives still cannot concede this reality testifies to their inability to grasp the political dynamics of Tampa – it meant every PM had to master the people movement test and that border protection was the necessary (but not sufficient) condition for successful, expanding immigration.

berra, Australia would not punish them in the way China could and would. Thus the mismatch between friendship and fear at play in Palau is not whether middle-power Australia can hold the line against great-power China.

The critical question is: Where is the great-power balance? The US, the other Pacific great power, is not only missing in action, it also is antagonising the region's micro-states. The Trump administration has gloried in disrupting the rules-based order, celebrated the asym-

metries of power politics and pursued policies that put at risk core regional aspirations such as the Paris Agreement's climate commitments, regulation of deep seabed mining and environmental zones for fisheries protection.

China's capacity to influence the region through subliminal fear is possible because there are no credible consequences. It is difficult for Canberra to be Washington's deputy sheriff when no one believes there is a sheriff.

Richard Herr is a former honorary director and adjunct professorial fellow at the Centre for International and Regional Affairs at the University of Fiji.

JANET ALBRECHTSEN

International treaty racket is rocket fuel for One Nation

Enthusiasts will overstate the significance of One Nation's win in Secret Harbour, but our political leaders would be unwise to understate it. Pauline Hanson and her party are shouting "last drinks" to the notion our established parties can plough on with business as usual. Squarely in her sights are several of the undemocratic tricks our political elites use to implement policies beloved by global activists but hated by voters.

One soft-shoe shuffle worshipped by our established parties – especially the ALP – is the international treaty wheeze. Convene a global assembly of activists, adopt a ringing declaration of some left-wing wish list, dignify it with the description "treaty", ratify it and then use the external affairs power in our Constitution to incorporate it into Australian law. It's a wham, bam, thank you, ma'am from the global lovefesters.

The average Australian voter is told that our international obligations require us to suck up this imported instrument of activism that no Australian parliament would ever have enacted on its own.

The participants at these global lovefests are elites unelected by any home jurisdiction and their treaty game is an end run around the democratic processes of all the countries, not just Australia. When Australian voters push back against these undemocratic tricks, the elites have the gall to call it populism.

Hanson and some others are on to this lark. The centrepiece of Hanson's legal appeal to the High Court following her loss to Greens senator Mehreen Faruqi is based on exactly this premise. Hanson got in trouble when she told Faruqi to "pack your bags and piss off back to Pakistan" after the Greens politician insulted many Australians on the day Queen Elizabeth died by calling the late monarch the "leader of a racist empire built on stolen lives".

Faruqi won because she could rely on the extraordinarily wide words of section 18C of our Racial Discrimination Act. Parliament enacted that provision by claiming we were simply following our international obligations under the International Convention on the Elimination of All Forms of Racial Discrimination.

Hanson is right to complain

about the way this draconian provision was slipped into our law using the external affairs power and a global treaty drafted by jet-setters elected by nobody.

Her legal argument shows up the full extent of the ruse. In her appeal to the High Court, Hanson says section 18C bears little resemblance to the language found in a global treaty. And respected lawyers agree.

Hanson must wonder why she should be so hamstrung in her freedom to chip at a glass jaw when New Zealand's Foreign Minister Winston Peters can tell Chinese-born Green MP Lawrence Xu-Nan in parliament to "go back to your own country". When Peters copped criticism for his comments, the great political pugilist called his critics "pearl clutchers".

Our laws, tailor-made for pearl clutchers, are an affront to free speech. Worse, they exist because of the treaty schtick

Our laws, tailor-made for pearl clutchers, are an affront to free speech. Worse, they exist because of the treaty schtick.

The pearl clutchers and treaty crowd have screwed up another important area of our domestic law: the right of biological women to their own spaces. In *Giggle v Tickle*, Justice Robert Bromwich decided that the gender discrimination provisions of Australia's Sex Discrimination Act were constitutionally valid because they met Australia's obligations under article 26 of the International Covenant on Civil and Political Rights.

In effect, Sall Grover was denied the right to exclude biological males from her *Giggle* app because we are forced to kowtow to the ICCPR. Take that, Australian voters.

To his eternal credit, Nationals leader Matt Canavan has called for an audit of international treaties to which Australia is party.

"The Australian public de-

serves to know, do the thousands of international agreements that we have signed up to serve the national interest and protect the sovereignty of Australian people? Any agreement that Australia is a party to must serve the interests of Australians, not foreigners," Canavan said in August.

He provided an excellent example of the problem. "Last year the Labor Party did a deal with the Greens to change our environmental laws. Those changes used the international treaties powers to expand these laws, to cover anything a farmer does within 50m of a watercourse in the Great Barrier Reef catchment area. For many farmers this means the federal government has effectively taken over control of their entire farm when it should be the states that have control of basic land planning issues."

One can only hope that this is another area – like net zero and the voice – where the Liberals will recognise the commonsense leadership of their Coalition partner. Alas, it says much about the Liberals' long slide into irrelevancy that they didn't raise the abuse of the treaty game first. Perhaps they have been seduced by the occasional trip to Geneva?

Such is the power of an international treaty, we even get bullied about ones not yet incorporated into our law. The final report of the Victorian Yoorrook Justice Commission, among its many outlandish demands, insisted that the UN Declaration on the Rights of Indigenous Peoples be embedded into Victorian laws.

The most superficial glance at UNDRIP is enough to convince any mildly rational reader that whatever the merits of UNDRIP in other countries, it is comprehensively inconsistent with Australian law and circumstances. If enacted, it would establish two sovereign powers in Australia – which is no doubt why even a federal Labor-Greens parliamentary committee stopped short of recommending we enact the treaty into law.

But such is the lure of a sweetly named treaty, activists keep trying to harass us into dividing Australian sovereignty by race. And while it's tempting to dismiss the Yoorrook Justice Commission as an unrepresentative body established by a discredited government, we need to have a much closer look at all the international treaties used, or sought to be used, to justify existing and new Australian laws.

There are good treaties and practical treaties. However, much of the international treaty business is a shameless racket used by activists to bypass parliamentary democracy.

Hanson and Canavan do us a great service in calling it out.

GREG CRAVEN

Flanagan's dangerous idea just a chilling form of denial

It's always a good opening to a column to write that the only thing needed for evil to triumph over good is that good men stay silent. But this nostrum is not entirely true. The added element is that supposedly good people cannot recognise evil when they see it – or misattribute it to the wrong source or spend so much time denying it they end up with an apologetics.

The longwinded speech by novelist Richard Flanagan at the Festival of Dangerous Ideas last month, flicking aside the reality of antisemitism, falls into all these categories. When it comes to identifying evil, here is a bloke who could not pick Satan out of a line-up of nuns.

The longwinded speech by novelist Richard Flanagan at the Festival of Dangerous Ideas last month, flicking aside the reality of antisemitism, falls into all these categories. When it comes to identifying evil, here is a bloke who could not pick Satan out of a line-up of nuns.

Flanagan's position seems to be that antisemitism in Australia is all the fault of "the Israel lobby", a loathsome gang he never satisfactorily defines but you have a horrible feeling includes every Australian Jew – and probably non-Jew – who dares disagree with Flanagan on the October 7 attack, the Bondi Beach massacre and the war in Gaza.

His elaborated thesis is that the Bondi murders were not fundamentally antisemitic but were incited by provocative acts and misrepresentations by – you guessed it – the "Israel lobby". What's more, if things get any worse it will be all its fault as well.

