OUR VIEW


MINT

The Aravalli range is at the peril of a pen stroke

A redefinition of this range of hills could ruin both its ecology and ability to shield India's capital region. Exercise high caution if greater exposure to mining is ever deemed a must

The ongoing controversy over how to define the Aravalli range, on which India's Supreme Court (SC) weighed in nearly six weeks ago but is currently re-evaluating its stance, is a classic example of the conflict between development and ecological wisdom. Bad air around the National Capital Region (NCR), flanked by these hills to its southwest, adds to what's at stake. Ideally, the definition adopted on 20 November by the SC at the urging of the ministry of environment, forests and climate change (MoEFCC) should be abandoned in favour of one laid down in 2010 by the Forest Survey of India (FSI). This would help preserve the Aravalli hills, which are among the planet's oldest fold-mountain formations, having got folded up by the force of one tectonic plate pressing against another.

The 2010 FSI report, which was commissioned by the SC and authored by a panel of experts, defined the Aravalli range to include elevations rising at a slope of three degrees or more, with an area mapped by a distance of 100 metres from the base of such a slope marked as a buffer zone, plus the valleys, tabletops and depressions around such hills. A 2025 report, however, seeks to make an elevation of at least 100 metres from the local relief a criterion for any hill to be counted as part of this range. The new report was prepared by a committee that had FSI members but was spearheaded by the MoEFCC, whose record on environmental clearances has been criticized for such alleged laxity that it risks facts on the ground turning into *fait accompli*. Media reports have claimed that FSI's internal assessments suggest a 100m cutoff would cover only 1,048 of more than 12,000 hillocks in Rajasthan—less than a tenth. The FSI, however, has denied any such study having reached that conclusion. Indisputably, though, major hilly parts of Sawai Madhopur and Chittorgarh would cease to qualify as Aravalli hills. So the revised definition would clearly shrink the range and expose hilly zones to mining and other activities. While the SC's November ruling asked for a Management Plan for Sustainable Mining (MPSM), past experience shows that once an area loses a shield outlined by obvious topography, miners seem to find ways around sustainability norms.

Sure, ecological protection is not our sole priority. Modern life requires the extraction of assorted minerals from the ground, including limestone to make cement, which is plentiful in the Aravallis. New claims have been made of rare earths in these hills that are critical for India's strategic purposes. If this is so, we need careful prospecting for minerals before they are opened to restricted mining in small but well-marked stretches. But if all sub-100m hills are laid bare to critical-mineral hunters, the range could get battered. This risk means that the precautionary principle needs to be exercised. This legal tenet holds that high precaution must be taken over decisions with the potential to create irreversibly major harm. The Aravalli range is the NCR's barrier from the Thar desert. In the summer, it saves the urban sprawl around India's capital from hot desert winds laden with dust. In the monsoon, the range aids rainfall, with its slopes and valleys helping recharge the region's groundwater and retain its biodiversity. Even smaller hills play a role in the ability of this range to act as a natural windshield for an area that's home to millions. We should not sell the future short for petty gains in the present.

THEIR VIEW

Old-age security for all: Pension plans should begin right at birth

A contribution scheme that starts at birth could secure people and also fund long-gestation projects

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Advances in healthcare, nutrition and living standards are driving a dramatic demographic transformation. Amid a scenario of rising life expectancy, a declining birth rate and a rapidly ageing population, old age social and income security (OASIS) assumes utmost importance. The United Nations Population Fund's *India Ageing Report 2023* projects that the number of persons aged 60 years and above would double from 149 million in 2023 to over 347 million (25% of the population) by 2050. The dependency ratio would grow from 16% in 2020 to 34% by 2050.

This has profound social, political and economic implications. The burden on the younger population and the state to support the elderly will increase exponentially. In this setting, pensions emerge as a critical instrument of social protection, ensuring dignity, independence and financial security in old age.

Policy steps over the past two decades have covered significant ground by replacing unfunded defined-benefit pension schemes for government employees with defined-contribution systems; and by setting up the National Pension System (NPS) for citizens at large. However, progress on the latter has been modest, given the size of the population to be covered, low financial literacy and failures to appreciate the importance of pension. Yet, concerns of fiscal sustainability, coverage gaps and benefit adequacy in the context of OASIS cannot be overlooked.

The magnitude of the issue calls for a policy shift that recognizes OASIS as a bedrock of socioeconomic stability and harbinger of economic growth. Its approach should define the imperatives and uniqueness of pension as integral to OASIS and focus on pension planning right from birth rather than near or after retirement. The recently introduced NPS-Vatsalya for children holds promise. It can be an effective OASIS instrument for Viksit Bharat, the philosophical underpinning of which must be universal economic security and stability. NPS-Vatsalya enrols a child below 18 years with a minimum annual contribution of ₹1,000.

We recommend that every child be given a Permanent Retirement Account Number (PRAN) at birth and a PRAN-DAN card (DAN for Defending a Newborn) loaded with an initial contribution of ₹1,000 by the Union government. Given that 23-25 million children are born each year, the outlay would be ₹2,300 crore, a modest sum compared to expenditure on the Indira Gandhi National Old Age Pension Scheme alone, which provides a monthly pension of ₹200-500 for the poor aged above 60 years.

The PRAN should be linked to the mobile/UPI number of the newborn's guardian, who should be prompted through a message every month to contribute a minimum ₹100 to the account.

The initial contribution of ₹1,000 could be funded in several ways: court penalties and fines, traffic challans, unclaimed funds with banks, insurance companies, etc; or even donations from individuals or companies, including NPS intermediaries, potentially through co-branded and QR-code embedded PRAN-DAN cards.

For the scheme to take off, contributions to Vatsalya must be tax exempt, as under the old income tax regime. For parents under the taxability threshold, the government could consider supplementing the parents' contribution if fiscally feasible. State governments can be encouraged to supplement contributions too, considering how it will reduce their future social security burden.

Children signed up for the scheme in 2026 will be at least 21 years old in 2047. By then, their PRAN account will have a sufficient accumulated corpus to provide a sense of financial stability. Their starting stake should motivate them to keep making contributions after getting employment. The corpus will grow further with monthly contributions during their working lives, imbuing them with confidence predicated on the promise of a respectable monthly pension after retirement. Our calculations show that with annual contributions of ₹1,200 up to 25 years of age, ₹1.2 lakh from 26-30, ₹1.8 lakh from 31-40, ₹2.4 lakh from 41-50 and ₹3 lakh from 51-60, the corpus will grow to over ₹4.2 crore by age 60 if compounded at 9%, which is around the current rate of return on NPS funds. This can provide a pension of over ₹2.1 lakh a month (at 6%), with the corpus intact. By 2047, when most of India's elderly population receiving unfunded pensions from the government will have passed on or reduced substantially, India will be in an enviable position with largely funded OASIS.

All it takes is an annual government investment of ₹1,000 per child to encourage higher amounts being put in by subscribers. The entire amount being locked in for up to 60 years would help India fund long-gestation projects. The massive pool of pension funds (the NPS has over ₹15 trillion despite limited participation) so built over the decades will support economic growth.

Empirical evidence from various countries shows that elderly poverty rates are much lower where pension coverage is broad and its benefits adequate. As someone said, you cannot cross a chasm in two leaps; the time to take a policy leap across the country's pension chasm is now.

10 YEARS AGO


mint
Dec gains bring some relief to weak markets

JUST A THOUGHT

What are men to rocks and mountains?

JANE AUSTEN

MY VIEW | MUSING MACRO

Taiwan's economic rebalance holds a lesson for India

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For 2025, Taiwan's GDP growth of more than 7% is the fastest in more than a decade, powered by a boom in semiconductors, AI servers and electronics exports. Yet, private consumption stagnated as consumer confidence is fragile. So, Taipei announced a one-off universal cash transfer. But why would a high-income, high growth, fiscally-prudent economy, running record trade and current-account surpluses, resort to cash handouts? The answer lies in a disjunction between measured growth and experienced prosperity, one that should resonate uncomfortably in India.

Taiwan's growth has been spectacular. AI-driven demand has sent chip and server exports soaring by more than 30%. But this boom is concentrated in a small part of the economy. Semiconductor firms like TSMC enjoy big margins while large parts of traditional manufacturing—machine tools, auto components, furniture—are stagnating. A quarter of Taiwan's workforce is employed in these old sectors, where wages are under pressure and job security is weakening.

More striking is consumption, which has gone down to 43% of GDP—to China's level and far below the rich-country average. Productivity has risen sharply, but wages have not kept pace. The labour share of national income has declined. House prices have exploded. Thus, Taiwan's growth has led to an economy where export competitiveness is prioritized over domestic demand.

That is why the cash transfer was felt necessary. The government is not trying to stimulate growth, which is already high. It is trying to rebalance growth towards households, correct excess savings and convert external surpluses into domestic welfare. In other words, it is making that growth inclusive. Crucially, it can do so because it is running large fiscal and current-account surpluses, with ample fiscal space.

Taiwan's universal cash handout is explicitly framed as a sharing of "economic fruits." It is about 2.5% of per-capita disposable income and financed from the record tax revenues generated by its tech boom, not by borrowing. There was no attempt to target specific vote banks, no gender or caste-based design and no pretence that this was a permanent entitlement. It is therefore quite unlike the competitive welfare politics now visible across Indian states.

In Taiwan, policymakers recognize that when growth is excessively export-led, currency management, corporate profits and balance-sheet strength can grow even as household incomes stagnate. Cash transfers are a direct way to address this.

The parallels with India are striking. India is among the fastest-growing large economies in the world, but consumption growth, especially rural, is lagging. Real rural wages have been flat and private investment uneven. Household debt has risen sharply.

Recognizing these stresses, policymakers have delivered multiple stimuli: sharp personal income-tax cuts, reductions in GST rates and multiple interest-rate cuts, accompanied by substantial liquidity injections by the central bank. This is indicative of growth not 'spreading' fast enough.

> Its cash transfer underscores how high GDP growth can go with uneven earnings and consumption

Meanwhile, India has become the world's largest laboratory for unconditional cash transfers to women. From one state in 2020, such schemes now operate in 15, at a cost approaching ₹2.5 trillion—about 0.7% of GDP. Unlike Taiwan, many of these programmes are explicitly electorally motivated and permanent, causing huge fiscal strain.

Both Taiwan and India illustrate a classic Keynesian-structural insight: GDP and overall income growth do not automatically translate to consumption growth when income distribution shifts against labour or to high-saving households and firms. Export booms, capital-intensive technologies and financial repression can all raise aggregate output but suppress mass purchasing power.

In Taiwan, suppressed wages, an undervalued currency and inflated asset prices have produced excess savings and weak consumption. In India, low farm prices, informalization of labour and high household debt have worked similarly. In both, the marginal propensity to consume out of national income has declined.

Cash transfers, therefore, are not merely welfare instruments; they are macro-stabilizers. They raise the share of consumption in GDP directly. But fiscal sustainability is one risk and policy substitution—using cash to mask deeper failures—is another. The Taiwan episode offers lessons for India.

First, Taiwan's cash transfer is an admission that high growth can coexist with weak household welfare. India should resist triumphalism about headline GDP numbers and focus on growth in consumption, real wages and income distribution.

Second, Taiwan could afford a universal cash transfer because it had large surpluses generated by an external boom. India does not have these. Financing such schemes through borrowing risks crowding out public investment in health, education and infrastructure, hurting inclusive growth.

Third, cash is a complement, not a substitute. Taiwan sees transfers as a temporary rebalancing tool, not permanent entitlement. For India, unconditional cash must not replace structural reforms aimed at raising farm income, generating urban jobs, strengthening small firms and ensuring that productivity gains drive wages.

High growth is necessary but not sufficient. What sustains an economy is not exports or balance sheets, but the confidence of ordinary households.

THEIR VIEW

Seven focal areas of action that could sustain India's momentum

A focused mid-term policy agenda for the government and businesses would help keep the economy on a firm growth path

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MINT

As 2025 draws to a close, India finds itself in a position that few large economies can credibly claim. Among major economies, it remains the fastest growing, underpinned by stronger institutions, improving credibility and a clear national direction.

Economic performance exceeded expectations across fronts. Domestic demand was resilient, supported by steady income growth and improved consumer sentiment. Service exports expanded strongly, reinforcing India's role in global value chains linked to technology and knowledge services. Manufacturing activity showed a gradual but unmistakable revival, aided by better capacity utilization, improved logistics and rising investment intent. Private investment gathered momentum. Reflecting this broad-based strength, CII has raised its growth projection for 2025-26 to 7.3–7.5% from 6.8–7.0%. This reflects not just cyclical strength, but rising confidence in India's medium-term growth trajectory.

Macroeconomic stability provided a crucial anchor. Inflation was comfortably below target for much of the year, supported by improved food supply management, better logistics and tax rationalization. Monetary policy responded in a calibrated manner, balancing growth with financial stability. As India enters 2026, its macroeconomic position is one of the strongest in recent years, even as we adjust to a phase where real and nominal growth rates converge.

Beyond the numbers, 2025 will be remembered as a year of decisive reform delivery. The rollout of GST 2.0 stands out. Simplified rate structures, reduced litigation, faster refunds and stronger compliance systems have lowered transaction costs for businesses. Predictability has improved and working capital stress has eased; and for consumers, rationalized taxes raised affordability.

India's income tax reforms also merit a special mention. Steps aimed at simplifying compliance, improving certainty, reducing litigation and raising disposable incomes helped reinforce consumption and taxpayer confidence. Greater use of faceless assessments, faster grievance redressal and improved data analytics enhanced transparency and trust in the tax system.

The implementation of India's four labour codes marked another transformational step. By consolidating 29 central labour laws into a modern framework, these strengthened worker protection while providing enterprises with clarity and flexibility. Over time, this will support formalization, raise productivity and enable sustained job creation.

Trade policy also saw renewed momentum. India concluded trade agreements with the UK, Oman and New Zealand, while negotiations progressed with the EU and others. Taken together, these efforts reflect a strategic shift to outward orientation and trade-led growth, which is essential for India's long-term competitiveness.

Looking ahead, 2026 must be a year of consolidation and ambition. The next phase of India's growth will depend on how effectively the government and industry act on a medium-term agenda.

First, sustaining high-quality public capital expenditure must be central to India's strategy. A renewed National Infrastructure Pipeline focused on outcomes, efficiency and speed is essential, with an emphasis on logistics, renewable energy, urban infrastructure, industrial corridors and digital connectivity. We need an enhanced shelf of bankable projects.

Second, India must mobilize patient, long-term capital. The creation of an India Development and Strategic Fund could play a catalytic role by supporting infrastructure, our energy transition, technology upgrades by small businesses and human capital investments, while strengthening India's strategic economic presence overseas.

Third, regulatory modernization must move decisively towards a digitization-first architecture. A Unified Enterprise Identity, an Entity Locker for enterprises, API-based compliance, a national compliance grid and digital legal repositories can dramatically reduce compliance costs and eliminate duplication. This will improve the ease of doing business at scale.

Fourth, focus on innovation and research. Government support through the RDI Fund matters, but industry must lead. Private sector research and development spending is far below global norms. Companies should invest aggressively in applied research, artificial intelligence, clean energy, advanced materials and next-gen manufacturing to boost productivity and competitiveness.

Fifth, trade competitiveness will require a predictable and globally-aligned tariff philosophy along with export diversification. Progress on trade agreements will reinforce India's position as a trusted global partner.

Sixth, financial-sector reforms must underpin long-term investment needs. Stronger development finance institutions, evolving banking structures, deeper capital markets and a globally competitive GIFT City ecosystem will be critical to financing India's next growth phase.

Seventh, corporate governance is vital for India's economic credibility. In today's business ecosystem shaped by technology, data and sustainability, governance frameworks must evolve, balancing board effectiveness, transparency, risk management and long-term value creation. This does not require any policy or regulatory prescription, but industry-led voluntary action.

While government action is critical, industry too has a responsibility. We must invest with confidence, scale up capacity, adopt advanced technologies and commit to skilling at scale. Sustainability must be integral to business strategy and transparency must guide corporate decisions. If the government leads with clarity and courage, and Indian industry responds with investment, innovation and responsibility, India can convert its reform momentum into enduring national confidence. I can commit that the CII will do its part.

MINT CURATOR

Trump has lost public support for his policy on immigration

An excessively harsh crackdown is putting off American citizens

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The methods used by ICE agents have appalled many Americans. AFP

American President Donald Trump spent much of 2025 squandering the public's support on what was once his best issue: immigration. Yes, he quickly delivered on his campaign promise to secure the southern border. But as the year unfolded, his anti-immigrant agenda drove policy far beyond where most Americans are willing to go. Trump has claimed the US is being "invaded"—on 15 March, he invoked the Alien Enemies Act to deport more than 200 Venezuelans to a prison in El Salvador—and that he's only deporting violent criminals. But data from US Immigration and Customs Enforcement (ICE) shows most have not been charged with crimes. His approval numbers on immigration have fallen from positive by 9 percentage points in March to negative by 11 points in December (Reuters/Ipsos polls).

Why so? Four key decisions:

One, draconian limits on refugees: Admissions had grown under Joe Biden, swamping US support systems. On Trump's first day in office, he pivoted to the other extreme with an executive order that shut the Refugee Admissions Program, leaving thousands of refugees stranded, including those with applications in process. The new admission rate is just 7,500. Trump has decried immigrants from what he calls 'Third World' countries and been vocal about a preference for White immigrants. His refugee programme gives preference to White Afrikaners, whom Trump has said face persecution [in South Africa]. He is also promoting his anti-refugee stance as a new standard for Europe. In November, a State Department post on X warned that "Mass migration poses an existential threat to Western civilization and undermines the stability of key American allies."

Two, legal status of immigrants who've done nothing wrong revoked: Trump has steadily widened the pool of illegal immigrants by stripping legal status from those who entered under temporary protections. He ended or is trying to end Temporary Protected Status for Haitians, Venezuelans, Afghans, Hondurans, Somalis, Ethiopians and others who arrived after being vetted. More than 1.2 million immigrants who had been here legally may soon find themselves subject to deportation.

Three, record numbers of immigrants detained: Over the summer, a temporary facility in Florida became known for its inhumane conditions—and its callous name: Alligator Alcatraz. It was the first of several nicknamed detention centres celebrated by the administration. A backlash against the facilities has been fierce. Officials are now said to be looking at private prisons and other existing facilities to handle increased numbers of detainees. Those held have included some legal immigrants (like graduate students here on student visas) and even some US citizens. Some say they've been held for days or weeks without due process.

Four, US cities hit hard with militarized enforcement: Under the guise of public safety, Trump began ordering National Guard troops to Los Angeles, Washington, Portland and Chicago. Federal agents from ICE, along with Border Patrol, also poured into those cities. ICE agents in masks and street clothes became a common sight, along with Border Patrol agents who adopted full combat kit as they engaged in dramatic raids and aggressive takedowns of immigrants who often had no criminal record. The tactics deployed under Trump are far more aggressive than under previous presidents, even though a number of former presidents deported more people. In Minneapolis, agents were recorded dragging a woman said to be pregnant across a street as protestors threw chunks of ice. (DHS called her "a vandal.")

How far will Trump go? The Supreme Court is weighing whether to repeal birthright citizenship—a change Trump considers essential. Immigration agents have begun using mobile facial recognition technology to detect potential undocumented immigrants in crowds, to the dismay of civil rights advocates. And ICE is on a hiring spree.

Trump's immigration agenda is clear. He seeks more than a secure border and ridding the US of "worst of the worst" criminal immigrants. Trump sees mass migration as a threat that could displace 'American' culture, even though that's a mosaic made by immigration. His latest move is to set aggressive quotas of 100 to 200 a month on denaturalization, which strips immigrants of US citizenship. The process was once for a few cases of immigration fraud or other narrow circumstances. The new quotas represent a way to instill terror in those who thought they had cleared every hurdle on their long road to citizenship.

The New Year should make Americans look deep within and ask themselves whether this is the country and the future they want.

THEIR VIEW

Market dominance entails the risk of a systemic failure

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The recent incidence of unprecedented service disruptions at a major domestic airline exposed a significant blind spot. Over-dependence on one (monopoly) or two (duopoly) players for an economically critical service exposes the economy to concentration risk. In the event of a monopolist failing to provide a key service, economic activity can get severely disrupted. It may be argued that a failure by a monopolist or duopolist to provide a critical economic service is a problem at least as serious as an outright abuse of market dominance by means of anti-competitive practices. The Competition Commission of India (CCI) has taken cognizance of the air-service disruption and reportedly plans to examine if the carrier abused its aviation dominance.

However, the issue of concentration risk attributable to market dominance remains unaddressed. Certain industries are critical to the functioning of the economy. Commercial activity depends on what may be called 'systemically important infrastructure service providers' (SIISPs). These industries need better risk oversight from regulators. Yet, with the exception of banking, most SIISP regulators do not explicitly take concentration risk into account. Operational risk management in many of these industries is also quite rudimentary compared to banking.

In the banking sector, it is well understood that the failure of an entity or disruption of its services may create a domino effect in the economy through operational networks. Its regulator, the Reserve Bank of India (RBI), apart from regulating much else, is aware that some banks are 'too-big-to-fail' and pre-emptively intervenes to prevent bank failures or service disruption at scale.

In a modern fast-evolving economy like ours, there are SIISPs beyond banking. These industries have such intricate networks that a disruption at one point could spread to other areas and engulf a significant portion of operations across India. Such SIISPs include transport providers such as airlines, power generators and power grid owners, providers of data and mobile connectivity, email service providers and cloud data storage providers, to name a few.

The failure of one provider could cause a spike in demand for the same service from other providers, which may face operational risks of their own, given a sudden surge. What can we do to mitigate risks?

We must broaden our view of market dominance: We must reject the generalization that dominant players in any industry always abuse their dominance. This is not true. The US has among the world's most stringent antitrust frameworks. However, US judge Learned Hand, while deciding on the watershed case of *United States vs. Alcoa*, rejected the idea that market share alone implies monopoly power and emphasized that a business's conduct is more important: "The successful competitor, living substantially within the law, will doubtless see his competitors die one by one, but he will not be commanded to bury the dead." Giving credit to market leaders, he stated, "A single producer may be a survivor out of a group of active competitors merely by virtue of superior skill, foresight and industry. In such cases, a strong argument can be made that [while] the result may expose the public to the grip of such a monopoly, it is the play of forces which our whole economic system is intended to foster."

Regulators in critical sectors could take a leaf from RBI's book to curb operational disruptions

Debates on the dominance of a player in an industry tend to focus almost exclusively on the potential for market abuse or anti-competitive practices. Worryingly, though, these debates often neglect the economic impact of the failure of a major infrastructure provider. However, what needs to be discussed is the risk of such a player's failure to meet customer needs at scale. This is determined by how sophisticated its operational risk management and resilience practices are. This is independent of whether it is abusing its market dominance.

We need to expand regulatory mandates: Most regulators of SIISPs should track all major players in a critical industry for operational resilience, perhaps along the lines of what RBI does. This would include assessing such companies for how they manage operational risks, apart from the specifics and feasibility of their resilience plans. Based on data from minor disruptions, regulators could estimate the likelihood of a 'black swan' mega disruption and map it against the company's capability to overcome such a shock. For some SIISPs, data feeds could help regulators track variables in real-time for early signs of an extreme event. This would give regulators a line of sight on interventions and timely recovery.

The Directorate General of Civil Aviation, Central Electricity Regulatory Commission, Telecom Regulatory Authority of India and others could take a leaf out of RBI's book. These regulators could conduct stress tests, assess resilience and set guidelines.

The systemic impact of a monopolistic player's failure is agnostic of its market conduct. However, the genesis of both is often the mergers and acquisition (M&A) route. Given that no central entity looks at the aspect of concentration risk from an operational failure perspective, the CCI's mandate may need to be enlarged too. While approving M&As among SIISPs, the CCI could be mandated to assess the impact of the merged SIISP entity's failure on the Indian economy. With its enhanced role, perhaps the Competition Commission of India should be renamed the Competition and Concentration Risk Commission of India.

Growing influence of mediation process in dispute resolution

EVERYONE knows courts in India right from district courts to the High Court are overflowing with cases, with figures touching stratospheric levels. As per latest statistics put out in late 2025, 53 million cases, including around one lakh cases in the Supreme Court, are pending. Civil disputes - land and property being the maximum, total 66 per cent of the cases in lower courts. Cases drag on, with 50 million of them stuck for more than a decade and a few nearly for 30 years. Also, not surprisingly, the government is the biggest litigant, figuring in more than 50 per cent of the cases. To reduce this crippling pendency, courts have suggested alternate methods to resolve issues outside its precincts with out of the court mediation being one of them. One of the alternative dispute resolution mechanisms, it is a method whereby parties resolve their disputes by finding a mutually acceptable solution with the help of an independent, impartial and neutral third party, referred to as mediator. A welcome step by the judiciary for sure, but at the field level, things are seemingly different.

Speaking at a recent meeting in Goa, which was graced by the cream of Indian judiciary, including the Chief Justice of India, Justice A Amanullah of the Supreme Court said that there must be a change in mindset and confidence must be built among the public at the grassroots level for mediation to become a widely adopted practice in the country. The judge observed that people often tend to mingle mediation with arbitration, though the two are fundamentally different. A mediator cannot function with the mindset of an arbitrator, the SC judge asserted. "Successful resolution of a dispute through the mediation process gives immense satisfaction to the mediator. People want to resolve disputes through mediation, as no one wishes for litigation or adversarial court processes to be carried forward across generations merely to reach a conclusion," he said. Justice Amanullah said there should be no overlapping between mediation and the normal judicial system and the two should function in parallel. Confidence must be built at the grassroots level that mediation serves not only the interests of the parties involved but also the national interest. Figures available in public domain point out that while the precise national totals vary, thousands of cases are settled via mediation in India annually, with figures showing around 53,000+ cases settled in 2021-22 and a jump to over 110,000 settlements between April 2022 and June 2023, showing growth in this Alternative Dispute Resolution (ADR) method, especially with the new Mediation Act 2023 boosting institutional efforts.

While there are hurdles, the pursuit of expanding the scope of mediation should not wait for ideal conditions, the apex court judge opined. Later, Supreme Court Justice N Kotishwar Singh said that India resolved disputes through conversation, conscience and community long before courts, statutes and even the word 'mediation' entered the legal vocabulary. The event's valedictory moment served as an affirmation that justice in India has always been strongest when it seeks reconciliation without declaring a winner or a loser, he said. "Mediation is not a concept being newly adopted, but wisdom being reclaimed," Justice Singh added. Chairman of the Bar Council of India, which organised the meeting, Manan Kumar Mishra stated that it effectively addressed the core aspects of mediation and conveyed a clear national message on its growing significance in the present-day context. Hope is round the corner, one can surmise.

A President violating the Oath must be impeached

It's a duty to preserve, protect, and defend the Constitution

Prof Madabhushi Sridhar

The country's President is supposed to be a nominal head of the executive, the first citizen as well as the supreme commander of the Indian Armed Forces. As per Article 60, the President should take the oath or affirmation with "I, A.B., do swear in the name of God/solemnly affirm that I will faithfully execute the office of President (or discharge the functions of the President) of India and will to the best of my ability preserve, protect and defend the Constitution and the law and that I will devote myself to the service and well-being of the people of India."

An oath without consequence!

The 'oath' remains forgotten. Under the leadership of Indira Gandhi, the Union of India did not think of impeaching the President, which is a blatant violation of the Constitution and the oath to preserve, protect, and defend the rule of law.

Exactly 50 years ago, the then-President had an opportunity to avoid the Emergency. Then why did Fakhruddin Ali Ahmed, as President of India, not face impeachment proceedings related to the imposition of the Emergency in 1975? While he did declare the Emergency and give his assent to related actions, the constitution provides a mechanism for impeachment, but it was not initiated in his case. For suspending the freedom of speech and expression, he deserved to be impeached, including imposing Emergency, without a cabinet resolution. The PM wanted and the President signed blindly whenever ordered.

Article 352 provisions:

One should examine Article 352 of the constitution, which empowers the president to impose a national Emergency on his satisfaction that the security of India or any part of it is threatened by war, external aggression, or internal disturbance. Article 74 of the Constitution, as it then stood, provided for "a Council of Ministers with the Prime Minister at the head to aid and advice the President".

The Union Council of Ministers had not met and advised the proclamation of an Emergency. Ahmed signed the bill of amendment. The expression "internal disturbance" was termed to "armed rebellion" by the 44th Constitutional Amendment Act, which added in Section 74 that the President "may require the Council of Ministers to reconsider such advice, either generally or otherwise, and the President shall act in accordance with the advice tendered after such reconsideration."

Lost and found:

How does the President reach satisfaction? The President's satisfaction refers to it in a constitutional sense, which means that it is the 'satisfaction' of his Council of Ministers. The President acts on the advice of the Council of Ministers in most matters, including the giving of assent to bills or many more significant bills, like amendments. Therefore, when a provision requires the President's satisfaction, it means that the Council of Ministers must be satisfied with the provision before it is presented to the President for his assent. The Ministers of the Union play a crucial role in the functioning of the President's office. They are responsible for advising the President on various matters, including giving assent to recommendations by the Prime Minister and Cabinet. The Constitution vests the executive power of the Union in the President, but this power is to be exercised on the aid and advice of the Council of Ministers.

Constitutional crime 'ratified':

Indira Gandhi requested a compliant President Fakhruddin Ali Ahmed to proclaim a state of emergency. Unfortunately, the President did not know that the proposal had been approved by the PM without discussion with the Union Cabinet. The President learned only after the 'ratification' of the Cabinet the next morning. Earlier, within three hours after the imposition of the Emergency, electricity supply to all major newspapers was cut, and the political opposition was arrested.

Author Gyan Prakash picked up this excerpt from the book 'Emergency Chronicles: Indira Gandhi and Democracy's Turning Point'.

"President Fakhruddin Ali Ahmed summoned his secretary, K. Balachandran, at around 11:15 p.m. on June 25, 1975. Ten minutes later, Balachandran met the pajama-clad president in the private sitting room of his official residence at Rashtrapati Bhavan. The president handed his secretary a one-page letter from Indira Gandhi marked 'Top Secret'. Referring to the prime minister's discussion with the president earlier that day, the letter said she received information that internal disturbances posed an imminent threat to India's internal security. It requested a proclamation of Emergency under Article 352 (1) if the president was satisfied with this score. She would have preferred to have first consulted the cabinet, but there was no time to lose. Therefore, she was invoking a departure from the Transaction of Business Rules in the exercise of her powers under Rule 12 thereof.

The president asked for his aide's opinion on the letter, which did not have the proposed proclamation attached. Balachandran said that such a proclamation was constitutionally impermissible on more than one ground.

> The Union Council of Ministers had not met and advised the proclamation of an Emergency. Ahmed signed the bill of amendment. The expression "internal disturbance" was termed to "armed rebellion" by the 44th Constitutional Amendment Act, which added in Section 74 that the President "may require the Council of Ministers to reconsider such advice, either generally or otherwise, and the President shall act in accordance with the advice tendered after such reconsideration."

That means he knew the blunder!

At this, the president said that he wanted to consult the Constitution. Balachandran retreated to his office to locate a copy. Meanwhile, the deputy secretary in the president's Secretariat showed up. The two officials launched into a discussion about the constitutionality of the prime minister's proposal before they returned to President Ahmed with a copy of the Constitution. Balachandran explained that the president's satisfaction that internal disturbances posed a threat to internal security was constitutionally irrelevant. What the Constitution required was the advice of the Council of Ministers. Balachandran withdrew when the president said he wanted to speak to the prime minister. When he re-entered the room ten minutes later, President Ahmed informed him that R.K. Dhawan had come over with a draft Emergency Proclamation, which he had signed. Then the president swallowed a tranquilizer and went to bed. And the Rashtrapati Bhavan will not find a copy of the Constitution."

Gyan Prakash explained the sordid episode as follows

This late-night concern for constitutional propriety is revealing. What we see unfolding in the hunt for a copy of the Constitution, leafing through its pages to make sure that the draft proclamation met the letter of the law, is the meticulous process of the paradoxical suspension of the law by law. The substance of the discussion concerns the legality of the procedures to follow in issuing the Emergency Proclamation. The political will behind the act goes unmentioned. This is because Article 352 (1) of the Constitution itself had left the judgment of the necessity for the Emergency proclamation outside the law.

The doctrine of necessity regards the judgment of crisis conditions as something that the law itself cannot handle; it is a lacuna in the juridical order that the executive is obligated to remedy. This leaves the sovereign to define the conditions necessitating the suspension of law. Accordingly, the discussion at Rashtrapati Bhavan did not refer to the politics of the Emergency proclamation.

That happened because of manipulation and misinformation, to say the least, because the President did not read the Constitution of India, or his secretary did not find a copy, before he signed. Instead of resigning from the position as President, he has resigned! At least, somebody should have been impeached.

(The writer is a ormer Central Information Commissioner, and presently Proffessor, School of Law, Mahindra University, Hyderabad)

Can Telangana expect clarity on 'SIR' purification?

Amaravaji Nagaraju

EVEN in the absence of elections, Telangana appears poised for a fresh spell of political heat. The Election Commission of India's (ECI) Special Intensive Revision (SIR) of electoral rolls officially described as an exercise in "purification" is set to reach the State, raising apprehensions among political parties and civil society alike.

While the Commission insists that SIR is meant to clean up voter lists, non-NDA parties argue that the process lacks adequate clarity, transparency, and safeguards, turning "purification" into a contentious political flashpoint.

The controversy is not new. After Bihar, where SIR concluded amid intense debate, the exercise is currently underway in 12 other States and Union Territories. With the Chief Election Commissioner announcing that Telangana will soon follow, political tensions in the State are expected to escalate, particularly as the Congress is in power and the BJP has already begun sharpening its narrative.

Addressing a meeting of Booth Level Officers (BLOs) in Hyderabad, Chief Election Commissioner Gyanesh Kumar urged collective participation to ensure the success of SIR in Telangana. Citing Bihar as a model, he claimed that the final voter list of 7.42 crore electors was released without a single technical complaint. However, this assertion itself has been widely contested. From Parliament to courtrooms and across national media, Bihar's SIR has been intensely debated, with critics questioning both its intent and impact.

Though the ECI maintains that no procedural violations occurred in Bihar, political parties and analysts have continued to examine the possible influence of SIR on the subsequent Assembly election results. The fact that an exercise drawing global attention has also triggered divergent opinions within the country remains a blemish on an otherwise constitutional process.

Following Bihar, the ECI initiated SIR in nine States, including Chhattisgarh, Gujarat, Madhya Pradesh, Rajasthan, Uttar Pradesh, West Bengal, Goa, Kerala and Tamil Nadu and three Union Territories: Puducherry, Andaman & Nicobar Islands, and Lakshadweep. Meanwhile, Assam has undertaken a similar exercise under the banner of a Special Revision (SR).

The Supreme Court's intervention in Bihar underscored the gravity of these apprehensions. Initially, the ECI had declined to recognise Aadhaar as a valid proof. Following judicial intervention, it was directed to accept Aadhaar along with 11 other identification documents. This decision helped ease tensions to an extent. Despite widespread claims that nearly one crore voters would be removed, the final deletions stood at approximately 65 lakh.

Nevertheless, similar controversies have followed SIR into other States.