Two general things stand out about Flanagan's rant. First, it illustrates there is no correlation between creative talent, whether writing, acting or tap dancing, and intelligence. Flanagan is a pass-

able author, but as a cultural analyst he ranks well below most rugby league commentators. Second, as an exercise in bad schoolboy debating, Flanagan has the lot. In his speech he packs in denial, deflection, blame-shifting, abuse, threats, distraction, conspiracy and obfuscation.

Where was he when I needed him in grade 4?

This is not his first foray into mangled prose. His famously garbled *Book of Fish* was reviewed by my brother Peter as comprising "multiple verbal collisions" and "massive lapses of narrative judgment". I'm with you, brother.

Flanagan's central and most bizarre claim is there actually was no antisemitism present at Bondi, other than the two shooters themselves. He seems incapable of comprehending that those monsters fired their guns from within a wider capsule of social antisemitism that walked alongside them. The shooters did not produce antisemitism. It produced them.

But let us indulge the Fish Man just for a moment. His analysis is the best let out for any war criminal so far detected. So as long as you were not the man pouring the Zyklon B into the gas chamber, you're off scot-free. The person who hands you the canister, the man who orders it, the man who makes it and the man who thought up the idea in the first place are neither antisemitic nor murderers. They are just bystanders to the guilty physical act of another.

In the same way, vicious antisemites abusing Jews in the

streets, chanting infamy and intimidation, and forcing Jewish schools to be secured by armed guards are not an actively authorising environment but merely a realistic human context.

If you tried to apply this analysis to the persecution of any other minority group in Australia, whether Indigenous people or indeed our Muslim brothers and sisters, you rightly would be run out of town on a very sharp rail.

The constant references to the "Israel lobby" are less illogical than chilling. One of the oldest stereotypes of Jewish history, the existence of some shadowy, all-powerful Jewish conspiracy, is wheeled out one more time.

Of course, Flanagan does accept that these insidious Jewish types are supported by an array of malicious non-Jewish Australians. It is unclear why they have joined the plot. Money, probably.

This is where it all gets rather more sinister. Flanagan makes repeated references not only to antisemitism being the result of the insidious actions of the "Israel lobby" itself but hints pretty broadly that future horrors also will be self-inflicted.

He seems to have a particular terror of special envoy to combat antisemitism Jillian Segal. Apparently she plans a McCarthyistic takeover of the Australian nation-state. Good luck to her.

In fairness to Flanagan's positions, they may not be positively antisemitic. Instead, they may represent a different form of Jewish dismissal. This is antisemitism.

Asemitism does not involve hating Jews, it just involves never being able to see them in any debate or controversy. So, there's no antisemitism here because it's not about the Jews. I'm not antisemitic, I just hate all Zionists and the state of Israel. These protests aren't threatening anyone, they're just healthy instances of freedom of assembly.

As Basil Fawly might have put it: "Don't mention the Jews."

Greg Craven is former vice-chancellor of the Australian Catholic University.

RICHARD HERR

US influence is the big absentee at this year's Pacific forum

A week ago Anthony Albanese would have looked forward to this week's session of the Pacific Islands Forum at Koror, Palau, with optimism. He reasonably could have hoped the 18 heads of government who attended would further improve regional security and Australia's close relationship with its Pacific Islands partners.

Instead, the Prime Minister is scrambling to minimise the fallout of China's payback after the 2022 PIF sidelined Chinese Foreign Minister Wang Yi's general security proposal for the region.

Beijing had considerable grounds to think its interest in the region would beat risk again at this year's forum. The forum's host, Palau President Surangel Whipps

Jr, planned to pursue a resolution denouncing the Chinese missile test that landed in the waters between Nauru, Solomon Islands and Tuvalu in July.

Solomon Islands Prime Minister Matthew Wale wanted to secure a general regional security agreement that would have undermined elements of China's bilateral security agreements while uniting much of Australia's bilateral security agreements.

As an ally of Taiwan, Palau would be giving some prominence and access to Taipei, which China had undermined at the two preceding forums.

While it is difficult to prove that China has sabotaged the leaders meeting, New Zealand Foreign

Minister Winston Peters sees good reasons for believing President Xi Jinping's fingerprints are all over the last-minute chaos in Koror.

The first shock was the departure of Wale, who flew back to Honiara to deal with an unexpected leadership challenge from a cabinet colleague. Wale has pursued a new relationship with Canberra that has rolled back some of the gains China has made in Solomon Islands since the latter switched from diplomatic recognition of Taipei to Beijing in 2019.

It is difficult to believe the challenge to Wale's leadership at home was not encouraged by the Chinese mission in Honiara, which maintains close links with the former government and its supporters. Other notable absentees in Koror include Fijian Prime Minister Sitiveni Rabuka, Kiribati President Taneti Maamau, Samoan Prime Minister La'auli Leuatea Schmidt and Vanuatu's Prime Minister Jotham Napat.

Each of these is significant in their own right, though for different reasons. Fiji is the hub of Pacific regionalism and the anchor for Australian-Pacific Islands security arrangements as demonstrated by the signing of the recent

bilateral defence treaty. Kiribati also has close ties to China since switching recognition to Beijing in 2019 and has a proposed constitutional amendment that would prevent it from switching back to Taipei at any time in the future.

Former Samoan prime minister Fiamē Mata'afa was instrumental at the 2022 forum in mothballing China's regional security proposal. Yet La'auli has taken a softer line on China. Napat has curried favour with Beijing by watering down the on-again, off-again security agreement between Vanuatu and Australia.

With five key Pacific leaders absent, it's doubtful any measures concerning China will be effectively pursued at Koror.

While much of this will be seen as a challenge to the successes Australia has achieved in its co-operation with its regional neighbours, the reasons rest more with the broader Indo-Pacific and global geopolitics. The fact is Australia's neighbours do not fear disappointing Canberra in the way they fear disappointing Beijing. They know Australia will always be there for them. Our neighbours are aware that, whatever disagreements they might have with Can-

Opinion

Putin has all types of literature in his sights

The Kremlin is redefining what it means to be a writer in Russia.

Natasha Kiseleva

BERLIN A novelist I know recently wanted to do something that is now forbidden in Russia: publish a story about two women in love.

To do so, she had to hide her characters' genders by writing in the present tense (present-tense verbs carry no gender in Russian) and by choosing names that both men and women use, Sasha, say, or Zhenya. Yet only a few years ago, none of these linguistic gymnastics were necessary. From the late 1980s through the first two decades of President Vladimir Putin's rule, literature enjoyed near total freedom in Russia.

That may surprise those familiar with the Kremlin's systematic takeover of journalism, television, movies and more. But consider that before 2024, Ficbook, the internet's largest Russian-language fan fiction archive, contained an easily accessible trove of gay fantasies depicting Mr. Putin getting intimate with other world leaders, including President Joe Biden and President Emmanuel Macron of France. My first book, "We Will Meet Again," featured an array of anti-Kremlin and queer characters and was published in 2020 without a single cut.

But after Mr. Putin declared all-out war on Ukraine in 2022, he unleashed a devastating crackdown on free speech at home. That was initially confined to criticism of the war. Over time it spread, attacking a range of cultural expression. Now, for the first time since the Soviet era, the Kremlin is placing literature squarely in its cross hairs.

On Sept. 1, new professional standards went into effect in Russia, dictating what it means to be a writer. A writer, the standards say, is anyone who "realizes the artistic concepts in a literary work," and those who "revise (process, dramatize) literature," including proofreaders. If such a person

KISELEVA, PAGE 10



MARTHA VERSCHAFFEL

The case for quitting like a man

Women are eager disciples of the "never give up" dogma. It's a losing bet.

Lindsay Crouse

I couldn't do it anymore. I had a toddler to chase and a baby to feed and a home to manage and a book to write and a body I didn't recognize and a life I felt throttled by. I just wanted everything to stop. So I reacted the way I did whenever I faced what I optimistically called a setback: I worked harder.

A certain kind of woman (me) loves a good challenge. We work at work. We work at home. We work out. We work for our family and friends. We do the work at therapy. And we believe that with all this effort, eventually it will all work out. We can do hard things.

What about men? Despite all the "take it like a man" narratives, men often quit, especially when conditions are hard and stakes are high. In 2018, I watched a Boston Marathon in brutal weather, and I noticed, and then confirmed, that women endured at higher rates than men. (A later study of nearly one million marathoners found that men were more likely to crash.) I wrote an essay about the phenomenon for The Times with the triumphant headline "Why Men Quit and Women Don't."

Not all men, obviously (or women, either). But this tendency is backed up by research. Under stress, women downshift but make it through. Men under stress go to extremes. They take more risks and walk away with nothing or all. It tracks with what the masculinity scholar Richard Reeves argues about how we're raised: Boys are like orchids. They are fragile and protected. Girls, he says, are like dandelions — surprisingly tough.

For most of my life, I was the cheerfully-die-trying dandelion type. If someone tried to help put my suitcase in an overhead bin, I declined and was proud. In high school, I spent Saturdays studying for the SAT before heading off to run around a track. I taped a

poster over my desk that read, "Pain is temporary, pride is forever." Sure, I lost those races, and I didn't ace that test. But doesn't every eventual champion first endure defeat?

And then there I was, squarely in my 40s, expecting to reap the benefits of all my life's hard work but instead frenetically pushing harder as I failed more.

Now I think those men were onto something I missed. Too much grit can work against us. I thought my willingness to push, no matter what, was bold (and virtuous). But what is the point of overcoming every obstacle if the effort leaves you exhausted and stuck? In a marathon, there's a finish line. In life, we can grind forever.

Society bombards us with messages of perseverance. Women like me are eager (and able) disciples of the "Never give up" dogma. We might benefit from opting out, but we dismiss that option before we ever consider it. Then we pay the costs. We start out as resilient dandelions, but what good is that if it sets us up to be trampled on?

Women live longer than men, on average, but we do not necessarily live better. Our rates of depression and anxiety (and the related mental health prescriptions) soar above men's. While problem drinking is declining in the United States overall, it has risen significantly in recent years among women in their 30s and 40s, precisely when we're grappling with the pressures of careers and motherhood and marriage. Alcohol use as self-medication is especially pervasive among higher-income women — women who could afford help yet still don't necessarily take it.

Our head-down tendencies start early. When researchers examined children's responses to ineffective teaching methods, they found that boys tended to abandon approaches that led nowhere and seek better options. Girls were more likely to contin-

ue following directions, even when those directions led them to fail. Girls learn to work. Boys learn to win.

Women finish high school and college at higher rates than men. But once we hit the work force, we're less likely to make the C-suite. Of course, that has many explanations. (Patri-

archy comes to mind.) But look at how we respond. Researchers tracked nearly 30,000 management-bound employees and found that when women were passed over for promotion, they were more likely to stick with their companies than men in similar situations. The men were more likely to walk away. And they were rewarded for it. They got retention benefits where they were, or they left.

Women are more likely to remain in shrinking industries and lower-paying

roles. According to McKinsey Global Institute, projections show that by 2030, less than two-thirds of women will work in growing fields, compared with over three-quarters of men. As Noam Scheiber recently explained in The Times: "A job gets worse in some way — say, it pays less or becomes

more grueling or monotonous or generally less prestigious — at which point men become less interested in doing it. Employers then turn to women to fill the ranks." Women need to remember that we can look elsewhere for work, too.

Women often persevere in bad relationships. "Dating is hard," we might persuade the ceiling at 3 a.m. A woman who ends things early is too picky; a man who quickly realizes he isn't interested has standards. Same after

"I do." So many of us choose quiet quitting our marriages over filing for divorce. Why leave when you could put up with it instead?

Last month Prime Minister Sanae Takaichi of Japan shared that she spent a holiday weekend rereading policy documents and clearing out her inbox, as well as making time to iron her undergarments — and finally logging five hours of sleep, instead of her usual "zero to three."

A man who chooses to rest probably doesn't think of that choice as quitting at all. But for women, the options feel self-defeating: Take the rest and feel guilty or skip the rest and feel exhausted — and mad.

The joke is on us. Our lives won't be measured by how late we stay up answering all our email. We forget that surviving is not the same as success.

Giving up on things that don't work is the only way to find things that work better or to go farther than before. If we treat quitting and persevering as opposites, we lose.

Last year, I was wiping my 3-year-old's vomit off my dress when my calendar popped up on my phone. On my schedule was an informational interview with a friend's aunt's neighbor's son (or someone) and an appearance on an online panel where I was completely unnecessary. I could have asked someone else to do these things or, even better, simply declined. Instead, I did everything. (What a hero!) I didn't do any of it well.

Looking back, I realize: Women do quit, all the time. We quit on ourselves.

I don't pretend to have a magic solution. I can't get men to opt out less or solve capitalism. But I can at least recognize that just as quitting is a choice, so is not quitting.

Now when I'm grinding, convinced the finish line is just one push away, I ask myself a simple question: Why am I still doing this? "Because I can" doesn't automatically mean that I must.

LINDSAY CROUSE is the author of the forthcoming book "The Case for Quitting," from which this essay is adapted. She was a senior staff editor in Opinion, where her reporting on women's sports helped bring maternity rights to professional athletes. She commissioned The Times's Academy Award-winning film.



MAISIE COWELL

OPINION

The New York Times

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The world is a room with a piano waiting to be played

Roger Rosenblatt

The older I get, the more I appreciate the wonders around me. I'm not just talking about nature's extravagances — zebras, cuttlefish, dragon flies, octopuses, though they do still amaze — but rather the wonder attached to the everyday things a younger me might have not paid much notice to, the happy social interactions, co-incidences and surprises that counter-act all the sorrows and horrors, and say by their existence, we too are life, maybe most of it.

Perhaps the mundane becomes more wondrous as we age partly because we move slower. We are more careful. Each step we take becomes fascinating, an object of exquisite study, not only because the stability of your body rides on it, but also because it takes on a disembodied life of its own.

Like any life, mine has had its pain, yet from the outset it seems to have been graced by unbelievable people and events. An anthology of miracles.

Age concentrates the mind. The moment you realize you will no longer do something you've done all your life. The moment you realize that you will now need to do something you've never had to do before. The moment you realize that what

used to be will never be the same. Some of this could lend itself to melancholy. But there is also a bigness to such moments that allows for wonder. A sense that you can't quite comprehend it all.

Like any life, mine has had its pain, yet from the outset it seems to have been graced by unbelievable people and events. An anthology of miracles. Before me and around me as a child, and with me ever since.

At times the wonder is so fleeting you could easily miss it. A glance of sympathy in a stranger's eyes, a warm handclasp. The quiet wonder of durable friendships. Of the dependent companionship of small animals. Of the sad antique beauty of tenements. Of shared secret jokes. Of long exploratory walks. A moment when you and someone you're with spontaneously break into song, hearing Louis Armstrong in your heads. "I see trees of green, red roses too." And you say to yourself, it's a wonderful world.