SIR in Telangana soon, to be role model for rest of country: Gyanesh Kumar

Opposition parties like the Congress, Trinamool Congress, DMK, and Left parties have launched protests and legal challenges. Media reports and draft rolls released by the ECI indicate large-scale deletions, across Tamil Nadu, Gujarat, Rajasthan, Madhya Pradesh, Uttar Pradesh, Goa, Puducherry, and Lakshadweep. While the ECI attributes deletions to deaths, migration, duplication, and invalid documentation, ruling parties in Tamil Nadu and Gujarat allege targeted removal of voters from specific social and political groups.

In Kerala, SIR was temporarily paused due to local body elections, yet reports suggest that around 25 lakh names were removed. In West Bengal and Assam, tensions have been sharper. Allegations of illegal migration from Bangladesh dominate the discourse, with ruling parties and opposition trading accusations. While the former's ruling Trinamool Congress accuses the ECI and BJP of disenfranchising genuine voters under the pretext of migration, draft data reportedly indicates around 58 lakh deletions. Against this backdrop, Telangana's turn raises fresh questions. Allegations of the ECI yielding to BJP pressure have gained traction nationally, and with Congress in power in Telangana, political confrontation seems inevitable. Hyderabad presents a complex challenge. As a former joint capital and a major urban hub, the city hosts migrants from across Telangana and Andhra Pradesh. Claims persist that some residents retain voter registration in their native districts or former States, creating scope for confusion and contested deletions.

> Against this backdrop, Telangana's turn raises fresh questions. Allegations of the ECI yielding to BJP pressure have gained traction nationally, and with Congress in power in Telangana, political confrontation seems inevitable. Hyderabad presents a complex challenge. As a former joint capital and a major urban hub, the city hosts migrants from across Telangana and Andhra Pradesh. Claims persist that some residents retain voter registration in their native districts or former States, creating scope for confusion and contested deletions.

The BJP has long alleged the presence of illegal immigrants, including Bangladeshis and Rohingyas, with fake identity documents in Hyderabad.

The party is now expected to foreground this issue aggressively, prompting strong resistance from other political parties. As seen elsewhere, this could make the process especially sensitive in urban constituencies.

The ECI notes that each BLO oversees an average of 930 voters, placing them at the heart of the process. However, reports of extreme pressure on BLOs across States cannot be ignored. Media accounts suggest over 15 BLO deaths nationwide during SIR duties, while opposition parties claim the number exceeds 40. The Supreme Court has taken a serious note of these reports. Democracy demands periodic correction of electoral rolls, and any exercise aimed at improving accuracy deserves support. At the same time, if such processes are perceived as politically motivated or discriminatory, they must be scrutinised and challenged.

As Telangana prepares for SIR, both the Election Commission and political parties share the responsibility of ensuring transparency, fairness, and public confidence. Only then can "purification" truly translate into "clarification" for the society at large.

LETTERS

RSS, dharma and gender divisions

RSS chief Mohan Bhagwat has urged Hindus to show the 'dharmic' way to the world and to make India the Vishwa Guru after over 2000 years. It was, incidentally, not Hinduism but Buddhism that has been followed by the world for 2000 years. Hinduism is plagued with ills of casteism and exploitation of the so-called 'lower' caste people. It is time to introspect and undo the evils of caste and gender divisions. It is only then that Hinduism would be accepted as a supreme religion that advocates tolerance, ahimsa and brotherhood.

P R Ravinder, Hyderabad

Time India puts its house in order

THIS editorial" Saffron hotheads have brought ignominy to India"(Dec 29) is balanced and thought-provoking. While the central government and some self-styled double-engine governments in states like Uttar Pradesh and Gujarat are unequivocally biased against minorities, the lynching of Dipu in Bangladesh or Akhlaq in India reminds us of ugly heads playing with human lives. We, as Indians, have lost our priority as a nation now. The Narendra Modi regime is evasive on the issue of taking responsibility to protect minorities. How is it that saffron hotheads like VHP and Bajrang Dal make a hue and cry against Dipu lynching, while they did the same against Muslims in Uttar Pradesh, Odisha and elsewhere. When Haridwar's frenzied saffron outfit called for genocide against Muslims, the Union and State governments were non-committal and did not condemn the blabber. Till the emergence of the saffron-backed Modi-led India, India was a nation that upheld secular values. At this juncture, we have to invoke international forums and bring an end to hostility against Hindu minorities in Bangladesh or elsewhere by scrupulously ensuring that Muslims, Christians, Dalits et al are not targeted by Saffron hotheads any longer, failing which India will be subject to global ridicule.

Dr T Ramadas, Visakhapatnam

End religion-inspired brutalities

THIS refers to your editorial 'Saffron hotheads have brought ignominy to India'. The acts of which the jihadists in Bangladesh have been perpetrating against the minority Hindus have sadly escaped condemnation in India by most parties in the Opposition. India must be vocal about violent incidents against Hindus and their families at the behest of the Mohammed Yunus regime. But then the media must stop exaggerating stray incidents of hotheaded behaviour by some Hindu outfits and equate them with what is going on in Bangladesh. This will fuel more Hindu hatred in Bangladesh and Pakistan, by way of justifying their brutal and barbaric actions against the community. Common religious binding must not blind them against the reality. Sadly, this was lacking, when pandits were enduring murders and exodus in the Kashmir valley, while Muslims turned a Nelson's Eye.

K R Parvathy, Mysuru

Empowering rural women through technology

IN response to the article "Namo Drone Didi Yojana empowers rural women in Gujarat" (THI Dec 29), I wish to highlight the transformative impact of the Central government's women-centric welfare initiatives, particularly the Namo Drone Didi Yojana. This scheme has been instrumental in breaking traditional barriers and bringing rural women to the mainstream of development. By equipping women with modern skills and access to advanced technology, the scheme has opened new avenues for self-employment and financial independence. Asha Chaudhary's story is a shining example of how the scheme has empowered rural women to take up technology-driven livelihoods, redefine their roles, and contribute to the nation's growth. The scheme picked up momentum in Gujarat's Banaskantha district, enabling women to carry out drone-based agricultural services, including crop spraying and field monitoring. This has not only improved their household income but also brought stability to their lives. The success of the Namo Drone Didi Yojana is a testament to the government's commitment to inclusive growth and women's empowerment. I would like to point out that the scheme's impact goes beyond personal growth, as it has inspired other women in the community to explore new possibilities and consider alternative livelihoods. The government's efforts to bring rural women into the mainstream of development are truly commendable, and it is heartening to see the tangible change on the ground. I hope that more women will benefit from this scheme and become key drivers of progress and nation-building.

Kolluru Raju, Kakinada

thehansreader@gmail.com

BENGALURU ONLINE

Kerala CM playing unwarranted politics fearing electoral defeat: DKS

BENGALURU: Deputy Chief Minister and Bengaluru Development Minister DK Shivakumar on Monday launched a sharp attack on the Kerala Chief Minister, accusing him of indulging in "unwarranted political interference" in the Kogilu encroachment clearance issue due to fear of defeat in the upcoming Kerala Assembly elections. Speaking to the media after inspecting the site of the demolished illegal structures at Kogilu near Yelahanka, Shivakumar said the issue was being politicised deliberately, despite it being a local administrative matter concerning public health and government land.

Shivakumar clarified that the quarry land at Kogilu had been officially earmarked by the state government nearly nine years ago for a solid waste management facility. "Some people have recently encroached upon this government land and put up huts and sheds illegally. Since it is government land, voter ID cards were not issued there, though residents of neighbouring areas have valid voter IDs," he said. He stated that officials had informed the occupants in advance about the eviction and that local legislators had also held discussions with them. "Some requested that land be allotted to them at the same location.

Read more at https://epaper.thehansindia.com

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The Hans India

"From January 1, 2026, 100% Australian tariff lines will be zero-duty for Indian exports, unlocking fresh opportunities for labour-intensive sectors. Exports are registering healthy growth as India's labour intensive sectors are enjoying duty concessions

-Piyush Goyal, Commerce and Industry Minister

Business

BIZ BRIEFS

Training prog in Hyderabad

Sri Sathya Sai Seva Organizations – Telangana has announced the launch of a free employability-focused training program exclusively designed for Commerce and Finance graduates seeking entry-level corporate opportunities. The batch will commence from First week of January 2026 at Khairtabad, Hyderabad. The program is open to MBA (Finance) and M.Com graduates who are serious about pursuing careers in the corporate sector or CA firms.

Santoor reaches sales milestone

Santoor from Wipro Consumer Care & Lighting, has emerged as the country's largest soap brand, with a Rs2,850 crore personal wash behemoth - in terms of company invoiced sales (INDAS) for last 12 months. Vineet Agrawal, MD, Wipro Enterprises, said: "Becoming India's largest soap brand is a moment of quiet pride for all of us at Wipro Consumer Care & Lighting. Santoor's journey has been shaped by deep consumer understanding, disciplined execution."

Samsung's skilling initiative in Hyd

Samsung, a consumer electronics brand, certified 450 students in Artificial Intelligence (AI) and Coding and Programming under its flagship skilling initiative, Samsung Innovation Campus (SIC), at the NSIC Technical Service Centre, Hyderabad. Of the 450 students certified at NSIC Hyderabad this year, 100 completed advanced training in Artificial Intelligence, while 350 were trained in Coding & Programming, following a structured curriculum focused on practical application and industry relevance.

AODH IRISH Whiskey launched

ABD Maestro Pvt. Ltd., the super-premium and luxury spirits subsidiary of Allied Blenders & Distillers (ABD), launched AODH IRISH Whiskey in India. Bikram Basu, MD, ABD Maestro, said: "A truly authentic Irish expression, AODH Irish Whiskey carries centuries of distilling heritage, while resonating with contemporary palates. AODH is a strategic step forward as we shape the super-premium spirit's portfolio. Irish whiskey has seen strong growth in recent years and a super-premium, quality product."

Amazon.in's 'Get Fit Days'

Amazon has announced 'Get Fit Days' where customers will get the latest launches from WHOOP along with a wide selection of sports and fitness essentials from the new year. Karthik Subbarayappa-Director, Amazon India, said: "Our customers are increasingly prioritizing fitness, making it one of the fastest-growing categories on Amazon.in. This interest spans from sports and fitness equipment to wearables.

Markets slide for 4th session as energy, tech shares drag

The market appears short on catalysts for further upside, with investors largely in holiday mode, signalling a potential consolidation phase in the near term

Negative Momentum

- BSE Sensex fell 345.91pts (-0.41%) to 84,695.54
- NSE Nifty declined 100.20pts (-0.38%) to 25,942.10
- FIIs offloaded ₹317.56 cr; DIIs bought ₹1,772.56 cr

MUMBAI: Benchmark Sensex declined by nearly 346 points while Nifty closed below 26,000 on Monday due to selling in utilities, IT and blue-chip oil & gas shares, foreign fund outflows and thin year-end trading.

Extending the downtrend to the fourth day running, the 30-share BSE Sensex declined by 345.91 points or 0.41 per cent to settle at 84,695.54. During the day, it dropped 403.59 points or 0.47 per cent to 84,637.86. Registering its third day of decline, the 50-share NSE Nifty edged lower by 100.20 points or 0.38 per cent to 25,942.10.

Among 30 Sensex firms, Adani Ports was the biggest loser, dropping by 2.22 per cent. HCL Tech fell by 1.86 per cent, Power Grid by 1.85 per cent, Trent by 1.36 per cent, Bharat Electronics by 1.26 per cent and Bharti Airtel by 1.14 per cent. Reliance Industries was a major drag on key indices, closing 0.88 per cent lower.

According to sources, the government is seeking over USD 30 billion from Reliance Industries and BP as compensation, alleging the partners built larger-than-required facilities at the KG-D6 fields and subsequently failed to meet natural gas output targets. Tata Steel was the biggest gainer among Sensex shares, rising by 1.83 per cent. Asian Paints, Hindustan Unilever, and Eternal also advanced.

"The market appears short on catalysts for further upside, with investors largely in holiday mode, signalling a potential consolidation phase in the near term," Vinod Nair, Head of Research, Geojit Investments Limited, said.

Ajit Mishra, SVP, Research, Religare Broking Ltd, said that market sentiment continues to be guided by global cues and stock-specific developments. "Trading volumes remained light, with participants preferring selective exposure rather than broad-based positions in the absence of any major triggers."

Broader markets also came under pressure as the BSE smallcap gauge declined by 0.58 per cent and midcap index dipped by 0.45 per cent. Among sectoral indices, utilities tanked the most by 0.91 per cent, followed by power (0.86 per cent), IT (0.80 per cent), BSE Focused IT (0.79 per cent), realty (0.76 per cent) and capital goods (0.71 per cent). BSE telecommunication, PSU bank, oil & gas and FMCG ended higher.

Aviation industry likely to post ₹18K-cr loss in FY26

Icra has revised its forecast for domestic air passenger traffic growth to 0-3 per cent in FY26 against its earlier projection of 4-6 per cent

MUMBAI: The domestic aviation industry is estimated to post around Rs17,000-18,000 crore net loss in the current fiscal year on account of a likely lower passenger traffic, among other factors, ratings agency Icra said on Monday.

Earlier, the industry was projected to post a loss of Rs 9,500-10,500 crore during 2025-26.

Icra has also revised downward its forecast for domestic air passenger traffic growth to 0-3 per cent in FY26 on account of multiple factors, including Air India Boeing 787-8 plane crash in June this year and thousands of flights cancellations by IndiGo earlier this month, among others.

Icra has revised its forecast for domestic air passenger traffic growth to 0-3 per cent in FY26 against its earlier projection of 4-6 per cent, the ratings agency said.

This revision reflects a slower-than-expected traffic growth in April-November period of FY26, which was impacted by cross-border escalations that led to flight disruptions and cancellations during the year, along with the (Air India) aircraft accident tragedy in June that made travellers hesitant at least during the period immediately post the accident, Icra said.

It also reflects the impact on business travel owing to headwinds stemming from US tariffs, the ratings agency said, adding that downward revision is also due to the impact of operational disruptions at IndiGo from December 3-8, which resulted in cancellation of around 4,500 flights.

While the IndiGo flight cancellations accounted for only about 0.4 per cent of the total annual industry departures, Icra said it expects the travel sentiments to dampen in the aftermath of the IndiGo episode. Icra said it has also revised its international air passenger traffic growth forecast for Indian carriers for this fiscal year to 7-9 per cent from its earlier projection of 13-15 per cent.

"Coupled with the above (an estimated lower domestic and international passenger traffic), the depreciation of the rupee against the $ resulting in foreign exchange losses, has caused Icra to revise its net loss forecast for the Indian aviation industry to Rs 17,000-18,000 crore in FY26, higher than its earlier projections of Rs 9,500-10,500-crore," it said.

Railway scrips rally for 5-days, add ₹66,500 cr in valuation

MUMBAI: India's railway stocks are showing signs of recovery after a long period of weakness, with the sector witnessing a sharp rally over the past five trading sessions. The recent surge has added more than Rs 66,500 crore to the market value of railway-linked companies, as investors reposition ahead of the Union Budget and respond to improving revenue signals.

Railway stocks had remained under pressure for most of 2025 after the sector peaked in July 2024.Since then, many stocks corrected sharply as high valuations cooled and expectations around policy support eased. The latest rebound suggests a cautious return of investor interest, driven by a mix of fare hikes, budget hopes and company-specific developments.

The rally has been led by Jupiter Wagons, whose shares jumped nearly 37 per cent in just five days, making it the best-performing railway stock in the recent upswing.

FIIs may turn net buyers in 2026 despite record outflows in 2025

NEW DELHI: Robust GDP growth and prospects of improvement in corporate earnings next year augur well for positive foreign institutional investor (FII) flows in 2026, analysts said, even as sell figure in December crossed Rs 22,130 crore.

Foreign institutional investors have net sold shares worth Rs 1,58,407 crore in CY25, marking their heaviest selling since they started investing in India. Analysts however said that there are signs of a reversal of foreign institutional investor outflows due to macro strength and earnings visibility.

"As the year 2025 draws to a close, FII selling in India is on track to set a new record in FII outflows," said Dr. VK Vijayakumar, Chief Investment Strategist, Geojit Investments Ltd.In 2024, FIIs have been selling through the exchanges, as much as Rs 1,21,210 crore worth of equities. However, for the year, the net FII inflow was positive since they had invested Rs 1,21,637 crore through the primary market. But for 2025, the net sales figure is massive, he added.

The sustained selling by FIIs have contributed significantly to the sharp depreciation in INR this year, he said, adding that improvement in fundamentals is likely to attract net FII inflows in 2026. Analysts said that sustained FII selling, along with the high trade deficit, contributed significantly to the depreciation of the rupee in 2025.

The rupee's annual depreciation is around 5 per cent, and it dipped marginally on Friday amid crude oil price recovery. Meanwhile, Net foreign direct investment (FDI) in India nearly doubled to $6.2 billion during April-October from $3.3 billion a year earlier, primarily due to fall in repatriation of foreign capital despite a rise in outward FDI, an official statement has said.

India set to become 3rd-largest economy with $7.3-trn GDP

NEW DELHI: WITH GDP valued at $4.18 trillion, India has surpassed Japan to become the world's fourth-largest economy and is poised to displace Germany from the third rank in the next 2.5 to 3 years with projected GDP of $7.3 trillion by 2030, an official statement said on Monday.

The growth momentum further surprised on the upside, with GDP expanding to a six-quarter high in Q2 of 2025-26, reflecting India's resilience amid persistent global trade uncertainties.

Domestic drivers-led by robust private consumption-played a central role in supporting this expansion, according to the statement.

India's real GDP grew 8.2 per cent in Q2 FY2025-26, up from 7.8 per cent in the previous quarter and 7.4 per cent in Q4 of 2024-25, led by resilient domestic demand amidst global trade and policy uncertainties. Real gross value added (GVA) expanded by 8.1 per cent, catalysed by buoyant industrial and services sectors.