Some wonders you cannot see at all. More progress has been made in cancer research in the past 25 years than in all the time before it. Therefore more lives saved. Unless you're a doctor or a researcher you cannot know how such a process of discovery works, but you benefit from it. Knowledgeable people thinking about vital problems and

solving them, for everyone, unseen.

How do you find a wonder? Often they find you.

The wonder of my wife, Ginny. The wonder of watching her as she sits waiting on a bench, or reading, or wrapping gifts, or writing a letter to a sick friend. The active serenity of her. These are things she's always done. But now, as I watch her, I realize how strongly each gesture is tied to character.

The wonder of still learning how to do new things. The wonder of writing this sentence. The alchemy of language. The scope and sweep of the imagination. The wonder of the mysteries of the weather. Of wind. Of sound. Of prayer, of faith. Of art. Of gifted people. Emily Dickinson, Fred Astaire, Ella Fitzgerald, Vermeer, Bach, Monk. These things have always brought me joy. Now I have the time to question how they do that. That I have no answers only makes these joys more wondrous.

My childhood began in New York at 36 Gramercy Park East, a magical early 20th century Gothic revival building with stone gargoyles on the outer walls and cast stone knights in armor out front. With my doctor father seeing patients, and my mother teaching public school all day, I was quasi-adopted by three ladies who lived upstairs. They read me Mark Twain and taught me card games. I was 4 years old.

On Christmas Eve they would hire a limousine and tour the shop windows on Fifth Avenue, taking me with them. I would sit in the back of the car and stare at the lights, my eyes wide with the bright stories told by the window displays, my heart content with my three ladies, with life.

In the end, the tendency for peace. In the beginning, a car ride in the dark city on Christmas Eve.

At the age of 6, I was on vacation with my parents in Westport, Conn. The day of our arrival, I went off for a walk by myself. I was always doing that, to my parents' dismay. And I came upon a large beautiful house with a sun room with glass walls so that I could see a Steinway concert grand in the middle of the floor.

The door was open. I went in and started playing, eventually looking up to see a princess-like woman standing beside the piano and smiling. We chatted. She took me back to the rented house. My mother was appalled, and she apologized for my bold behavior. No need, said the woman. It was a pleasure to see how innocent and unafraid I was. "Yes," said my mother. "That's how he is. He thinks the world is a room with a piano in it waiting to be played."

In fact, it is.

ROGER ROSENBLATT is the author of "Making Toast," "Kayak Morning," "The Boy Detective" and, most recently, "More Rules for Aging."



RUO-JIA LIANG FOR THE NEW YORK TIMES

Putin has literature in his sights

KISELEVA, FROM PAGE 9

wants to receive certain grants, be eligible for state-funded literary awards or receive a government pension, he or she must now possess state-sanctioned knowledge of Russian history and culture and receive a degree from a university.

This is not merely bureaucratic theater. The consequences will be far-reaching. After all, many of Russia's literary giants — Joseph Brodsky, Anna Akhmatova and Ivan Bunin among them — never obtained a college degree. Lawmakers have made no secret of the reason these standards exist. Literature is "a matter of state importance," they wrote, central to the country's identity. The Kremlin must control it.

Shortly after the full-scale invasion of Ukraine, Russia's Parliament outlawed all forms of "L.G.B.T. propaganda," and the authorities set up an "expert center" to determine whether books were in compliance. The center created lists of objectionable literature that included Russian classics by Fyodor Dostoyevsky, as well as works by Western authors like Susan Sontag and Stephen King. Last year, police used the law as a pretext to raid publishing houses in connection with a teen romance novel with L.G.B.T.Q. themes. Then prosecutors charged three employees with "extremism" for their role

The Kremlin is creating an environment of uncertainty and fear, based on arbitrary punishment. The aim, in the publishing industry and beyond, is to promote self-censorship and eliminate dissenting speech.

in distributing that book and others like it.

The employees' predicament became known as the Publisher's Case, seemingly the first criminal case brought over the content of books since the collapse of the Soviet Union. The case ended in August after the employees spent a year under house arrest, pleaded guilty, surrendered tens of thousands of

dollars in fines and received suspended prison sentences of up to four years.

Strikingly, the books at the heart of the case broke no laws at the time of their publication. Mr. Putin signed the "L.G.B.T. propaganda" law at least a year after they were published. That is precisely the point: The Kremlin is creating an environment of uncertainty and fear, based on arbitrary punishment. The aim, in the publishing industry and beyond, is to promote self-censorship and eliminate dissenting speech.

Reporting this piece felt like a foray into investigative journalism. To communicate with writers still inside Russia, I exchanged voice messages that disappeared in an hour. One writer would speak to me only through an intermediary. A dozen others did not answer at all. No one explicitly refused to speak with me — a refusal would have had to be put into words — and the silence tells its own story.

From relative safety abroad, Russian exiles can test the boundaries of free speech in their home country. When they speak openly and often about literary censorship, the government brands them "foreign agents." (Russia's Ministry of Justice did this to me last month.) At one point, the best-selling Russian author Alan Charoit, a transgender man who now lives in France, planned to send copies of his fantasy novels to friends to distribute



FELIX SCHMITT FOR THE NEW YORK TIMES

Shortly after the invasion of Ukraine, Russia's Parliament outlawed all forms of "L.G.B.T. propaganda," and the authorities set up an "expert center" to determine whether books were in compliance. The center created lists of objectionable literature that included Russian classics by Fyodor Dostoyevsky, depicted in a statue in Hesse, Germany, above, as well as works by Western authors.

at home. But after the Publisher's Case he abandoned the idea, because he "refused to take part in the system," he told me.

In 2022, the line between acceptable and unacceptable speech was clear. That year, three poets who performed antiwar verses at a monument to the poet Vladimir Mayakovsky were brutalized and imprisoned. When the writers Boris Akunin and Dmitry Glukhovsky became outspoken critics of the war from abroad, they received lengthy prison sentences in absentia. Today, you no longer need to speak publicly against war to fall afoul of the Kremlin. You no longer need to be a prominent person. You need only to be involved with a text — as a writer, an

editor, a publisher, a distributor, a vendor — that the authorities take issue with, now or in the future.

Nobody knows where the lines are anymore. The rules must be interpreted not only for what they prohibit today but also for what they make possible tomorrow. When a law that expanded what constitutes "drug propaganda" took effect earlier this year, publishers started using artificial intelligence to review manuscripts and the books in their archives for compliance. The systems flagged classics by Alexander Pushkin, Mikhail Bulgakov and Leo Tolstoy, which suddenly appeared on Russian e-book platforms with drug-related warnings.

The danger is not that writers in

Russia who fail to meet the state standards will suddenly be forbidden from writing books. The danger is that publishers will think twice before working with them. Unsanctioned writers books' simply won't be released, and a generation of new voices may disappear before they are ever heard.

The novelist in Moscow used an old Soviet expression to explain that now writers must produce two books at once. There's the one that can be published and the one "v stol" — "for the drawer."

NATASHA KISELEVA is the author of "We Will Meet Again" and the forthcoming "Accusative Case."

FROM READERS

Bonds between the U.S. and Canada

Re "Trump came for Canada. We said no," by Stephen Marche (Opinion, Aug. 25):

The most produced play this year in the United States is "Come From Away," the musical that tells a story of Canadian kindness after the worst terrorist attack ever on American soil. The people of Gander, Newfoundland, offered warmth and hospitality to Americans (and others) whose planes were diverted to Canada following the 9/11 attacks.

In light of the trade war that President Trump has launched on Canada, it might be worthwhile reminding him how Canada responded on 9/11. Someone could also remind him that Canada provides 99 percent of the United States' natural gas imports and 60 percent of its crude oil imports.

Maybe it's time for the president to go and see "Come From Away." It's playing in Gander this summer with a special performance on Sept. 11. We'll leave him a ticket at the will-call window — no tariffs required.

JAYNE WATSON, OTTAWA

The writer, an arts fund-raising adviser, is helping the Gander production raise money from donors.

SHARE YOUR THOUGHTS

To submit a letter to the editor, email nyletters@nytimes.com

U.S. military is in denial about Trump

KENDALL, FROM PAGE 1

Many lower-level officers I have spoken with are privately appalled but afraid to challenge what they are seeing. The collective hope seems to be that if they can all just go on as if nothing unusual is occurring, that this time will pass and nothing bad will happen to them — no loss of position, no demotion or forced retirement, no loss of reputation, no removal from a promotion list by Defense Secretary Pete Hegseth.

But all officers take an oath to "support and defend the Constitution of the United States against all enemies foreign and domestic." This demands that they think about what the military should or should not do and advise the president and the secretary of defense on the policy choices they make. It also means that there are some lines that they cannot cross, even if ordered to do so by the commander in chief. The country's top military leaders serve at the very nexus of the application of military force and policy; that role requires them to be more than mere military technocrats.

As secretary of the Air Force, I recommended many officers for four-star positions. These jobs require the character and courage to do one's duty and behave honorably whatever the personal consequences. I have been asked by some retired officers if it is fair to expect a senior military leader to stand up to or refuse to accept an



ILLUSTRATION BY SAM WHITNEY/THE NEW YORK TIMES. SOURCE PHOTOGRAPHS BY SAIL LOEB AND ARI IMAGES/GETTY IMAGES

immoral, unethical or illegal order from the president or the secretary of defense — particularly when a senior leader gets supposedly independent guidance from a government lawyer to accept the order.

But fairness is irrelevant. It also isn't fair to send some people into combat and not others, yet the responsibility comes with the job, and no one is forced to accept these positions.

At the start of his second term, Mr. Trump removed one of the finest officers I have ever known, Gen. Charles Q. Brown Jr., as chairman of the Joint Chiefs. I always thought well of General Caine, but he lacks the experience and stature that General Brown had. Mr. Trump and Mr. Hegseth do not

want candid, sound and independent advice from senior military leaders, including General Caine. They want personal loyalty and compliance with their orders.

To ensure this result, the president and secretary of defense replaced senior military lawyers with loyalists who seem willing to support legal justifications for the things the executive wants to do, however frivolous or flawed. For the most part, Mr. Trump seems to be getting what he wants from his lawyers and from his generals.

Senior military leaders, including General Caine, might face even tougher tests from here. Although General Caine has indicated that there are no plans for the use of troops in the midterm elections, Mr. Trump has refused to rule out the possibility. No pretense of normality, no artificial distinction between policy and military matters, and no lawyer's justification can relieve our senior military leaders from their oath, the burdens of their conscience, or of the judgment of the men and women they lead, the American people and history. From all of these, there is no place to hide.

FRANK KENDALL was the secretary of the Air Force from 2021 to 2025. He is a senior fellow at the Center for American Progress and the author of "Lethal Autonomy: The Future of Warfare, Whether We Like It or Not."

The FT View



FINANCIAL TIMES

"Without fear and without favour"

ft.com/opinion

Governments should heed the bond market's warning

Financial repression is not a sustainable way to manage rising borrowing costs

For bond traders, the summer lull in worldwides never quite arrived. Yesterday, the month-long rollercoaster sell-off of global sovereign debt intensified as yields in advanced economies hit worrying new highs. In Japan and the UK, long-term government borrowing costs hit multi-decade records; the 10-year US Treasury yield – a global benchmark for debt – surged to its highest since January 2024.

There are several explanations for the latest rout. For starters, a flare-up in the Iran war over recent days renewed fears that central banks will need to raise rates to combat higher energy prices. On Friday at the Jackson Hole symposium, Federal Reserve chair Jerome Powell was unexpectedly hawkish. Competing insurance by companies powering the AI boom and the shift towards more short-termist investors in sovereign bonds has contributed to upward pressure on borrowing costs too. But the underlying cause is far more prosaic: governments are spending beyond their means.

The average ratio of public debt to GDP across advanced economies has settled comfortably above 100 per cent since the pandemic. The trajectory now appears to be worsening. Shocks to energy and food prices have added to existing spending pressures on governments from ageing populations and rising defence commitments.

A lack of fiscal discipline has made matters worse. Britain last year shied away from reforms to its generous benefits system. In Japan Prime Minister Sanae Takaichi is pursuing an expansionary fiscal policy just as sustained inflationary pressures appear to be returning. In the US, tax cuts in President Donald Trump's One Big Beautiful Bill Act have added to the country's ballooning debt problem.

As higher borrowing costs add to already bloated sovereign debt piles, the prospect of regular, disorderly bond sell-offs is only set to rise. Political leaders worry about a political backlash from substantive spending cuts or tax increases. Meanwhile, any AI-led revival in productivity growth and hence tax revenues will take time to materialise, and central banks are limited in their ability to tame inflationary pressures emanating from global supply shocks.

In turn, as recent research by the IMF highlights, there is a growing risk that governments will resort to financial repression, including direct interventions in bond markets to keep interest rates artificially low. Investors accused US Treasury secretary Scott Bessent of this when he announced a plan to increase buybacks of long-dated government debt last month. Other potential tools include changing bank capital rules, requiring domestic institutions to hold more government

Efforts to hold down rates punish savers, complicate the job of central bankers and, crucially, drown out vital price signals

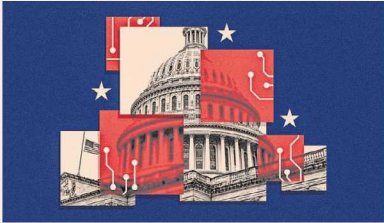
debt and even capital controls. Financial engineering can at best buy time for governments, but only at the risk of destabilising bond markets even more. Efforts to hold down rates punish savers, complicate the job of central bankers and, crucially, drown out vital price signals and undermine trust in the system. Whatever tools they use, finance ministries risk fighting wasteful and losing battles with globally interconnected capital markets.

Governments should resist the temptation for shortcuts. The most sustainable way to reduce the risk of ongoing market ructions is to listen to the signals coming from bond investors, not to ignore or suppress them. That means tackling rising welfare and pension costs head-on and resisting giveaways or tax cuts without credible funding plans. Avoiding political pandering will not make the problem disappear. It will only stores up instability in bond markets that could force more painful economic choices tomorrow.

Opinion Society

US can't win the AI race without public support

Rory Gifford/FT, Morning/Getty Images



Nur Laiq

America is finally having a serious national reckoning over who gets to set the rules for a transformative technology. The Meta legal agreement, reached last Wednesday, will see the company pay up to \$15bn to 48 US states and Washington DC for harm caused to children.

America should not make the same mistake with AI that it made with social media. Fundamental questions about Big Tech's responsibilities cannot only be adjudicated after its platform has already changed the lives of an entire generation. The country should learn from this experience before this new technology becomes even more deeply embedded in work, education, government and everyday life.