High-frequency indicators point to sustained economic activity: inflation remains below the lower tolerance threshold, unemployment is on a declining trajectory, and export performance continues to improve. Furthermore, financial conditions have stayed benign, with strong credit flows to the commercial sector, while demand conditions remain firm, supported by a further strengthening of urban consumption.

"India is among the world's fastest-growing major economies and is well-positioned to sustain this momentum. With the ambition of attaining high middle-income status by 2047 -- the centenary year of its independence -- the country is building on strong foundations of economic growth, structural reforms, and social progress," according to the statement. The RBI revised India's GDP growth forecast for FY 2025-26 upwards to 7.3 per cent from the earlier estimate of 6.8 per cent.

India's domestic growth is on an upward trajectory owing to multiple factors such as- robust domestic demand, income tax and goods and services tax (GST) rationalisation, softer crude oil prices, front-loading of Government capital expenditure (CAPEX), along with facilitative monetary and financial conditions, supported by benign inflation.

Silver likely to touch ₹2.46L per kg: Report

NEW DELHI: The silver market underwent a decisive structural shift in 2025, driven by prolonged physical supply deficits, inventory depletion and policy-led supply constraints, a report said on Monday. The report from Motilal Oswal Financial Services Ltd predicted that silver would touch Rs 2,46,000 per kg in the domestic market. The brokerage continues "to maintain a buy-on-dips approach with a staggered investment strategy."

"While the initial target of $75 on COMEX has been achieved, the firm reiterates its target of $77 on COMEX, equivalent to Rs 2,46,000 on the domestic market, with further revisions dependent on evolving market conditions," the report said.

The rally was not merely speculative but reflected "deep stresses between paper pricing mechanisms and physical availability," with mounting physical tightness and declining exchange inventories reinforcing that the rally is structural rather than cyclical.

India's industrial production at a 2-year high of 6.7% in Nov

Mining and manufacturing sectors record strong performances after GST rate cut, says govt

- GST cut boosts growth
- Factory output IIP expanded by 5% in November 2024
- Previous high recorded was at 11.9% in November 2023
- Govt announced revised GST rates ahead of the festive season

NEW DELHI: India's industrial production grew at a two-year high of 6.7 per cent in November this year, driven by strong performances in mining and manufacturing, mainly on account of order pile-up following a cut in GST rates, according to official data released on Monday.

The factory output, measured in terms of the Index of Industrial Production (IIP), had expanded by 5 per cent in November 2024. The previous high was recorded at 11.9 per cent in November 2023.

Ahead of the festivals, the Goods and Services Tax (GST) rates were cut on a host of consumer items, effective from September 22, 2025, to boost demand and consumption in the country.

This led to piling of manufacturing orders to get benefit of GST rate reduction.

Aditi Nayar, Chief Economist, Head - Research & Outreach, ICRA, said, "The impact of the US tariffs and penalties is likely to reflect across some of the manufacturing segments, partly offsetting the positive impact of the GST rate rejig."

However, she stated that the electricity demand expanded in December 2025 after a gap of two months, which should boost power generation in the month, auguring well for IIP growth in the month.

"We expect the IIP growth to ease to 3.5-5.0% in December 2025, as the base effect normalises and the benefit from restocking wanes," she added.

The National Statistics Office (NSO) revised the industrial production growth to 0.5 per cent for October 2025 from the provisional estimate of 0.4 per cent released last month.

The NSO data showed that the manufacturing sector's output grew by 8 per cent in November 2025 from 5.5 per cent in the year-ago month. Mining production rose by 5.4 per cent against a growth of 1.9 per cent recorded a year ago. Power production contracted by 1.5 per cent in November 2025, compared to 4.4 per cent expansion in the year-ago period.

During the April-November period of FY26, the country's industrial production growth decelerated by 3.3 per cent compared to 4.1 per cent in the same period a year ago.

Primary market may facilitate ₹4L crcapital formation in 2026

India led the world in number of IPOs in CY25 while ranking among the top three markets for IPO proceeds

NEW DELHI: India's IPO market has entered a structurally stronger phase and emerged as the global leader by deal volume, poised to facilitate around Rs 4 lakh crore of capital formation in 2026, a report said on Monday.

The report from Pantomath Capital said India's equity capital markets transformed in 5 years till 2025 from a largely cyclical fund-raising avenue into a deeper, more resilient platform for capital formation. The financial services firm noted a decisive inflection point for the IPO ecosystem after 2020, adding that mainboard IPOs surpassed 100 in 2025 for the first time since 2007.

India led the world in number of IPOs in CY25 while ranking among the top three markets for IPO proceeds. Unlike markets driven by a handful of mega listings, India's IPO activity showed continuity across issue sizes, with strong growth in the Rs 100–500 crore and Rs 1,000–2,000 crore segments, the report said.

Issuance volumes rose sharply across mainboard and SME segments, signalling a shift from opportunistic listings to sustained capital mobilisation and broad-based issuer participation. "India's IPO market today reflects structural maturity rather than cyclical exuberance. "The simultaneous rise in issuance volumes, average deal sizes, and institutional discipline indicate a durable capital-raising framework," said Mahavir Lunawat, CMD, Pantomath Capital.

"As regulatory guardrails strengthen further, the pipeline visibility is encouraging, we expect over Rs 4 trillion worth of IPO pipeline in 2026, backed by strong domestic participation and selective global capital," he added. Investor participation deepened geographically across India, with Mumbai accounting for approximately 37 per cent and 38 per cent of retail and HNI applications.

DECCAN Chronicle
30 DECEMBER 2025

In 2025, India awoke to power of independence

The year 2025 will go down as one in which India woke up to the realisation that it needed to stand up and be counted. To be assertive and aggressive in the face of terror attacks sponsored by its prickly neighbour, Pakistan, was a necessity and India, drawing an imaginary line in the sand, went on to establish a new level of offensive military operations, striking deeper into Pakistan's territory than it had in previous 'surgical strikes'.

The year became even more significant because India realised that it had to stand up to a trade bully, assert its individuality and its right to strategic autonomy, pursue the protection of its interests in a multipolar world and seek to diversify its export trade because the USA, long considered a country that needed India as a counterbalance to China, had imposed tariffs and sanctions amounting to 50 per cent because it had been buying Russian oil.

The narrative of the near war that India and Pakistan fought for four days in May might have two versions. There may also have been operational losses, including of aircraft, as India waged aerial combat before switching to calibrated drone and missile attacks. There was sufficient proof from high-resolution before-and-after images published by international media that the balance of the conflict was tilted very much in India's favour, establishing India's edge in targeting of Pakistan's military facilities and airfields, including the Nur Khan air base that may have been a little too close for comfort of the Pakistan's armed forces.

In a year in which India rediscovered its power, its international presence, and its economic heft, the small losses are like badges of the courage it took to steer an independent course.

Donald Trump's claim of successful mediation pre-empted the ceasefire declared on the evening of May 10 had been the first irritant that was to snowball into a standoff with the US President in the matter of trade and much else. India's resolve to assert itself had hardened and this brought about a full rethink on global ties with the optics of a meeting with China's Xi Jinping and Russia's Vladimir Putin in Tianjin, China driving the point home to the West.

It has always been said about international relations that there are no permanent friends or foes, but only permanent interests. And India's worldview received a big push in that direction as active pursuit of trade deals led to the signing of landmark agreements with diverse countries, in Europe, the Gulf, Latin America, Central Asia and New Zealand in the deep south. Amid all this, a trade deal with America is also said to be in the offing, subject to the US President Donald Trump signing off on it.

The assertion of independence will come at a price. To be equated with Pakistan after the conflict, as the USA did before swinging all the way towards a nation with the dictatorial Asim Munir in charge, was an insult more than material loss.

The effect of tariffs was also nullified to an extent with the exporters were willing to take a hit rather than shut their deals and yet there are losses to be borne. In a year in which India rediscovered its power, its international presence, and its economic heft, the small losses are like badges of the courage it took to steer an independent course.

Justice above technicalities

The Supreme Court's decision to stay the Delhi High Court's suspension of former BJP MLA Kuldeep Singh Sengar's life sentence based on mere technical grounds is a welcome development.

Sengar was convicted of raping a 16-year-old girl, who approached him for a job in June 2017 at Unnao in Uttar Pradesh, and of getting the victim's father killed in judicial custody. He and his family allegedly tried to browbeat the victim's family through rioting in 2017 and attacking the victim's aunts and lawyer in July 2019. He was convicted and given a life imprisonment under Section 5(c) and 6 of the Protection of Children from Sexual Offences.

Rape is one of the worst offences that puts the victim through long-term physical, psychological, and emotional trauma. If the public authorities, who were supposed to protect the law, begin to violate it, they need extraordinary punishment. This was the rationale behind Section 5(c) of the Protection of Children from Sexual Offences (Pocso), which deals with aggravated penetrative sexual assault.

The imprisonment for penetrative sexual assault under Section 4 of the Pocso is a minimum of 10 years and a maximum of life imprisonment. For aggravated penetrative sexual assault, the convict can be imprisoned for a minimum of 20 years and a maximum of life imprisonment.

Sengar's lawyer convinced the Delhi High Court that a legislator does not come under the definition of a public servant and got his sentence suspended — even though he was imprisoned only for seven years and five months, which is less than the minimum sentence of 10 years' jail given in any rape case.

The Unnao case represented the triumph of David over Goliath and the weak over the strong. The victim and her family faced several challenges and harassment to get the former Unnao legislator punished. After such an extraordinary struggle, if the convict was released, merely on technical grounds, it would be a travesty of justice.

The Supreme Court must be applauded for preventing the miscarriage of justice.

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Subhani

Synchronise the AI pace, robotics, population fall

Sanjeev Ahluwalia

Territorial conquests might become unnecessary as neural conquests capture the minds and imagination of entire countries at scale, subverting domestic leadership and management structures.

There is little reason to expect a more coordinated response to climate action in future, than the lacklustre outcome at the Belem global summit in Brazil in November. Global contestation and transactional arrangements are on the increase. This augurs poorly for protecting the global commons. Nor is there a groundswell of a "greater" moral force to glue coordinated actions for the good of humanity.

For half a century after the Second World War, ideology did fashion coordinated political action — the liberal, free market Western theology versus centralised, Communist discipline. In 1990, once the Soviet Union collapsed, Francis Fukuyama prematurely claimed victory for liberalism. What we got instead is the absence of ideology or principled State action, beyond a focus on transactional gains.

China, despite its "Chinese characteristics" is more efficiently capitalist than the US. The US is as authoritarian as Russia with centralisation of powers in the two Presidents. The UK is more timidly socialist that India. There is no recognisable grand political framework, to induce agreement on much needed, deep, social and economic adjustments and change — such as who must bear the cost of a "just transition". And there are mammoth changes on the way — climate action to keep the earth safe is one. Harnessing the benefits of Artificial Intelligence without unleashing its disruptive outcomes on human dignity, communities and cultures is another. Countries are adrift, working out practical paths, from first principles, to face uncertain futures.

Even if by some miracle, we manage to navigate the ravages of climate change, the relentless growth of AI, robotics and space-based military capacity will reduce "agency" with today's human power centres — villages, cities, provinces and countries. Existing country borders might become historical landmarks not markers for trade, investment or military control. Territorial conquests might become unnecessary as neural conquests capture the minds and imagination of entire countries at scale, subverting domestic leadership and management structures.

The trilogy of AI, robotics and neural science advances will have three consequences. First, unimaginable advances in efficiency as already visible in compute capabilities. Global installed data centre capacity is 114 GW in 2025, up from 21.4 GW in 2005 – a five-time increase in 20 years. Meanwhile, transistor density has increased by one hundred times from 90 nanometres in 2000 to 2 nanometres in 2025, packing in more power, reduced electricity use and materials consumption and lower heat loss.

Second, there are already about 8 million industrial and service robots in use today, with China the fastest adaptor at about 2 million robots. That is still miniscule relative to the global human workforce of about 3.5 billion. But robots are expected to boom at high single digits per year even as growth in human population slows. Today, we do not measure a robot's capacity to do work in terms of the number of humans it replaces. But that is how the metric of "horsepower" was devised in the eighteenth century to market steam engines, which replaced horses. Today, horses are show pieces whilst engines are everywhere. If robots increase by eight per cent per year over the next eighty years, their numbers will exceed the entire global human workforce today.

Third, selective but significant application of useful life extension practices can make "retirement", or "old age", redundant for those few deemed necessary for society or those with the financial power to access "forever" life. Social media already peddles advice on age reversal practices. Everlasting useful life and robotic advances weaken the incentive for population growth.

Humans — or a rarified, self-selected segment thereof — will continue to be in charge even in the age of robotics. But it is uncertain whether the deeply ingrained belief in inviolability of human life — a fundamental compact across humans — will continue to be relevant once their usefulness in the process of production becomes marginal.

Humanity might perversely go to great lengths to seek out the best and the brightest to be feted and preserved. But the primacy afforded in law today to human life and dignity might lose its salience alongside a quiet burial of the axiom of equity. Unlike the specific cases of war crimes and genocide, "crimes against humanity" are not prosecuted under a specific UN treaty and countries adopt transactional approaches. South Africa took Israel to the International Court of Justice (ICJ) over alleged genocide in Gaza, and the United States responded vengefully by threatening to exclude South Africa from its upcoming G-20 presidency in 2026.

How resilient will the "civilised" bonds of humanity, as enshrined in our Constitution and international laws, prove to be when faced with the predicament that much of humanity is surplus or past their "use by" date? It is the fashion today to emphasise that there will be no net job loss from AI. McKinsey, a consultancy, uses the blithe phrase that jobs will be affected but not work. But what about job holders? How many will be able to make the transition to new skill sets? The "new jobs" might be spatially far removed from where the old jobs are lost. Most job seekers are local and seamless migration — particularly across borders — no longer seems feasible. The sensible thing might be to end the tax advantages for capital investment and subsidise human employment, and if that fails, to intrusively regulate the extent of substitution of humans by machines. So, will it be back to the high noon of State controls and human-centric development as practised by left-of-centre governments?

Elon Musk envisions that no one should save for a rainy day, because the State will provide a "high universal wage" to all. A vision which, paradoxically, juxtaposes a "big" State with elevated levels of production efficiency and government savings (a never experienced before combination) such that a river of riches would flow from the government to the people.

If robots are around the corner, India can still cope, because the total fertility rate is already below the replacement rate and the population will peak in 2060 — though north of the Deccan, fertility rates remain high and need to be tapered aggressively via gender empowerment and skill development. Also, the tech paranoia is a bit premature. The dinosaurs were dominant for 252 million years, the mammals for sixty-six million years. Humans have been in the hot seat for just 0.2 million years.

We still have time to get our ducks in a row before it becomes time to pack up.

The writer is Distinguished Fellow, Chintan Research Foundation, and was earlier with the IAS and the World Bank

LETTERS

BJP MP'S REMARKS

Already the ongoing SIR in West Bengal is getting murkier even as the ruling TMC is leaving no stone unturned to stop it *(WB BJP MP calls Prez, PM Pakistani, Dec. 29)*. Two booth level officers died allegedly due to work pressure related to the ongoing SIR in WB. As if this is not enough, a Rajya Sabha MP of BJP makes such a highly inflammatory and controversial statement describing the President and the Prime Minister of India as Pakistanis and the Governor of WB a Bangladeshi. The ruling TMC seized the opportunity to pounce upon the BJP and make bizarre accusations of a larger conspiracy for undertaking SIR in WB, etc.

Govardhana Myneedu
Vijayawada

CULLING STRAYS

It is very shocking to learn that about 250 dogs and puppies were culled and buried in three pits *(Over 250 stray dogs culled with lethal injections, Dec. 29)*. The apex court noticed the menace of stray dogs and directed officials to shift the stray dogs to specially designed shelters, administer anti-rabies vaccination and take up birth control measures. It is true that to follow the directions of the apex has practical problems. But culling and burying such a large number of dogs are not appropriate.

Pratapa Reddy Yaramala
Tiruvuru

ARJUN CHARGED

The decision to charge celebrity cine star Allu Arjun is mere political witch-hunt *(Pushpa 2 stampede: Actors liable)*. He caught the ire of Chief Minister N. Chandrababu Naidu the political guru of Telangana Chief Minister A. Revanth Reddy, for giving indirect support to his rival party candidate in Rayalaseema which led to this chargesheet. All wings of Government have become tools of all politicians, especially police who become watchdogs of politicians in power. It is fine if they apply the law unbiasedly.

Ch. V.B.R. Naidu
Srikakulam

Email your letters to
info@deccanmail.com,
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Aakar Patel

Amid 'apathy' of the vast majority, 'intent' will always hold upper hand

Intent has an ally in apathy. Intent seeks to take ground; apathy will kindly adjust. Intent is the Bharatiya Janata Party's determination to implement its ideology. The party has the power of government and the backing of a significant number of Indians who want the ideology implemented. This number is actually a minority as every election has shown. But it is armed with intent.

Apathy is the inability of the rest of us, who are a majority, to resist it. The expectation, even from those who acknowledge the reality and its dangers, is that the problems created by the government must be solved by checks and balances. That the Opposition, and Parliament and the justice system will manage the problem. But it has not so far and this new year we are entering into will show again that it cannot.

To those who are new to this: What does the BJP's ideology seek? It wants to persecute and harm minority Indians, Muslims and Christians, and that is about it. The ideology has no higher purpose and offers nothing of value other than going after fellow Indians. It exists as hate and expresses itself as hate. This emotion in inexhaustible and can renew itself and always find new ground to fight battles on. The new year, 2026, will show this as well.