This points to a central question for

America needs a national dialogue on governing a technology predicted to affect most aspects of life

the AI age. Who gets to decide how AI will shape America's future? So far, the answer is tech companies and politicians. The public is left a bystander, even though anxieties about AI cross Democratic and Republican divides. Opinion polls reflect increasing scepticism and distrust around the technology. Protests against data centres are spreading. Tech CEOs have been booed and had their homes attacked.

This is not a promising start to governing a technology predicted to affect nearly every aspect of life. America needs a process equal to the scale of this revolutionary moment. It needs a national dialogue on AI, one that can guide the country through a time of dramatic change.

Building this future is not merely a technical exercise but a social and moral one. Costa Rica offers a useful model, having been the first nation to engage in a democratic conversation on AI. In 2025, it convened a National Dialogue on AI, bringing together civil society, government, business and academia. The Republic took ethics-based approach which emphasised balancing national competitiveness with human dignity, oversight and transparency. Iceland is following suit and will hold a national dialogue on AI this autumn.

In 2026, the UN hosted the first Glo-

bal Dialogue on AI Governance, which brought together various government, private sector and civil society actors to discuss issues of access, safety, accountability and human oversight. But a global conversation is not a substitute for a national one.

The White House and Congress should launch a bipartisan, one-year National Dialogue on AI. The process requires the imprimatur of government. However, it should be run by an independent commission with representation from politics, tech, business and labour, supported by scientific, educational and civic institutions.

The commission should begin with an agenda-setting process which establishes a transparent mandate and ground rules. The consultations should engage with the full diversity of American society, combining outreach with channels for feeding public input into the process.

The dialogue needs to go further than the conversations we have seen in Costa Rica and result in a national AI roadmap designed to translate consensus into action. This should feed into legislation, with clear outcomes and deadlines as well as implementation and monitoring mechanisms.

Some might say that AI is too complex for public deliberation or that it is moving too fast and neither the market nor China will wait for town-hall debates. Others will warn that a national dialogue will turn into a partisan show, or become an exercise in legitimising decisions already made by power brokers in Silicon Valley and Washington.

These are serious concerns. But the public does not need to understand every detail of how AI works in order to shape its future or become an exercise in legitimising decisions already made by power brokers in Silicon Valley and Washington.

A well-designed dialogue will in fact benefit not just citizens but also Silicon Valley and the US government. It would provide the tech industry with legitimacy and predictability in place of the ad hoc regulations increasingly appearing at the state and federal levels. In 2025, state legislatures passed 196 laws related to AI. In 2026, 137 AI-related bills have already been enacted.

For the government, a dialogue would provide a public mandate for developing a national AI agenda. AI governance based on democratic legitimacy would also give the US an advantage that the Chinese system cannot offer.

America cannot win the AI race if Americans come to believe the AI revolution is something being done to them rather than built with them. Public legitimacy isn't an impediment to American competitiveness; it is ultimately necessary for it.

The writer is a fellow at the Johns Hopkins School of Advanced International Studies

Letters

Why the ownership of Europe's defence industry matters

Laura Pitel ("Berlin's defence push attracts global interest", Report, August 27) highlights an important consequence of Europe's defence spending boom: international defence companies are increasingly establishing local operations, production and joint-ventures in Germany. However, localisation raises a related question that deserves greater attention: who ultimately owns and controls the strategic industrial capabilities being created?

Here are a few observations. Local production strengthens supply-chain

resilience, but localisation and sovereign control are not necessarily the same thing. The localisation of a factory tells us where a capability is produced; its ownership determines who ultimately controls the company, technology and strategic assets.

Germany has already recognised this distinction. The German government acquired a 25.1 per cent blocking stake in radar maker Hensoldt to safeguard strategically important defence technologies and prevent unwanted foreign influence. France and Italy have similarly attached ownership and

governance conditions to transactions involving strategically important assets.

Europe consequently needs an ownership architecture including the supply chain, alongside its financing architecture. European defence has historically relied heavily on state and long-duration industrial or family ownership, providing identifiable beneficial ownership, long investment horizons and industrial continuity.

These characteristics may become increasingly important as much larger volumes of private capital enter the

sector. Germany's success in attracting international defence investment is an important part of strengthening Europe's supply chain. But resilience ultimately depends on three things: ownership, investment and financing and ownership. Europe is moving quickly on the first two. It should give equal attention to the third.

Alexandrine Cerfontaine
Partner, Goodwin Procter,
London ECI, UK
Alexandre Demchenchuk
Head of M&A and Development Director,
TDF, Montreux, France

Tricky times ahead

I normally enjoy reading the insights of Wei Li, BlackRock's global chief investment strategist, but I couldn't help feeling more puzzled after reading her Markets Insight guest column ("Recent moves are not as puzzling as they seem", August 26).

Not wanting to sound glib, but isn't what we've witnessed simply a \$40tn debt pile that is becoming harder to fund, and a stock market bubble building around an AI dream that could soon be punctured?

Thirty-year Treasuries above 5.3 per cent are not the signature of a new macroeconomic regime. They are price lenders charge an overextended borrower.

As for the bubble, consider Nvidia's plan to mobilise \$500bn – through Apollo, BlackRock, Blackstone, Brookfield, Goldman Sachs and KKR – to build its own customers can borrow to buy its chips.

Call it the "future of financial engineering" as Larry Fink has, if you like. To others who have spent time in leveraged finance it sounds like "pass the parcel", because every one of those leashes will syndicate that risk on to investors, and the insurance calibrator sheets behind them, who may be left holding the bag.

The gains in equities have come almost entirely from a handful of names and the speculation around them.

So that is my breakdown in the old correlation. It is one market pricing fiscal strain and the other pricing magical thinking of a new tech tool.

Tricky times ahead, but the laws of the markets remain.

Christopher R Cooke
Farmingington, Gloucestershire, UK

Explainer on the economics of managing a grouse moor

Jonathan Riley's letter ("No ifs, but huts: it's time for a grouse shooting rethink", August 28) repeats to completely unsubstantiated claims about grouse moors, which I can assure him, as someone who has worked for nearly 50 years managing such estates, are untrue.

Almost all of our heather moorlands are sites of special scientific interest; most designated as such from 1980 onwards, and because the UK government's conservation organisation (now Natural England) regarded these upland areas of such special status, that they had to be preserved as they were!

That, after 100-plus years, is what them being managed by grouse moor owners, rather proves how successful their management has been.

Our uplands do not, as your correspondent seems to suggest, "belong to the public". In the main, they are privately owned, run and



financed by these owners. I know of a few very large moor estates that make a profit currently (and none over a three-year period), which means that unless the public purse wants to fund the maintenance, repair and management of our uplands on an enormous scale, we probably should be grateful that there are private individuals happy to do this instead.

Their return is to shoot grouse. All of them have 100 per cent public access under the Countryside and Rights of Way Act 2000, so it would seem to me to be a win-win situation all round.

Jim Osborne
Land Agent, Banbury, Oxfordshire, UK

With the slightest wind, my FT becomes a hang glider

I admit it is unusual for a 27-year-old to still read the print edition of the Financial Times, but as a subscriber who has had the weekend edition delivered for over a decade, it is a nostalgic ritual.

However, I have a request. Please switch to a compact format – at least just for the summer months. Wrestling with a broadsheet when I squeezed into seat 7E of a Ryanair flight to Béziers left me nearly elbowing my neighbours in their faces.

Please do not suggest I switch to the digital edition. Half the joy of the weekend print edition is reading it performatively, in public – but on a train, plane or beach, where I am writing this, the slightest gust of wind threatens to turn my newspaper into a hang glider.

I would rather the next generation not endure the same struggle. Give us a compact option for the holidays (or permanent use, please), so that I can avoid the struggle.