In 2025, we continued down a path we took more than a decade ago. Rajasthan became the eighth state to ban marriage between Hindus and Muslims. This happened in September, three months ago. In September 1935, Germany banned marriage between Jews and Christians. These relationships were labelled as "race defilement" (*Rassenschande*), to the horror of the world. India has done this through cleverly named laws that seek to achieve the same thing. The law empowers a bureaucrat to determine whether an adult is entitled to change their faith. The other provisions in the law repeat or tighten the provisions made in similar laws that the BJP has introduced over the last few years.

The intent was first shown in the 2018 Uttarakhand Freedom of Religion Act. This law had an innovation. It is aimed at preventing inter-faith marriage by criminalising conversion but it makes an exemption for people to convert to their "ancestral religion". The term was left undefined but readers will not require to be told what it means.

This law was passed and implemented. No resistance from the courts. Intent noted this and sought to take more ground. Similar laws came to Himachal Pradesh in 2019, Uttar Pradesh in 2020, Madhya Pradesh and Gujarat in 2021, Haryana and Karnataka in 2022. Note that the government changed in Karnataka but the law remains. Intent will always win over apathy. Rajasthan became the eighth state and will not be the last.

Alert readers will observe how rapidly the space was occupied in a few years, while reversal happened nowhere. The same story is repeated on the issue of beef. The first laws criminalising the possession of beef came only in 2015 (by BJP governments in Maharashtra and Haryana). These laws and the discourse surrounding them produced a new category of violence: beef lynching. In my decades as a journalist, I had not heard of such a thing as a beef lynching before this, but the act is now so commonplace as to be normal. There are endless murders all around us and apathy has adjusted to them, making space for intent. Gujarat, the laboratory which has now become a factory, passed a law in 2017 that made cattle slaughter punishable by life in prison. This is an economic offence, but no white-collar crime attracts life. Those who steal billions can be rehabilitated, as we are seeing happen before us.

A few weeks ago, Uttar Pradesh said it wanted the case against those accused of the first infamous lynching, that of Akhlaq in September 2015, to be withdrawn, because justice is offensive. The judge bravely refused this and the decade-old trial will continue, but we have to turn to individual acts of courage in a land ruled generally by apathy. The total exclusion of 200 million Indian Muslims from power at the Centre is today as normal as it might be in a nation where discrimination is legal. Indians shrug their shoulders.

Intent will violently disrupt the annual festival of Christians and the rest of us will look on. Disapproval is not the same as action and intent takes violent action while apathy will pull out its mobile phones and record.

A law criminalising the divorce of only one religion came in 2019, and for all the rest it remains a civil offence. A law excluding only one religion from the Citizenship Amendment Act also came in 2019. A law which prevents Indians of one religion from buying and renting property in Gujarat, where even foreigners can, was tightened in 2019. We are told that India was at the forefront of fighting apartheid in South Africa but today we are comfortable with it being practised in our own land. If we were not comfortable, if we were outraged, then we would do something about it. Kashmiri carpet seller lynching and Bangladeshi vendor lynching have joined beef lynching and we have been inert.

Intent will not relent because intent seeks to achieve something; while apathy wants only to not be disturbed.

This new year will bring, once again, a repetition of both intent and apathy.

The writer is the chair of Amnesty International India. Twitter: @aakar_patel

LIVE RICH
FINANCIAL Chronicle
VIJAYAWADA | TUESDAY | 30 DECEMBER 2025

quick BITES

INDICATORS		%
Sensex	84,695.54	-0.41
Nifty 50	25,942.10	-0.38
S&P 500*	6,897.80	0.46
Dollar (₹)	89.94	0.08
Pound Sterling (₹)	121.29	0.10
Euro (₹)	105.82	0.06
Gold (10gm)* (₹)	135,136▾4,737	-3.39
Brent crude ($/bbl)*	62.02	2.28
IN 10-Yr bond yield	6.595	0.53
US 10-Yr T-bill yield*	4.112	-0.022

* As of 8:30 PM IST

Arvind Fashions to acquire share in fashion brand

Arvind Fashions on Monday said it will acquire Flipkart group's 31.25 per cent stake in Arvind Youth Brands for ₹135 crore. Arvind Youth Brands is currently enga-ged in business of apparel and accessories under the brand name Flying Machine. "Our relationship with Flipkart will continue ensuring consumers can still shop Flying Machine on its platforms," Arvind Fashions managing director and CEO Amisha Jain said.

L&T bags radial road project in Telangana

Larsen & Toubro (L&T) on Monday said it has bagged a significant order for the Hyderabad greenfield radial road project. The contract, awarded to L&T's transportation infrastructure business vertical, covers the second phase of the project in Ranga Reddy district. It involves the construction of a 22.3 km 3+3 lane access-controlled radial road to boost connectivity in the region, L&T said in a filing to BSE.

Jindal Steel to add capacity at Raigarh unit

Jindal Steel on Monday announced an expansion plan for doubling the annual manufacturing capacity of structural steel at its Raigarh facility to 2 million tonnes. Jindal Steel said it will commission a new structural steel mill, alongside advanced upstream and downstream technology upgrades. The expansion will enhance availability of heavy and ultra-heavy structural steel sections in India, the company said.

IHC opens 45-key resort and spa project in Bhutan

Tata Group owned-Indian Hotels Company Ltd (IHCL) on Monday announced the opening of the 45-key Taj Paro Resort & Spa, expanding its presence in Bhutan. The hospitality firm said the opening was also an extension of its partnership with CG Hospitality. The current operating footprint of the partnership between IHCL and CG Hospitality in the Indian sub-continent and the Middle East.

Banking resilient, bad loans fall to 2.1%: RBI

Capital, liquidity buffers remain above regulatory requirements

FALAKNAAZ SYED
MUMBAI, DEC. 29

Banking sector in India remained resilient during FY25 and FY26 so far supported by strong balance sheets, sustained profitability and improved asset quality with gross non-performing assets (GNPA) ratio to gross advances declining to a multi-decadal low of 2.1 per cent at end-September this year, said RBI in a report on Monday.

"Improvement in asset quality of banks observed since 2018-19, measured by their declining GNPA ratios, continued during FY25. The GNPA ratio of scheduled commercial banks (SCBs) declined to a multi-decadal low of 2.2 per cent in March 2025 from 2.7 per cent same period previous year," said the RBI.

During FY25, around 42.8 per cent of reduction in GNPAs was due to recoveries and upgradations. Net NPA (NNPA) ratio also declined to 0.5 per cent in this March, partly reflecting higher provisioning. The slippage ratio of SCBs, which measures new accretions to NPAs as a share of standard advances, declined for fifth consecutive year to 1.4 per cent at March 2025.

Net Profit of SCBs rose during FY2025 at 14.8 per cent to ₹4.01 lakh crore. In 2023-24, profits increased 32.8 per cent to ₹3.5 lakh crore. "The Indian banking sector remained resilient, underpinned by a strong balance sheet, sustained profitability, steadily improving asset quality, and high capital buffers. NBFCs also saw robust performance, it said.

Bank credit and deposit growth continued in double-digits. Capital and liquidity buffers remained above regulatory requirements across bank groups.

Asset quality in retail loan segments such as housing, education and credit cards has improved even though certain segments continue to see strains, the report noted.

Within retail loan segments, the bad loan ratio for consumer durables was the highest. Within loans to industry, the leather and leather products segment continued to have the highest bad loan ratio, the RBI said.

India's financial system remains well equipped to support economic expansion. The RBI noted rising risks from climate change to financial stability.

CHECKS AND BALANCES

INDIA's financial system is in strong position, remains well equipped to support country's economic expansion in period ahead, according to RBI.

AROUND 42.8% of reduction in GNPAs is due to recoveries, upgradations during FY25

GNPA ratio of SCBs declines further to multi-decadal low of 2.2% FY25.

NNPA ratio declines to 0.5% at end March 2025, partly reflecting higher provisioning.

NET PROFIT of SCBs increases during FY25 to ₹4.01 lakh cr

NBFCs RECORDS robust performance, supported by double-digit credit growth, improved asset quality and comfortable capital buffers.

INDIAN BANKS reported 5,092 frauds in H1 of FY26.

Profitability of banks remains robust during the year, with RoA at 1.4%, RoE at 13.5%.

Banks report 30 % increase in fraud amount to ₹21,515 crore

FALAKNAAZ SYED
MUMBAI, DEC. 29

Even as the total number of bank frauds decreased, the amount involved in frauds rose 30 per cent during April to September 2025, said the Reserve Bank of India (RBI) report released on Monday.

According to RBI, Indian banks reported 5,092 frauds amounting to ₹21,515 crore in H1 FY26, mostly pertaining to advances fraud. During H1 FY25, banks had reported a total of 18,386 frauds am-ounting to ₹16,569 crore.

"Frauds present multiple challenges by exposing financial institutions to reputational, operational and business risks, while also weakening customer trust. During 2024-25, the total number of frauds decreased. However, the amount involved in frauds increased," said the RBI.

Meanwhile, the central bank will issue comprehensive norms for regulated entities on advertising, marketing and sales practices to prevent misselling of financial products and services, the RBI said.

The offices of the RBI Ombudsman (ORBIOs) received about 2.96 lakh complaints during the 2024-25, marking an increase of 0.8 percent over the previous year.

Silver reaches ₹2.4 L a kg after extreme price swings

New Delhi, Dec. 29: Silver prices extended the record-setting rally for the fifth straight day on Monday, jumping ₹3,650 to ₹2,40,000 per kg in the national capital due to persistent buying by traders, according to the All India Sarafa Association.

The white precious metal had closed at ₹2,36,350 per kilogram on Friday.

So far this year, silver prices have delivered remarkable returns, surging 167.55 per cent, or ₹1,50,300, from ₹89,700 per kg recorded on December 31, 2024.

Meanwhile, gold of 99.9 per cent purity retreated from its record levels by declining ₹500 to ₹1,41,800 per 10 grams (inclusive of all taxes). It had climbed ₹1,500 to hit a fresh record of ₹1,42,300 per 10 grams in the previous market session.

Gold traded weak on Monday as traders booked profit after the yellow metal in the international markets slipped nearly $70 to $4,463 per ounce amid high volatility, Jateen Trivedi, VP research analyst - Commodity and Currency, LKP Securities, said.

In global markets, spot gold was trading lower by $69.67, or 1.54 per cent, at $4,462.96 per ounce.

Spot silver retreated from lifetime highs to trade lower by $4.06, or 5.13 per cent, to $75.09 per ounce, pressured by profit-taking after an end-of-year rally that notched a fresh record of $83.97 per ounce. "The broader trend remains volatile as markets reassess positions after the recent sharp rally. This week, the Federal Reserve's meeting minutes will be a key trigger, while the US holiday period could keep trading volumes relatively thin," Trivedi said.

Hareesh V, head of commodity Research, Geojit Investments Ltd, said, "In 2025, gold, and silver reached record highs, driven by a potent blend of macroeconomic shifts, industrial demand, and structural supply tightness."

He further said commodities have arguably become the standout outperformer while equities continue to deliver modest gains, it's the surge in raw materials that's capturing attention.

"This divergence reflects rising demand for tangible assets amid inflation concerns, resilient industrial consumption post-Covid, and mounting geopolitical risks, factors that have boosted commodities appeal relative to paper assets," Hareesh V said.

On market outlook, he added that in 2026 and beyond, the bullish trend in commodities appears poised to persist, driven by enduring structural dynamics across sectors.

"Gold remains underpinned by sustained central bank accumulation and elevated geopolitical risk, declining real interest rates and ongoing macro uncertainty further support its safe-haven status. Silver may benefits from prolonged supply deficits and surging industrial demand, especially from solar, AI, EVs, and electronics, kee-ping it in price-discovery territory," Hareesh V of Geojit Investments said. — *PTI*

PRECIOUS METALS

SO FAR this year, silver prices have delivered remarkable returns, surging 167.55%, or ₹1,50,300, from ₹89,700 per kg recorded on December 31, 2024.

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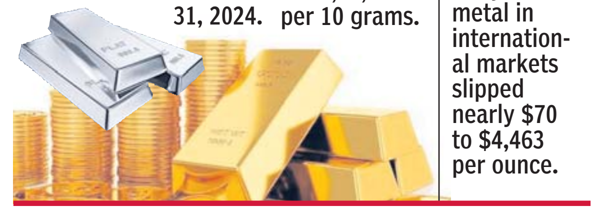
GOLD TRADED weak on Monday as traders booked profit after the yellow metal in international markets slipped nearly $70 to $4,463 per ounce.



COPPER SURGES TO NEW HIGH OF $13,000 PER TON

London, Dec. 29: Copper surged to a fresh record close to $13,000 a ton in volatile trading as the London Metal Exchange (LME) reopened after the Christmas holiday, extending a stunning end-of-year rally fueled by concerns over tighter supply.

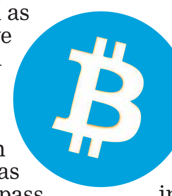
Prices jumped as much as 6.6 per cent in initial minutes of trading, biggest intraday gain since 2022, but retreated to trade about 2 per cent higher by midday in London.

The latest surge caps an extraordinary year for copper, which is headed for its best showing since 2009. Its rally has been marked by significant unplanned mine outages, uncertainties over US trade policies, and unprecedented pressure on the world's smelters. LME prices have advanced by well over 10 per cent in December, as investors bet that a rush to get metal to the US ahead of possible import tariffs will leave rest of world short of metal. — *Bloomberg*

Bitcoin touches $90K, signals further rally

New York, Dec. 29: Bitcoin rose in Asia trading to top $90,000, hinting at a potential breakout after the token missed out on a Santa rally that sent stocks to record highs.

The original cryptocurrency rose as much as 3.1 per cent to above $90,200 in Singapore on Monday. Other cryptocurrencies also jumped, with Ether up as much as 4 per cent to surpass $3,000.



Bitcoin was largely unmoved as S&P 500 surged to a record close in the build-up to Christmas.

The wider crypto space has yet to recover from a weeks-long selloff that began in October this year with the liquidation of some $19 billion worth of leveraged positions.

That episode hollowed out the market, with traders reluctant to bet big on comeback since. Now, there are early signs of shift in mood.

Monday's uptick "appears somewhat driven by short term retail traders taking on growing positions in futures," said Sebastian Bea, chief investment officer of ReserveOne Inc., a crypto treasury firm.

The Bitcoin funding rate, a key barometer of crypto sentiment, is at its highest level since Oct. 18, according to CryptoQuant data, signaling growing demand for bullish bets in the perpetual futures market. — *Bloomberg*

INDIA, AUSTRALIA BILATERAL TRADE RISING: GOYAL

MADHUSUDAN SAHOO
NEW DELHI, DEC. 29

India and Australia marked the third anniversary of their economic cooperation and trade agreement (ECTA), showing a significant rise in trade between the two nations.

Acknowledging the development, the commerce and industry minister Piyush Goyal on Monday said that the move would open up fresh opportunities for India's labour-intensive sectors, as the two countries marked the third anniversary of the bilateral trade pact.

With the deal, Indian exports to Australia will get a major boost with 100 per cent of Australian tariff lines set to move to zero duty under the India–Australia ECTA from January 1, 2026.

"Over the past three years, the agreement has delivered sustained export growth, deeper market access, and stronger supply-chain resilience, benefiting Indian exporters, MSMEs, farmers, and workers alike," the minister said in a post on X.

Markets may raise ₹4 L-cr in 2026 through over 350 IPOs

RAVI RANJAN PRASAD
MUMBAI, DEC. 29

Primary market fund mobilisation in 2026 is expected to be in the range of ₹3.5 to ₹4 lakh crore, said a primary market outlook report.

"Based on historical trends and visible pipeline, mainboard IPO activity is likely to remain in the 100 to 120 listings range, while SME listings could exceed 250, subject to market conditions," investment banking firm Pantomath Capital Advisors said.

In 2025 there were 373 IPOs (103 mainboard, 270 SME) that raised around ₹1.95 lakh crore, making

India number one globally by number of IPOs.

"India's primary market today reflects structural maturity rather than cyclical exuberance," said Mahavir Lunawat, CMD, Pantomath Capital.

While Mumbai remains the anchor, accounting for 37 per cent and 38 per cent of retail and HNI applications respectively, there has been strong traction from Ahmedabad, Surat, Rajkot, Bhavnagar and Mehsana, Bhilai, Kendrapara, and Hisar.

Meanwhile, an outlook report by Motilal Oswal said 2026 will see recovery and steady growth.

"Improvement in corporate earnings, supportive domestic policies and a revival in private sector investments are likely to drive market performance. Any resolution of the tariff stalemate with the US could act as an external catalyst," it said.

It expects Nifty-50 earnings growth to bounce to 9 per cent in FY26 from 1 per cent in FY25.

Factory output rises 6.7% in Nov.

MADHUSUDAN SAHOO
NEW DELHI, DEC. 29

India's industrial production grew at a two-year high of 6.7 per cent in November this year with strong performances in key sectors.

The index of industrial production (IIP) had expanded by 5 per cent in November 2024. The previous high was recorded at 11.9 per cent in November 2023.

The sharp acceleration was led by expansion not only in manufacturing and mining sector, which posted a growth of 8 per cent and 5.4 per cent respectively year-on-year, but also supported by higher output in basic metals, pharma and automobiles, according to official data released on Monday.

The goods and services tax (GST) rates were cut on a host of consumer items, effective from September 22, to boost demand and consumption which led to piling of manufacturing orders to get benefit of GST rate reduction.

"The impact of US tariffs likely to reflect across manufacturing segments, partly offsetting positive impact of GST rate rejig. We expect IIP growth to ease to 3.5-5.0 per cent in December, as base effect normalises," said Aditi Nayar, chief economist, head-research, ICRA.