Please don't let me be it's about tradition. You already publish the Money supplement in compact format, which is precisely what gave me this idea.

Neil McDonough
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This will be the next cyber security battlefield

The article "Rogue" AI is working as intended" (The Big Read, August 17) is right to point out the rapid increase in the ability of AI agents to find and exploit software vulnerabilities. The article cites the comments of Professor Dawn Song who works at MIT's Computer Science and Artificial Intelligence Laboratory, that "coding and cyber are two sides of the same coin". But the same logic may soon extend beyond code.

Many organisations are now deploying a business AI layer on top of their traditional information systems. These systems access data, use tools, run processes and perform operations on corporate systems on behalf of users. As a result, the AI layer itself can become the external attack surface – even before the systems, applications and infrastructure on which it relies.

These attackers use a legitimate, built-in administrative tools already present on a target system to cause harm. This is "living off the agents", where the attackers would try to use legitimate AI agents that are already installed and authorised to operate on them. The potential damage could be particularly significant because these agents don't just have access to information. They can interpret goals, make decisions, and initiate business actions.

Consequently, safeguarding against future AI assaults necessitates going beyond merely expediting software vulnerability fixes. Organisations will have to protect the agents themselves: what goals they are given, what tools they can utilise, what permissions they're granted and how they behave in real time.

The next cyber security battlefield may be the malicious AI attacking IT, but attackers turning legitimate AI against the organisations that deployed it.

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A replacement for the Thames Barrier is urgent

The real story in "Climate change hastens Thames Barrier decline" (August 17) is one of government complacency and, quite possibly, ineptitude.

With the original construction, decisions have been delayed and London, as the article says, is at greater risk today than it should be.

The truth is it is already too late for the barrier, as executive director, Caroline Douglass, quoted in your piece, appears to believe. In not having made its deadline for closing a new project, the Environment Agency has been shockingly complacent after multiple warnings were ignored.

The London Evening Standard regularly carried reports strongly suggesting that a new barrier might be needed as early as 2020. In March 2010 the FT reported that torrential rain inland and a storm surge over the Thames had caused "particular concern".

The Thames Barrier is now close to the date at which a replacement was originally envisaged. As time has passed, that deadline for work to start on a replacement has been pushed further and further into the future.

The official expectation is that the current barrier will defend the capital and those who live, work and socialise there until 2070. This has enabled the government to use a new design to be pushed back to 2040.

Even so, that timescale looks optimistic, given multiple demands on government time and budgetary resources. As to the construction time required, progress on other parliamentary questions has been encouraging.

Remarkably, there appears to have been very little – if indeed any – parliamentary oversight of the Environment Agency's handling of this matter. It does not appear on the Defra work list. I found only one parliamentary question on the matter (Lords, May 23, 2024).

London has been lucky so far, but it is now rather too close to being at an unavoidable risk of flooding.

Eric Challer
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Gay man's question for the boss of Grindr

As a perceived wealthy gay man, I am perplexed why George Arison, chief executive of Grindr, the dating app, feels he has a right to ask a demographic are interested in paying \$350 a month, or more, for an imagined "luxury" service (Report, September 1). He is expecting a better class of Queer to appear?

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Opinion

Why Burnham should say: Jackdaw yes, Rosebank no

Michael Grubb

o drill or not to drill" in the North Sea is set to become one of the first big decisions for the Burnham government. Inevitably it is portrayed as a binary choice. With the reality of climate change clearer than ever, the case against drilling is cast as a simple ethical decision driven by the need to move away from fossil fuels. The case for is the posited energy security and economic benefits, and the futility of constraining our own production.

Rosebank, the oilfield north-west of the Shetland Islands. In a geologically fractured world, durable energy and climate policy means finding ways to align national and global interests. The global campaign to "leave it in the ground" has had little traction when it is up against perceived national interest and the reality that most economies still depend heavily on fossil fuels. Despite the UK's best efforts, its energy system will require natural gas for decades to come, primarily to meet hard-to-electrify homes and to meet some peak generation needs. Jackdaw's gas would last about a decade, during which time the UK is projected to become rapidly more dependent on imports, particularly of liquefied natural gas. The field would connect to UK gas network. Although it could not stop the rapid decline of North Sea production, there is a plausible case that

it could contribute marginally to UK energy security. The gas industry emits greenhouse gases in production and transport, as well as when the gas is used. Short pipelines mean lower emissions than from the field contains about 4 per cent CO₂. The gas would mainly displace LNG imports, reducing the UK's emissions footprint – especially if the UK adopts Norway-style policies to control production emissions. Strategically, the government should also explore obligations to sequester the equivalent amount of CO₂ arising from using the gas. In short, the field could contribute a little to UK energy security and reduce emissions from UK energy consumption. Rosebank would do neither. UK oil consumption is dominated by road transport. It is now clear we can phase that consumption out more easily and rapidly than gas. Electric vehicles are increasingly competitive, not just in China but in other countries without tariffs like Norway, Australia and some in south-east Asia. They also avoid the health problems of air pollution. Electrifying transport offers an enduring

reduction in both emissions and exposure to the instability of oil markets. Rosebank's main output (about 90 per cent) would be oil, sold into the world's volatile and currently substantially war-driven oil market. Most of its oil would have to be exported for refining, conferring no obvious benefits to either UK price or energy security. It would extend an industry and supply chain that has apparently abandoned all pretence of pursuing a future aligned with climate security. Reinforcing the UK's zero-emission vehicle mandate and sorting out its EV charging infrastructure would be far more valuable and sustainable than Rosebank. If we step back from the simple "develop or not" dichotomy, Jackdaw and Rosebank are poles apart. UK Prime Minister Andy Burnham has said he will pursue a "pragmatic approach", which on an issue framed as a black-and-white is hard to do. In the UK, the

Conservative Party not only supports drilling but has said it would repeal the Climate Change Act, abandoning credibility on the greatest global challenge of this century. Basic science underlines the urgency of moving away from fossil fuels. After a summer of unprecedented heatwaves, wildfires and rising ocean temperatures, policy needs to force the fossil fuel industry's head out of the sand by backing developments that reduce emissions and rejecting those that sustain them. Within a strong national legal framework for decarbonisation, demonstrating the difference between acceptable and unacceptable fossil fuel developments could both solve a genuine dilemma and create a lasting legacy.

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The wheels fall off the US world order

Martin Wolf Economics

Trump believes there are no allies, only satellites, and that power is Washington's alone to wield



On August 16, Donald Trump announced a substantial reduction in joint military exercises with South Korea. On August 19, he announced what came, five days later, to be called "Operation Economic Outcast" against Iran, defined as an effort to "sever the economic lifelines that sustain the Iranian regime". On August 21, US trade talks with Canada collapsed, after the Americans made new demands that would limit Canada's freedom to trade deals with other countries and keep its rules protecting the French language. On August 28, Trump announced "THE BIGGEST OIL DEAL IN WORLD HISTORY" which would give the US 55 per cent control of a new Venezuelan company that would develop 77 fields with a "proven potential" of 65bn barrels.

That is an astonishing effort in just two weeks. The behaviour itself is not surprising. But it does reveal the sort of world Trump believes in. It is a world in which the US does not have allies but satellites; one in which the US can do whatever it wants, whenever it wants, to whomever it wants; one in which power alone matters; and, above all, one in which the US thinks that it alone has the power, with that power concentrated in the hands of one man, who is, not coincidentally, ably.