Sebi gives nod to multiple firms to launch public offers

RAVI RANJAN PRASAD
MUMBAI, DEC. 29

Securities and Exchange Board of India (Sebi) has cleared four initial public offering draft proposal by Varmora Granito, Knack Packaging, Shivalaya Construction and Behari Lal Engineering. Meanwhile, Infifresh Foods' pre-filing has been withdrawn according to processing update on Sebi portal.

Primary market continues to witness strong IPO pipeline with Horizon Industrial Parks filing draft red herring prospectus (DRHP) with the Sebi or an IPO that aims to raise ₹2,600 crore and has made a pre-initial public listing placement of ₹1,650 crore before filing the DRHP with marquee investor participation including 360 ONE, SBI Life Insurance, SBI, Radhakishan Damani, EAAA and DSP Investments.

CART | LOAD

Rising household incomes, convenience key drivers

33 mn using quick commerce

New Delhi, Dec. 29: The era of the delivery day' ended in 2025 as India's retail landscape underwent a fundamental transformation, with the great convergence of traditional e-commerce and quick commerce erasing the boundaries between planned shopping and instant gratification.

What began as an experimental race to deliver groceries in ten minutes has evolved into a multi-billion-dollar infrastructure play that now moves everything from high-end electronics to white goods in minutes.

According to a year-end

report by RedSeer Strategy Consultants, quick commerce has become India's fastest-growing retail format, reaching 3.3 crore monthly users across 150+ cities.

Rising household incomes and a growing preference for convenience have made quick commerce the preferred shopping channel for an increasing share of urban consumers.

E-commerce giants Amazon and Flipkart had to launch their own quick commerce arms to not miss out on the massive treasure trove of quick commerce market.

Dark stores transitioned from small neighbourhood hubs to megapods. These larger facilities, typically around 10,000-12,000 sq ft, are now capable of stocking over 50,000 stock-keeping units (SKUs), enabling platforms to deliver iPhones and ACs with the same velocity as milk and bread.

However, the rapid physical expansion of dark stores triggered significant friction within broader retail ecosystem. Consumer unions intensified calls against regulatory oversight as Q-com began eroding the margins of traditional Kirana stores.

The government notified four labour codes in November to bring the vast segment of gig workers under formal regulatory recognition and social security which transitioned them from fringes of unorganised sector.

The trajectory heading into 2026 suggests a year defined by dual themes of order consolidation and category deepening. —*PTI*

India eyes record food production of 357 MT

New Delhi, Dec. 29: India's agriculture sector closed 2025 with a projection of record foodgrain output surpassing last year's 357.73 million tonnes (MT) despite US tariffs disrupting farm exports, while landmark GST reforms delivered input cost relief, and stakeholders await passage of key seed and pesticide bills in 2026 to tackle fake inputs.

"We are hopeful of achieving record foodgrain production this year 2025-26 (July-June). Kharif output remained positive and rabi sowing is progressing well," agriculture ecretary Devesh Chaturvedi said.

Above-normal southwest monsoons boosted kharif sowing, with the agriculture ministry's estimate projected kharif foodgrain output at a record 173.33 MT for 2025-26.

Rabi sowing as of December 19 reached 659.39 lakh hectares - up 8 lakh hectares year-on-year.

The 56th GST Council's decision to cut rates on farm inputs from 18 per cent to 5 per cent emerged as 2025's most significant policy intervention. — *PTI*

WHEAT SOWING remains flat at 32.26 million hectares in ongoing 2024-25 rabi season

AREA UNDER pulses, oilseeds rises marginally.

SOWING OF wheat and other rabi crops begins in October, with harvesting starting in March.

THE HINDU

Model conduct

India must improve access to AI resources, and upskill its workforce

India has been regulating Artificial Intelligence (AI) use by expecting due diligence from platforms under the IT Act and Rules, regulating the financial sector, and with privacy and data protection Rules. It does not yet have a consumer safety regime that deals with the state's duty of care. China pitched such a regime with draft rules that it unveiled last week, which target emotionally interactive services, and propose to require companies to warn against excessive use and intervene when they detect signs of extreme emotional states. If these rules seem justified for targeting psychological dependence that general rules about unlawful content do not address, they may also be harsh because expecting providers to identify users' states can incentivise more intimate monitoring. India's posture is less intrusive, but also more incomplete, because it banks on existing laws. Thus, it regulates adjacent risks but has not articulated a duty of care *vis-à-vis* AI product safety, especially for psychological harms. MeitY has used the IT Rules to push platforms to curb deepfakes and fraud, and define and label "synthetically generated" content. Financial regulators have also adopted structural measures, with the RBI setting expectations to govern model risk in credit and developing its FREE-AI framework process and SEBI pushing for clear accountability on how regulated entities use AI tools. While some measures are preemptive, MeitY has been largely reactive.

India has a large ecosystem that adopts models but is far behind the U.S. and China in building frontier models of its own. In this context, it should beware the cons of 'regulate first, build later', especially since domestic capacity is lacking. A more practical way might be to consider how it can nurture a frontier model and govern the overall use of models, many of which will remain privately built and foreign for a while, inside Indian markets. On the first count, India can focus on improving access to computational resources, upskilling the workforce, increasing public procurement, and translating research to industry while sidestepping the pitfall of paralysis by consensus, which could increase dependency. On the second, India should consider regulating downstream use more assertively without choking upstream capability. It can do this by adding obligations on companies that are deploying products in high-risk contexts, and regulating how they monitor and respond to a model's behaviour, to existing privacy and consumer protection rules, for example, by expecting companies to submit incident reports, rather than requiring them to monitor users' emotions. This way, India can write rules for how Indians use models without assuming that the global technology trajectory will rearrange itself to match its preferences.

Mindless bombing

Trump's military strikes and religious rhetoric will worsen situation in Nigeria

On Christmas Day, Nigeria became the latest target of U.S. President Donald Trump's bombing spree. Mr. Trump had earlier claimed that Christians were facing "genocide" – an allegation Abuja has strongly rejected. The U.S. targeted two alleged Islamic State camps in Sokoto, a northwestern State. During last year's presidential campaign, he had repeatedly criticised what he called America's "forever wars". He styled himself as the 'President of peace', taking credit for ending several conflicts, including the combat between India and Pakistan. In reality, however, Mr. Trump is little different from his predecessors, who deployed America's military might at will against weaker nations. Since returning to office, Mr. Trump has bombed Yemen, Syria, Somalia and Iran. He is also overseeing an ongoing bombing campaign off the Venezuelan coast, targeting civilian boats for 'carrying drugs'. In Nigeria's case, Mr. Trump has fused military aggression with religion in an apparent bid to appeal to his Christian base. While he insists that his actions are aimed at protecting Nigeria's Christians, the realities are complex.

Nigeria's 237 million people are roughly divided between Muslims, who predominantly live in the north, and Christians, who are concentrated in the south. In recent years, there has been a surge in Islamist militancy, particularly in the north. Two major Islamist groups – Boko Haram and the Islamic State West Africa Province (ISWAP) – operate mostly in the northeast and northwest. The collapse of state institutions, porous borders and free flow of weapons have turned the Lake Chad region into a hotbed of jihadist activity. Boko Haram and ISWAP, along with the Islamic State Sahel Province, target both state apparatuses and local populations, regardless of their faith. In northern Nigeria, Muslims are the primary victims of Islamist violence. U.S. policies towards the region have also contributed to the spread of jihadist activity in West Africa and the Sahel. The NATO-led bombing that toppled Libya's Gaddafi regime in 2011 unleashed armed fighters and weapons across the region. What Africa needs is a coherent regional counterterrorism strategy, focused on building state capacity at the local level and enhancing ground level cooperation against jihadist groups. The U.S. should play the role of a facilitator, not an arsonist. Such a strategy is conspicuously absent today. Worse, repeated coups and state collapses have created a vacuum which the jihadists are eager to exploit. Mr. Trump's episodic military strikes, along with religious rhetoric, risk worsening the ground situation, ultimately benefiting the very forces he claims to be fighting.

The quiet foundations for India's next growth phase

Hardeep S. Puri

is Union Minister for Petroleum and Natural Gas, Government of India

As 2025 draws to a close, the loud headlines are easy to spot, but what is easier to miss is the quieter work of governance, the steady, week after week clearing of bottlenecks – the cumulative push is what I mean by Reform Express 2025.

India crossed about $4.1 trillion in nominal GDP and overtook Japan as the world's fourth largest economy. Standard and Poor's upgraded India's sovereign rating to BBB after 18 years, signalling that the macro story has acquired durability, not just speed. In an uncertain world where political churn has become the norm, India's stable leadership makes reforms credible, and credible reforms convert private caution into private investment.

I have seen, across negotiating tables, from the GATT and WTO system to multilateral forums, that rules are only as good as the incentives they create. When procedures are opaque, discretion expands, and then even well-intentioned policy ends up discouraging enterprise. When procedures are clean and time-bound, competition thrives, investment plans get executed, and jobs follow.

India's total exports hit $825.25 billion during 2024-25, representing an annual growth of over 6%. To support this volume of trade, the government introduced several digital tools such as The Trade Connect ePlatform, a single digital window for exporters, and the Trade Intelligence and Analytics (TIA) portal for providing real-time market data.

The trade agreements

The India-United Kingdom Comprehensive Economic and Trade Agreement signed in July 2025 created a stronger platform for Indian exporters, with wide duty-free access and clearer pathways for services and skilled mobility. In December 2025, India signed a Comprehensive Economic Partnership Agreement with Oman, strengthening a strategic economic corridor for goods, services, and investment. India also concluded negotiations for a free trade agreement with New Zealand, expanding India's reach into high value markets and setting a template for disciplined, commercially meaningful agreements.

India's startup sector expanded to include over two lakh government-recognised startups, which helped create more than 21 lakh jobs. The Open Network for Digital Commerce (ONDC) processed over 326 million orders, averaging more than 5.9 lakh daily transactions. Additionally, the Government e-Marketplace (GeM) saw its cumulative transaction value cross ₹16.41 lakh crore, with 11 lakh micro and small enterprises receiving orders worth over ₹7.35 lakh crore.

India also improved its position in the Global Innovation Index, rising to 38th place among 139 economies. Efforts to simplify business operations resulted in the reduction of over 47,000 compliances and the decriminalisation of 4,458 legal provisions. By late November, the National Single Window System processed more than 8.29 lakh approvals. Infrastructure planning also saw changes as the PM GatiShakti National Master Plan opened to the private sector, and the Project Monitoring Group portal has onboarded over 3,000 projects valued at more than ₹76 lakh crore.

In a quiet and cumulative way, 'Reform Express 2025' is sowing the seeds of the next phase of India's double-digit growth

Better legislation

Embracing trust-based governance, Parliament passed the Repealing and Amending Bill 2025, clearing out 71 obsolete Acts that had outlived their purpose. Ease of doing business also moved closer to the entrepreneur through district-level reform frameworks, including the District Business Reform Action Plan 2025, which seeks to make local administrations more responsive, predictable, and accountable.

A modern labour regime matters for scale, for manufacturing, and for a services economy that wants to formalise jobs while expanding social security coverage. With the four labour codes coming into effect from November 21, 2025, 29 central labour laws have been consolidated into a simpler framework covering wages, industrial relations, social security and workplace safety.

The Securities Markets Code Bill was introduced to modernise securities law and strengthen the Securities and Exchange Board of India's investigative and enforcement capacity, with proposals for specialised market courts, stronger information sharing with regulators, and time-bound grievance redress. At a moment when retail participation has expanded and India is drawing larger global portfolio interest, regulatory clarity becomes part of national competitiveness, helping savings flow into productive investment.

Logistics is where reform becomes visible in costs, and 2025 saw a push to modernise the maritime backbone of trade. Nearly 95% of India's trade by volume and about 70% by value moves through maritime routes, so port and shipping efficiency is a competitiveness issue. The Indian Ports Act, 2025 replaced a colonial-era framework and introduced modern governance tools, including state-level dispute resolution, a statutory coordination council, and stronger norms on safety, disaster readiness and environmental preparedness. The Merchant Shipping Act, 2025 and the Carriage of Goods by Sea Act, 2025 further modernised shipping law, updating rules, liabilities and dispute frameworks to reflect contemporary commerce.

The Cabinet approved a package of ₹69,725 crore to strengthen shipbuilding, including a Maritime Development Fund of ₹25,000 crore and components for financial assistance and development, points to a larger ambition: build industrial depth, reduce dependence, and keep freight value within India over time. This is industrial policy in the classic sense, creating an ecosystem where private capital can enter with a clearer risk framework, and where jobs are created not only in ports but across shipyards, components, engineering, and services.

A focus on energy

Energy reforms, too, were designed for long cycle investment. The Oilfields (Regulation and Development) Amendment Act, 2025 and the new Petroleum and Natural Gas Rules 2025 sought to reduce investor risk by emphasising stability of terms during the life of a lease, moving toward a single petroleum lease across the project life cycle, and putting clearer timelines on approvals. The Open Acreage Licensing Policy continued widening the exploration map, with Round X offering 25 blocks across about 0.2 million square kilometres, predominantly offshore, including deepwater and ultra deepwater opportunities. Alongside this, the National Deep Water Exploration Mission signalled a strategic focus on domestic resources, technology, and capability in complex exploration.

Reform Express 2025 also carried a strategic energy and technology dimension. Budget 2025 set out a Nuclear Energy Mission with an outlay of ₹20,000 crore to accelerate small modular reactors and other advanced designs, aligned with the national objective of reaching 100 GW of nuclear capacity by 2047, and a target of five indigenously designed operational small modular reactors by 2033. The Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Bill is a huge leap for modernising India's civil nuclear framework and opening a pathway for carefully regulated private participation. Nuclear energy adds firm, low carbon power to the grid, and strengthens India's ability to build advanced manufacturing, data infrastructure, and energy intensive industry with greater confidence.

Put together, these reforms show a pattern: clean up the statute book, decriminalise the trivial, modernise labour compliance, strengthen market governance, digitise trade processes, fix logistics, and de-risk long cycle energy investment.

Prime Minister Narendra Modi has consistently argued that the state's job is to reduce the burden on entrepreneurs so that productivity can compound. That is the strategic meaning of Reform Express 2025. The seeds of the next phase of double-digit growth are sown in this quiet, cumulative work, and India is doing it with a steadiness that many economies have lost.

Invalidate all forms of unilateral talaq

A. Faizur Rahman

is an independent researcher and the Secretary-General of the Chennai-based Islamic Forum for the Promotion of Moderate Thought

On November 19, 2025, in *Benazeer Heena vs Union of India and Ors.*, a three-judge Bench of the Supreme Court of India comprising Justices Surya Kant, Ujjal Bhuyan and N. Kotiswar Singh, expressed strong reservations about *talaq-e-hasan*, a practice that allows a Muslim man to divorce his wife by pronouncing *talaq* once a month for three consecutive months during *tuhr*, the period of a woman's ritual purity between menstrual cycles. The divorce becomes irrevocable upon the third pronouncement, unless it is withdrawn earlier.

In Heena's case, the husband had communicated th*e talaq-e-hasan* through his advocate without signing the document himself. The Court was visibly disturbed by the fact that advocates were granting divorces and remarked: "Tomorrow, what will happen if a client disowns the advocate?... Should a civilized society allow this kind of practice?"

A contract between equals

The concern of the judges was entirely justified, for the *Koran* does not grant men a superior status that entitles them to unilaterally dissolve a marriage either directly or through their agents. This is because, unlike traditions that treat marriage as an indissoluble sacrament, Islam views it as a firm but dissoluble contract between two equals.

The *Koran* uses two legally perceptive terms for marriage – *uqdatan-nikah* (2:235, 2:237), which means the "bond of marriage", and *meesaaqan ghaleean* (4:21), a solemn covenant between a man and a woman that enables them to live together in intimate companionship.

From a contemporary standpoint, these terms parallel the modern prenuptial contract, and thus demand that both spouses be consenting adults acting freely and with full knowledge. The underlying premise is one of equality between two autonomous persons, which negates any hierarchical assumption that places the husband above the wife. For this reason, a unilateral termination of marriage by the husband is impermissible in Islam. Such an act would also contravene the cardinal principle of natural justice, *nemo iudex in causa sua* (that no person may sit in judgment over his own dispute) which Islam upholds.

Only the *Koranic* process, which may be made gender-neutral, must be retained

The *Koranic* procedure

To guard against deviations from its egalitarian approach, the *Koran* treats divorce extensively in chapters 2, 4, and 65 – *al-Baqara*, *al-Nisa*, and *al-Talaq* – and stipulates four distinct conciliatory measures before the pronouncement of the first *talaq*.

First, it recommends (in 4:34-35) private resolution ('*izu hunna*). If this fails, the next step is temporary physical separation (*uhjuru hunna*). Should discord continue, the husband is advised, as a third step, to communicate clearly to his wife *(izribu hunna)* the seriousness of the dispute and attempt to repair the relationship.

For instance, he may tell his wife that unresolved tensions could escalate into public gossip, potentially harming the family. If reconciliation still remains elusive, the *Koran*, as a fourth step, instructs that the issue be brought before two arbiters from the families of both spouses.

Only after all four steps fail is the first *talaq* permitted, followed by *iddah* (2:228-232; 65:1-4). Within *iddah* – three menstrual cycles per 2:228, 229 – no more than two *talaqs* may be issued. For post-menopausal or amenorrhoeic women, *iddah* lasts three months; for pregnant women, it extends until childbirth (65:4).

If reconciliation does not occur during *iddah*, the final irrevocable *talaq* may be issued after *iddah* ends (2:231). Once pronounced, the final *talaq* terminates the marital relationship completely.

However, even after the lapse of *iddah*, the Koran permits reunion if the final *talaq* has not been invoked: "When you divorce women and they complete their term [*iddah*], do not prevent them from marrying their [former] husbands if they mutually agree on equitable terms" (2:232). In other words, after *iddah*, the couple may either re-contract the marriage on fresh terms or pursue permanent dissolution effected through the third and final *talaq*, declared before two witnesses (65:2).

This is the only *talaq* procedure authorised by the *Koran* and exemplified by the Prophet. It applies to both men and women, consistent with Islam's prohibition of gender-based discrimination. Accordingly, all other modes of divorce, including *talaq-e-bid'a*, *talaq-e-hasan*, *talaq-e-ahsan*, and *talaq-e-tafweed*, find no support in the *Koran* or the *hadith*.

They originate in *fatawa* traditions crafted by sectarian jurists who, shaped by entrenched patriarchy, rejected women's autonomy and legal personhood. Their stance is starkly reflected in their validation of *talaq-e-hasan*, which permits a husband to dissolve a marriage through an appointed agent (*vakeel*) under the concept of *tawkeel* (agency) – a notion wholly unsupported by *Koranic* or Prophetic precedent and deeply demeaning to women

An overview

The Supreme Court would thus be on firm constitutional and Islamic footing were it to strike down all unilateral divorce practices available exclusively to Muslim men, retaining only the *Koranic* process, which may be made gender-neutral.

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LETTERS TO THE EDITOR

The Congress, path ahead

Senior Congress leader Digvijay Singh's sudden but indirect dig at the Congress culture of adhering to one upmanship or bowing to the diktats of a family can only be taken with a pinch of salt (Inside pages, December 29). Top Congressmen, and this includes Mr. Digvijay Singh, have all along been content with paying obeisance to one family. It paid them dividends in the form of influential posts in the organisation and at the governmental level. Congressmen at the grass-root levels have been made to believe, erroneously, that being subservient to one family is the only way to survive. The sudden rethink about the party's path is because the results of many an election are not favourable to the party. Another senior Congressman, Shashi Tharoor, has already taken the lead in expressing his views in a discreet manner. The Congress is now caught in its own web largely because of its own actions. It will take ages for Congressmen to extricate themselves from this rot and transform the party into one that is run in a truly democratic manner.

V. Subramanian,
Chennai

Ironically, the issues raised by both leaders — which is to strengthen the Congress's grass-root level organisation — seems to have fallen in deaf ears. The Gandhi family, especially Rahul Gandhi, has time and again failed to win election after elections . Mr. Gandhi's undignified and personal attacks on the Prime Minister have also backfired. It is time senior members of the Congress Party take the front seat, ensure that the voices of the grass-root workers are heard, and plan realistic strategies to win elections.

N. Mahadevan,
Chennai

The messaging

The Prime Minister attending Christmas service at a church in Delhi, but maintaining a stony silence amid concerns over attacks targeting churches and prayer meets exposes the dichotomy and duplicity of the BJP leadership. Mere lip service, photo ops and decorous solemnity at religious ceremonies are nothing but appeasement politics. The deadly cocktail of mixing religion and politics has seen unrest and violence in our neighbouring countries. It is prudent we learn from their mistakes and make necessary corrections.

Dr. Biju C. Mathew,
Thiruvananthapuram

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

Why inclusion drives business growth

Harish Iyer
equal rights activist and head, Diversity Equity and Inclusion, Axis Bank

Last month, the U.S. Supreme Court refused to revisit its decade-old ruling in *Obergefell v. Hodges* legalising same-sex marriage. It turned away an appeal by Kim Davis, a former court clerk, who had been ordered by a lower court to pay compensation to a same-sex couple after refusing to grant them a marriage licence. Ms. Davis had argued that same-sex marriage conflicted with her beliefs as an Apostolic Christian.

The Supreme Court's decision reminded us that equality, though contested, has firm foundations. Yet, the real shift is not happening only in courtrooms; it is unfolding in boardrooms as well. Legal skirmishes may linger, but markets have already moved. The LGBTQIA+ community is no longer a niche; it is a global consumer force shaping trends, driving loyalty, and rewriting brand narratives, even as society wrestles with the complexities of representation and acceptance.

And beyond the ethical imperative of inclusion, there is a compelling business case, rooted in economic impact and consumer behaviour, for companies to deeply engage with and prioritise the LGBTQIA+ consumer base. With an estimated $3.9 trillion in yearly spending power worldwide, the message is clear: businesses that fail to authentically engage this market risk falling behind.

The lucrative rainbow market

As it stands, the exclusion and discrimination faced by LGBTQIA+ individuals carry a substantial economic burden, impacting national economies and stifling human potential. Research, such as studies by the World Bank, has illuminated these tangible costs. In India, homophobia and LGBTQIA+ exclusion are estimated to cost the economy between 0.1% and 1.7% of its GDP. This significant figure stems from various channels, including health disparities and labour-related losses.

However, despite the confines, the community remains strong as a consumer. Often referred to as the "pink economy" or "rainbow market," the economic influence of India's LGBTQIA+ community represents one of the most significant, yet under-recognised, market opportunities in the country's development story. Estimates suggest India is home to approximately 135 million LGBTQIA+ individuals, representing nearly 10% of the nation's 1.4 billion people. What makes this community particularly noteworthy is its remarkable purchasing power, estimated at $168 billion in nominal GDP terms. This is an economic force comparable to some of India's major industries, one that demands deeper understanding from businesses and policymakers alike.

Inclusive marketing goes beyond checking diversity boxes. It is about creating campaigns that reflect the world as it truly is. Today's consumers, especially younger generations, expect brands to not only acknowledge but celebrate differences in identity, culture, and experience. When companies embrace inclusion, they forge stronger emotional connections with their audience, turning passive buyers into passionate advocates. A workplace that visibly champions inclusion attracts and retains top talent, fostering a culture where employees feel valued and motivated. Brands that take meaningful action beyond designated periods show genuine respect for the community, not just as a cause, but as a valued consumer segment.

Non-performative allyship

Global consumer sentiment toward brands promoting LGBTQIA+ rights has shown a notable shift in recent years. Between 2021 and 2025, support for companies actively advocating for LGBTQIA+ equality declined from 49% to 41% across 23 surveyed markets, as per Ipsos LGBT+ Pride Report 2025. This 8% point drop coincides with a rise in opposition, which grew from 16% to 23% during the same period.

Several factors may be contributing to this trend. While seasonal advertising, such as Pride Month campaigns in June, has traditionally been a key moment for brands to engage with LGBTQIA+ audiences, there is growing fatigue around what many perceive as performative efforts that lack substantive, year-round commitment. This shift, though, should not be interpreted as declining support for LGBTQIA+ rights. Rather, it reflects changing consumer expectations about corporate social responsibility and concrete action. It is important to recognise that the LGBTQIA+ community represents a valuable consumer segment that, like any other, deserves consistent engagement beyond seasonal visibility.

So, what does genuine inclusion look like in practice? First, it requires representation in advertising and product development. Second, it demands corporate advocacy. Finally, and perhaps most important, inclusion must extend beyond marketing and into corporate policies. This means offering trans-inclusive healthcare, supporting LGBTQIA+ employee resource groups, and continuing to be an active advocate especially when the legislative winds blow in another direction. LGBTQIA+ consumers value conscience, commitment, and clarity. When internal practices align with external messaging, brands build trust – and trust drives loyalty. This viewpoint suggests that the era of easy wins through LGBTQIA+ marketing may be ending, but the potential for meaningful brand differentiation through authentic inclusion remains significant.

The Kim Davis case reinforces a powerful truth: progress may face resistance, but equality continues to hold firm. For businesses, this is a reminder that inclusion is not a seasonal gesture but a strategic imperative.

Progress may face resistance, but equality continues to hold firm. For businesses, this is a reminder that inclusion is not a seasonal gesture but a strategic imperative

Back in the game in Punjab

The SAD's revival and its possible alliance with the BJP could change equations

STATE OF PLAY

Vikas Vasudeva
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The ruling Aam Aadmi Party's (AAP) victory in Punjab's recent Zila Parishad (district council) and Panchayat Samiti (block council) elections was not surprising. Yet, the results show a shifting political landscape. They indicate that the Congress, the principal Opposition party in the State, may no longer be the obvious challenger to the AAP. The stronger-than-anticipated performance of the Shiromani Akali Dal (SAD) signals its emergence as a serious contender in the 2027 Assembly elections.

The results for the rural body polls, held on December 14 to elect the members from the 346 zones of 22 Zila Parishads, showed the AAP capturing 218 zones. The Congress won 62, the SAD 46, the Bharatiya Janata Party (BJP) seven, the Bahujan Samaj Party (BSP) three, and independents 10. In the polls held in 2,834 zones of 153 Panchayat Samitis, the AAP won 1,529, the Congress 611, the SAD 449, the BJP 73, the BSP 28, and independents 144. The AAP has termed the results as a reflection of the people's trust in its government, while the Opposition parties have accused it of misusing its power during the polls.

The rural body poll results, following last month's Tarn Taran Assembly bypoll, suggest that the SAD is steadily regaining electoral ground and positioning itself as a credible contender for 2027. Meanwhile, the Congress, which appeared poised to be AAP's main challenger after its strong 2024 Lok Sabha performance, can no longer take electoral success for granted. The momentum that seemed to be building in its favour appears to be fading. For the SAD, which suffered crushing defeats in the 2017 and 2022 Assembly elections and the 2024 Lok Sabha polls, the tally may be modest, but the gains represent meaningful progress towards the century-old party's political rehabilitation.

Punjab's 2027 Assembly election could witness a far more compelling and unpredictable contest if the SAD and the BJP decide to resurrect their once-formidable alliance. For the BJP, the dismal showing in the polls serves as a stark reminder that its own electoral machinery remains insufficient to penetrate Punjab's hinterland. Clearly, the people are not ready for the party and the political terrain is far from receptive to the BJP's solo ambitions. Given this situation, an alliance may be an option for it to consider. The electoral arithmetic presents a compelling case for reconciliation as the BJP has a substantial voter base in Punjab's urban centres, industrial towns, and semi-urban constituencies, while the SAD has deep roots and enjoys organisational strength across the State's rural regions.

Recently, the BJP's national executive member, Capt. Amarinder Singh, advocated for an alliance between the two former partners. Those in political circles are watching the situation closely as there is speculation every now and then about the SAD and the BJP potentially joining hands again ahead of the Assembly elections. Earlier, the BJP State president, Sunil Jakhar, a former Congressman, had also favoured the idea of an alliance. But not everyone in the party is on the same page over this, and there is a reason for it. Over the years, the BJP has contested electoral battles in Punjab as a 'junior partner' in an alliance with the SAD. The old guard in the party's State unit believe that this restricted the BJP's growth beyond urban centres. After the SAD quit the alliance, the BJP has been pushing for its expansion across the State. At this point, reviving an alliance with the SAD would amount to relinquishing the autonomy the BJP fought so hard to establish.

The SAD and the BJP were alliance partners from 1996. However, when controversy broke out over the Centre's farm laws (which were later repealed), the SAD, one of the BJP's oldest allies, decided to break away from the National Democratic Alliance (NDA) in 2020. Since then, both the parties have been struggling independently in Punjab's complex political landscape.

The AAP, which swept to power in Punjab in 2022 by positioning itself as an alternative to traditional parties, will face a different challenge in 2027. This time, it would be assessed by the people on its performance and governance record rather than its novelty factor, which played a key role in its previous victory. Moreover, with the SAD showing signs of revival, and with there being a possibility of the SAD and the BJP joining hands before the polls, the AAP could face formidable obstacles in its bid to retain power.

A puzzling industrial credit-growth disconnect in FY17-FY19

The divergence provides some credence to the claim that industrial GDP is overestimated in the current NAS series

DATA POINT

Vikash Vaibhav

The Indian banking sector plays a critical role in industrial growth. It channelises household savings to provide funds to firms at affordable rates. A review of the growth of credit to industries shows four facts and a puzzling observation.

Fact 1: The share of industrial credit in total bank credit has declined from 42% in 2013 to 23% in 2024 (**Chart 1**). Such a decline is unprecedented in half a century. Credit to the services sector has benefited at the expense of industrial credit. This is largely driven by personal loans, which surpassed industrial credit share recently.

Fact 2: The nominal growth of Industrial credit has been abysmal in the last decade. During 2014-24, the compound annual growth rate was 4.1% (**Chart 2A**). Growth was 16% during 1974-90, 14% during 1990-04, and 23% in 2004-14. This pattern holds if we exclude the post-COVID-19 pandemic years. Growth was 4.1% for 2014-19.

Fact 3: This observation holds if we disaggregate the growth rates based on regions. The three most industrialised regions – western, southern, and northern (**Chart 2B**) – saw lesser growth than the India average. The higher than average growth for the central and northeastern regions (**Chart 2C**) is likely on account of their lower industrial credit share. This pattern holds when we look across industry groups. None of the broad industry groups saw credit growth in double digits in 2014-24 (**Chart 4**). Compared to this, 2004-14 saw the credit growth of each industry group in double digits.

Fact 4: The bank credit as a proportion of India's GDP, a measure of financial deepening, increased impressively during the late 1990s (about 20%) and the early 2010s (over 50%). Since then it has hovered between the 50%-55% range. A higher credit/GDP ratio is not unheard of: Japan (about 1.2), China (about 1.9), South Africa (about 0.9) and Brazil (about 0.75). This stagnancy, when seen with the declining share of industrial credit does not paint an optimistic picture.

The puzzle: **Chart 3** illustrates a consistent co-movement between industrial GDP growth and the growth of the formal manufacturing sector (GVA-ASI). However, these two metrics diverged during the three-year period between 2016-17 and 2018-19. While industrial credit slowed and GVA-ASI showed an expected downturn, industrial GDP remained puzzlingly constant. This decoupling represents a significant anomaly.

The historical relationship between industrial credit and industrial growth has been remarkably consistent. Over the last four decades (1981-2024), the correlation between industrial credit and ASI-GVA growth stood at 0.45. In more recent decades, this bond has only tightened: rising to 0.56 between 2000 and 2024, and 0.63 since 2004. Most notably, in the pre-pandemic window (2004-2020), the correlation reached a striking 0.82. So, under normal economic conditions, bank credit and industrial output move almost in lockstep. It is against this backdrop of long-term stability that the 2016-2019 decoupling becomes so significant. This pattern provides some credence to an overestimation of industrial GDP in the current NAS series (2011-12), as has been argued by some economists. The team working on the new revision may take note of this, especially in light of the IMF downgrading India's GDP estimates to 'C' status. The causes of the decline in industrial credit growth in the last decade require a deeper probe.

The writer teaches at the School of Liberal Arts and Humanities, O.P. Jindal Global University, Sonipat. *The comments by Professor R. Nagaraj and Prof. A. Kalaiyarasan are acknowledged.*

Notable divergence

The data for the charts were sourced from Basic Statistical returns published by the Reserve Bank of India and EPWRF (Banking sector statistics)

CHART 1: Sectoral credit deployment as a share of total credit since 1973. Figures in %

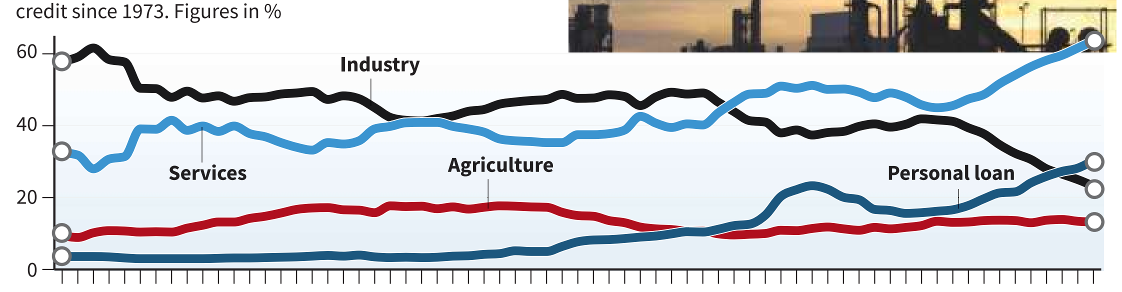


CHART 2: Industrial Credit growth (CAGR): all-India and six banking regions

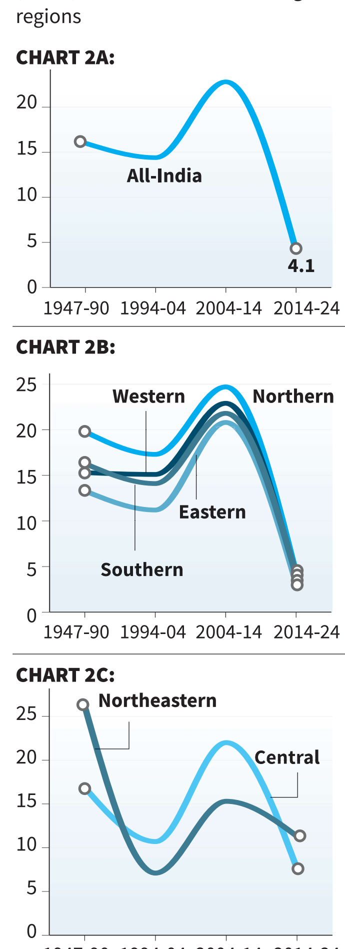


CHART 3: Annual growth (Nominal): industrial credit, ASI-GVA, and Industrial GDP

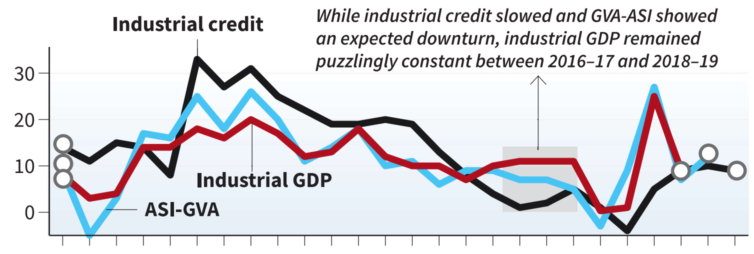


CHART 4: Bank Credit growth (CAGR) across industry groups

	2004-14	2014-24
1. Mining and quarrying	18.2	3.5
2. Food manufacturing and processing	20.9	6.9
3. Beverages and tobacco	17.6	5.5
4. Textiles	17.9	3
5. Paper, products and printing	18.1	4.3
6. Wood and wood products*	16.3	6.9
7. Leather and leather products	12.4	3
8. Gems and jewellery*	24.7	1.2
10. Chemical and products	15.9	5.3
11. Petroleum, coal products and nuclear fuel	26.9	3.4
12. Manufacturing of cement and cement products	22.8	1.8
13. Basic metals and metal products	25.9	0.6
14. Engineering	19.2	3.7
15. Vehicles, vehicle parts and transport equipment	18.8	3.4
16. Other industries	11.4	6.9
17. Electricity, gas and water	29	5.8
18. Construction	32.5	4
9+19. Rubber and plastic products	17.8	8.3

*CAGR computed for 2009-14 when written under column 2004-14

FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO DECEMBER 30, 1975

Correctional methods: Value of probation

Madras, Dec. 29: Mr. V.R. Krishna Iyer, Judge of the Supreme Court, to-day said that awarding jail sentence to an offender should be the last thing and the best alternative was probation. The fewer the persons sent to prison the better for the country, he said.