It was not ever thus. In 1969, Dean Acheson, secretary of state to Harry S Truman from 1949 to 1953, published *Present at the Creation*, in which he laid

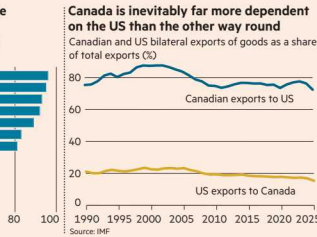
out the logic of post-second world war US policy. In its prologue, he describes "a tale of large conceptions, great achievements, and some failures... It is here the American people, led by two men of rare quality, President Truman and General Marshall..." He goes on to explain "the enormity of the task before all of them" as being "to create half a world, a free half" out of chaos, "without blowing the whole world to pieces in the process. The wonder of it is how much was done." Yes, it truly was.

Because of what they then created, the then embattled "free half" won the cold war, the last of the great European empires, the Soviet Union, fell and much of the world dream of peace and prosperity. When Trump writes his autobiography, I hope he calls it *Present at the Destruction*. That is not because he was personally responsible for the death of those dreams. But he is certainly the man now nailing their coffins shut. Just consider the four actions he took in the two weeks briefly noted above. We are in a lawless and unpredictable world. Trump is not the creator of that world. But he is surely its prime mover. Let us start with the story of South and North Korea. The Korean war began when the latter invaded the former in 1950. Overall casualties of this conflict were some 5mn. The US itself lost 37,000 soldiers in the three years of combat. Today's long lasting armistice, not a true peace, was the result. When explaining his decision to cut down this year's exercises, Trump cites



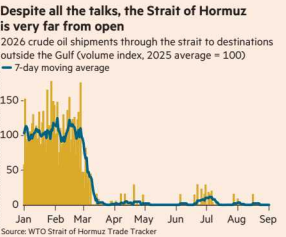
his "very good relationship with Kim Jong Un", hereditary ruler of a communist regime. Moreover, it is not just any communist regime: North Korea is the world's most totalitarian country. South Korea, however, is the product of one of the world's greatest economic miracles and a democracy now rated more highly by Freedom House than the US. The exercises never caused a war. But cutting South Korea off might. (See charts.)

Now turn to the trade war against Canada. This, too, is astounding. Behind



lie three characteristically Trumpian beliefs: Canada is not a sovereign country; trade surpluses are predatory; and constant changes in trade policies are costly. The outcome of these beliefs is, inevitably, disorder. But, for Trump, chaos is an opportunity, not a problem. He loves it. Again, contrast that with what Acheson lauded. The great creations of the Truman era included the Marshall Plan and the General Agreement on Tariffs and Trade. But these are, for Trump, idealistic follies. Will his trade war with Canada work? No. Might it lead to war between these erstwhile friends and neighbours? Who knows?

There is the next stage in the Iran war. With hostilities recently reopened, we are back to wondering what disruptions come next. What is certain is that the outcome has been far from the one promised when the conflict started in February. Any reopenings of the Strait of Hormuz are fragile. It is also still to see any positive long-term outcome from this war for the US or its allies, be the latter in the Gulf or elsewhere. Is it likely that "Operation Economic Outcast" will make the difference? In my view, no, for three reasons: first, the Iranian regime has survived prolonged hostility and now war; second, its leaders know what is likely to happen to them if they lose power; and, third, when cancelling Barack Obama's nuclear deal in 2018, Trump promised that his then new programme of "maximum pressure" would do the trick. It failed to do so. Will this new venture achieve more? As Paul Krugman argues, China is likely to ensure it does not. Finally, we have the new Venezuela



deal, as traditional a piece of 19th-century colonialism as one can imagine. I am sure many Venezuelans are delighted Nicolás Maduro is in a US prison. But they must have hoped for the overthrow of the dictatorship, not a new colonial master with its hands on their oil. Will this even work for the US? I doubt it. Who can ensure the safety of the new private investors? When trying to understand Trump's view of the world, it is impossible to look for ideas or principles. It is not even a return to Palmerstonian realism. What it is, rather, is the antithesis of what was created after the second world war. We are all "present at the destruction". Today's disorder is Trump's present to the world.

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Mehran Gul

The geography of AI is largely simple: the US and China control close to 90 per cent of all compute, 90 per cent of all investments and 90 per cent of all notable foundation models. But there is one leg of the AI race which still looks genuinely multi-polar: data centres.

like outsized contenders here. The United Arab Emirates is planning a massive, five-gigawatt AI campus, the largest concentration of AI infrastructure outside the US. India has assembled 45,000 GPUs as part of its national AI programme and is subsidising their domestic use. The EU, Saudi Arabia and Japan have all mobilised billions of dollars to host AI gigafactories. When it comes to turning electricity into intelligence, the map starts to look less uneven. According to the International Energy Agency, in 2024 the US accounted for 45 per cent of global data centre electricity consumption, China 25 per cent and Europe 15 per cent. Governments clearly believe they are acquiring more than just server capacity. Brussels says that these investments will advance Europe's "technological autonomy", while India has described its acquisitions as part of its effort to build "technological sovereignty across

the AI value chain". Nvidia is openly pitching itself as a partner to governments looking to build sovereign AI. But data centres do not constitute sovereign AI capability. Countries may host facilities but dispersion of hardware

Countries may host facilities but dispersion of hardware decentralisation of power

does not equal decentralisation of power. Instead, the rush to host them is giving the US an opportunity to turn its lead in advanced chips into a system of geopolitical alignment before China can offer a competitive alternative. The UAE provides the clearest preview of this. On July 10, the US commerce department upgraded its status

under US export rules, placing it alongside Nato allies, and approved two linked companies, G42 and Core42, to receive advanced equipment without individual licences. But it is revealing what this preferential treatment means in practice. Access is provisional. The companies keep the status for only 270 days unless they "become US companies". The UAE has to remove Chinese equipment from its systems. Peng Xiao, G42's CEO, has said that the decision to cut ties "was not easy" and the company was in effect forced to choose sides. Data centres do not guarantee strategic autonomy so much as offer a strategic bargain: access to frontier compute in return for geopolitical alignment. Abu Dhabi brings vast capital and defence ties. Not many countries have that much sway in Washington. Others will have to wait in line for US compute. Compute infrastructure is one of the

last remaining corners where the US enjoys a clear, largely untested lead in AI. Chinese models have nearly erased the performance gap with American systems. But while China has made enormous progress in research, applications and algorithmic efficiency, it remains weakest at the hardware layer – GPUs. More importantly, China lacks a globally accepted substitute for the Nvidia-centred software and hardware ecosystem that has become the default architecture of modern AI. Brazil recently announced two major national AI computing projects: one involving China's Huawei and iflytek and the other with Nvidia, suggesting competition may be arriving. Huawei's Ascend chips are improving, but it is far from exporting Ascend-based gigafactories that buyers consider interchangeable with the US stack. Once a country pours billions into scaling compute organised around Nvidia hardware, it's

hard to displace that installed base. The US does have many GPU advantages to last for ever, only long enough to make it too expensive for everyone building on top of it to switch sides. The precedent is the railway architecture of the British empire. Tracks spread across the map, but they built a commercial system centred on Britain. The AI build-out follows a similar logic: data centres sit on sovereign territory, but the network they form is American. Host countries are getting operational capacity but not strategic autonomy. They won't necessarily emerge as independent AI powers, though they may become key locations inside an American system. Autonomy will remain elusive. What appears to be decentralised sovereign AI capability may end up centralising US geopolitical influence.

The writer is the author of *The New Geography of Innovation*