Addressing a gathering of Probation Officers, Magistrates, Police officials and social workers under the auspices of the Tamil Nadu Probation and Correctional Association at the Police Commissioner's office, Egmore, he said everyone interested in the penology of the country should accept as the foundation three things. They were: that every man was born good and only due to provocation and circumstances one lapsed into crime; that "once a criminal always a criminal" was absolutely wrong; and that if the society had made a person a criminal it was the obligation of the same society to reform him into the path of virtue.

Mr. Krishna Iyer felt that the Probation Act had not been taken serious note of in the country and there was more reliance on the penal code. This pointed to the need for deeper understanding of the philosophy and techniques of probation and to achieve all those concerned in the administration of criminal justice. Even the judges had to be educated. "It is time that colleges for judges are started in the country," he said and added that in the U.S. a few such colleges existed.

Mr. Ramaprasada Rao, Judge of the Madras High Court, who presided said in the field of administration of criminal justice the probation officers provided the necessary guidelines to the judicial mind in sentencing the criminal.

A HUNDRED YEARS AGO DECEMBER 30, 1925

Broadcasting

Leafield (Oxford), Dec. 30: A notable feature of the New Year Eve's celebrations will be the exchange of greetings between the old world and the new. This has been arranged by the Radio Corporation of America and the British Broadcasting Company. As midnight approaches, messages of goodwill will be broadcasted from this country to America and will be relayed throughout the United States. America will reply with greetings which will be broadcasted from all stations in the British Isles.

Text&Context

THE HINDU

NEWS IN NUMBERS

International travellers to be affected by China's drills

1 In lakh. China's military dispatched air, navy and rocket troops to conduct military drills around Taiwan, a move Beijing called a "stern warning" against separatist and "external interference" forces. Taiwan called Chinese government "the biggest destroyer of peace." PTI

Jute acreage during the Kharif season as of late September

5.56 In lakh hectares. The jute industry went through another year of crisis with a sharp raw material shortage, record-high prices and a growing dependence on plastic bags for food grain packaging, unsettling the sector. PTI

Number of drones flown by Cambodia over Thailand

250 Thailand's army on Monday accused Cambodia of violating a newly signed ceasefire agreement, reached after weeks of deadly border clashes, by flying more than 250 drones over its territory. AFP

Percentage increase in India's export to Australia in 2024-25

8 in per cent. Commerce and Industry Minister Piyush Goyal said on Monday that from January 1 next year, 100% Australian product categories will be duty-free for Indian exports. He also said India's exports to Australia rose 8% in 2024-25. PTI

Amount pledged by U.S. in humanitarian support to the UN

2 in $ billion. The United States has made a $2 billion pledge for UN humanitarian aid, a U.S. State Department official said on Monday, following major foreign aid cuts by the Trump administration in 2025. REUTERS

COMPILED BY THE HINDU DATA TEAM

Why is Myanmar voting amid conflict?

Why is the Tatmadaw pushing ahead with elections despite instability? Which major parties are absent from the contest, and why? How does the electoral system favour the military's dominance? What has been the international response to the elections?

EXPLAINER

Sanjay Pulipaka

The story so far:

After the February 2021 coup, the Myanmar military (Tatmadaw) promised to hold elections and restore civilian governance quickly. Even after four years and 10 months, the Tatmadaw has not established stable political conditions. And yet, it is conducting three-phase elections for the Union Parliament and provincial legislatures. The first phase was held on December 28, while the second and third phases are scheduled for January 11 and January 25 next year.

What is the context in which the elections are being held?

The elections are taking place in a highly stressed political context. After the coup, the civilian leadership, despite a massive electoral victory in the 2020 elections, is under detention, which includes State Counsellor and Chairperson of the National League for Democracy (NLD) Aung San Suu Kyi, leaders from various political parties, and democracy activists. The Tatmadaw also reconstituted the Union Election Commission (UEC) with personnel favourably disposed towards it.

The coup prompted an armed resistance movement led by the People's Defence Forces and Ethnic Armed Organisations (EAOs). Despite deploying harsh military tactics, including against the civilian population, the Tatmadaw has lost control of large parts of the country. For instance, in Rakhine province, the Arakan Army controls large areas, whereas the Tatmadaw holds urban centres such as the Sittwe port.

According to the UEC, elections will not be conducted in nine parliamentary constituencies of the Pyithu Hluttaw (lower house), two parliamentary constituencies of the Amyotha Hluttaw (upper house), and nine constituencies of the Region/State Hluttaw (provincial legislatures) due to the prevailing security situation. It should be noted that even in constituencies where the Tatmadaw claims to organise elections, large tracts of rural areas are not witnessing polling.

Even in areas where the military's writ runs, it is resorting to coercive tactics to quell criticism of the elections. Approximately 229 people were arrested under the Election Protection Law, enacted in July 2025. Unlike previous elections, the Tatmadaw is using electronic voting machines. Given the history of blatant tampering with the electoral process, the use of machine-based voting will not inspire much confidence.

Due to political instability and the consequent economic hardships, large numbers of people have migrated out of Myanmar. Specifically, many young people have fled the country to avoid conscription. Given that the election outcomes are perceived to be predetermined, there is little incentive for migrants to return to participate in the electoral process. Not surprisingly, voter turnout in the first phase of the election was very low.

Which parties are contesting the elections?

According to the UEC, six national parties and 51 provincial parties are registered to contest the elections. With its leadership under prolonged detention and its refusal to register under the new, stringent Political Parties Registration Law, the NLD, the largest party, was dissolved by the UEC.

In addition to the NLD, other parties with a strong regional presence are also

Under control: Voters line up to cast their ballots at a polling station in Naypyidaw, Myanmar, on December 28. AP

The status of a few major parties

	Seats won in 2020 elections (lower house)	Status in 2025 elections
National League for Democracy (NLD)	258	Deregistered
Union Solidarity and Development Party (USDP)	26	Contesting
Shan Nationalities League for Democracy (SNLD)	13	Deregistered
Arakan National Party (ANP)	4	Deregistered
Ta'ang National Party (TNP)	3	Deregistered
Pa-O National Organisation (PNO)	3	Contesting
Kayah State Democratic Party (KySDP)	2	Deregistered

not contesting the elections. For instance, in Rakhine province, where the Tatmadaw's ability to organise elections is minimal, the Arakan National Party's (ANP) application for re-registration was rejected by the UEC. A similar fate also befell the Shan Nationalities League for Democracy (SNLD) and a few other parties. With the deregistration of large national and regional parties, military-supported parties such as the Union Solidarity and Development Party (USDP) have no genuine competitors.

Furthermore, resource constraints are unlikely to allow other parties to contest a large number of seats. Only the USDP has the wherewithal to contest the largest number of seats, and it is likely to emerge as the largest party. Even prior to the election, it is estimated that the USDP is winning more than two dozen parliamentary constituencies uncontested. Early reports from the first phase also hint at USDP wins.

There are other parties, such as the National Unity Party (NUP), which also receive support from the military. Given that the military has 25% of the seats in the legislature and military-dominated parties will also have a stronger presence, the Tatmadaw will be in complete control of the legislative agenda.

How does the electoral system and reform agenda shape the outcome?

The current elections are being held under a first-past-the-post (FPTP) and proportional representation (PR) systems. The lower house will elect representatives under the FPTP system. On the other hand, the upper house and State legislatures will elect representatives under PR as well as under the FPTP.

The Tatmadaw deployed a proportional representation system to ensure that no party secures a significant majority of elected seats in both houses of Parliament, as the NLD did in 2015 and 2020. A fragmented verdict will make constitutional reform difficult, as no single party will have sufficient numbers, and 25% of legislative seats are reserved for the military.

Some argue that the 2025-26 general elections may herald a reform process similar to that following the 2010 elections. Post the 2010 polls, President Thein Sein, a former military general in civilian clothes, introduced significant political and governance reforms. However, the current military leadership perceives that these reforms laid the foundation for the NLD's landslide victories in 2015 and 2020. Therefore, it is unlikely that the military will countenance the rise of another reformist military general. Furthermore, many contend that Mr. Thein Sein's reforms were calibrated and never intended to undermine the military's dominance within the governance structure.

How has the international community responded?

These elections are neither aimed at reforming the political process nor at ascertaining the will of the people. Instead, they represent a desperate attempt to secure legitimacy for the Tatmadaw in both domestic and international politics. ASEAN has refused to allow Myanmar military leaders to represent their country at its summit meetings. Consequently, the Tatmadaw deputed civilian leaders to these meetings. The military leaders hope that the formation of a government led by personnel in civilian clothing after the elections may help overcome such diplomatic embarrassments.

However, the elections have elicited criticism from some members of the international community. The spokesperson for the UN High Commissioner for Human Rights has stated that the elections may contribute to further polarisation throughout the country. Japan has expressed concern that holding elections without releasing political prisoners could aggravate the situation. Australia and the European Union noted that the elections cannot be termed as free, fair, and inclusive.

On the other hand, China and Russia, which have strong relations with the Tatmadaw, have dispatched election observers to Myanmar.

While the United States has always called for democracy in Myanmar, there are concerns that President Donald Trump may dilute such an approach. A few months ago, the U.S. Treasury Department lifted sanctions on firms and individuals perceived to be close to the Tatmadaw leadership. Despite U.S. authorities noting that the removal constituted the 'ordinary course of business,' many Myanmar observers expressed disappointment. There is an apprehension that President Trump may be prioritising access to rare earth minerals in Myanmar.

What lies ahead?

If Myanmar is to experience peace and prosperity, it would require a genuine democratic framework, which is informed by principles of federalism and decentralisation. However, such a political project would require resolving ethnic conflict and carefully navigating contemporary geopolitics.

Sanjay Pulipaka is the Chairperson of the Politeia Research Foundation. The views expressed here are personal.

THE GIST

- Despite failing to establish stable political conditions after the February 2021 coup, the Tatmadaw is pressing ahead with a three-phase election.
- Major national and regional parties, including the NLD, have been dissolved or excluded, while military-supported parties face no genuine competition, ensuring that the Tatmadaw retains firm control over the legislative agenda.
- The elections are widely viewed as an attempt to secure domestic and international legitimacy rather than to ascertain the will of the people, drawing criticism from the UN, Japan, Australia, and the EU, even as China and Russia engage with the process.

EXPLAINER

What is the India-New Zealand Free Trade Agreement?

What zero-duty access will India get, and how much FDI is New Zealand committing to by 2030? Which sectors in New Zealand have criticised the deal? Why is India accelerating FTAs with countries? How will labour-intensive sectors like textiles, leather, gems, and processed foods benefit?

Saee Pande

The story so far:
The recent India-New Zealand Free Trade Agreement (FTA) was concluded in December, under which New Zealand will levy zero duty on 100% of India's exports and bring in $20 billion in Foreign Direct Investment (FDI) by 2030.

What are the key bargains?
India will receive zero-duty market access for all its exports to New Zealand. In return, India will relax tariffs on 95% of imports from New Zealand, with 57% of these products becoming duty-free from day one.

New Zealand has committed to investing $20 billion in India over the next 15 years, with firm clawback mechanisms in case the investment doesn't meet the stipulated timeline. The FDI is aimed at promoting skill mobility and services, creating employment and growth opportunities across 118 sectors. For the first time, New Zealand has agreed to facilitate trade in Ayurveda, yoga, and traditional medicine services with India.

The deal also makes provisions for the support and mobility of Indian skilled workers. Youth, students, and professionals will find it easier to live and work in New Zealand.

The FTA creates opportunities for India to become a key supplier of skilled workforce in services such as IT professionals, Engineers, Yoga instructors, Indian chefs, Music teachers, as well as in sectors including healthcare, education, and construction.

Student mobility, work permits of up to 20 hours per week while studying, and extended post-study work visas are some of the opportunities for Indian youth to get global exposure.

The agreement also builds on MSMEs and employment opportunities through labour-intensive sectors, including textiles and apparel, leather and footwear, gems and jewellery, engineering goods, and processed food items.

Strong ties: Prime Minister of New Zealand, Christopher Luxon and Prime Minister Narendra Modi on March 17. SHIV KUMAR PUSHPAKAR

Which sectors has India kept outside the agreement?
India has refused to give market access to major items crucial to New Zealand, such as dairy and agricultural products, including milk, cheese, cream, butter, yogurt, onions, sugar, edible oils, spices, and rubber, in order to protect Indian farmers and small and medium industries.

New Zealand will develop focused action plans to develop and improve productivity, quality, and sectoral capabilities for fruit growers in India, particularly for exotic fruits like kiwifruit, apples, and honey. This cooperation will ensure the establishment of centres of excellence, improved planting material, capacity building for growers, technical support for orchard management, post-harvest practices, supply chains, and food safety.

Why is the FTA important?
More than a breakthrough, the India-New Zealand FTA is a framework for deeper cooperation in the future. It is India's conscious move to increase its global economic footprint. Trade diversification demands a deep and deliberate transformation of the country's productive sector and integration into global value chains.

The India-New Zealand FTA is hailed for being the fastest concluded, completed in a record time of nine months after being announced in March 2025. It enhances market access and tariff preferences for Indian exports to New Zealand, while proving to be a gateway to Oceania and Pacific Island markets. Standing at $49,380, New Zealand is among the higher-income economies in Oceania.

The Indian diaspora in New Zealand constitutes 5% of its population, which amounts to 3,00,000 persons. This creates a promising exchange and opens opportunities for soft power politics between the two nations.

Currently, India's bilateral merchandise trade with New Zealand stands at $1.3 billion. The deal aims to double this figure over the next five years.

India has instated strict safeguards to protect its sensitive sectors, like agriculture and dairy, from one of the world's largest dairy exporters.

This is also one of the first FTAs negotiated and concluded entirely by a women-led and women-driven team, from the chief negotiating officer to the ambassador to New Zealand.

Why is India accelerating new FTAs?
By engaging with the Pacific, West Asia, and Africa as trade partners, India is leveraging its position and promoting realignments through bilateral engagements and FTAs.

FTAs provide a platform to pursue unique and region-specific commitments, creating room for WTO-plus commitments, especially in areas like services, digital trade, and investment. Diversification of trade partners means that India doesn't have to be dependent on traditional markets such as the EU, the U.S., and China.

FTAs are aligned with India's development goals and policies, such as Make in India, and securing India's sensitive sectors through technology transfers and production-induced incentive schemes that can help in aligning Indian manufacturing with the global value chains.

India is currently determined to materialise FTAs with several countries, including Russia, Oman, the U.K., and New Zealand, in spite of its not-so-successful past FTA engagements. This points to India's attempt at securing strategic and geopolitical alliances via economic and trade liberalisation.

This is India's third FTA this year, after agreements with the U.K. and Oman. It is a part of a broad strategy that India is determined to take forward after the U.S. imposed steep tariffs. A large chunk of India's trade is U.S.-dependent. The bilateral trade between India and the U.S. stands at $132 billion, and changes in the tariffs by the U.S. really hurt India's trade.

India's exports to the U.S. declined sharply in September and October, dropping to 12% and 8.5%, respectively. The Indo-U.S. free trade deal is in slow progress, and 50% of the tariffs still remain unchanged. This has resulted in a departure from the U.S. and into an urgent need for diversification of India's trade policies and strategic alliances in order to attract greener trade pastures.

One of the main reasons for the stalling of the Indo-U.S. bilateral talks is India's steadfast policy of not opening up its farming and dairy sector to concessions in the FTA. India is thus making a substantial move from short-term economic partnerships to long-term trade alliances.

The India-New Zealand deal builds a structure that is more investor-friendly. India is willing to let go of its protectionist image by lowering trade barriers, promoting ease of business, and opening its markets. India's FTAs today go well beyond tariff reduction; they are more of a framework for future cooperation and economic alignment.

What criticisms does the agreement face?
This is New Zealand's first FTA that excludes dairy and agriculture from its purview, due to which it is heavily criticised in New Zealand by coalition partners of the current government. The Foreign Minister of New Zealand said that the deal is 'neither free nor fair' as it bypasses the dairy and agriculture sector, the country's largest industry, and added that they will vote against the bill when it comes to the floor in the New Zealand Parliament in 2026. India, on the other hand, assumes an easy passage to legislation.

In India, FTAs are criticised for widening trade deficits and generating asymmetric gains, as it has led to imports from partner countries growing faster than our exports. Although the safeguards established by the current India-New Zealand FTA claim to cover these risks and protect and promote India's sensitive sectors through manufacturing collaboration. The success of which will have to be determined as the implementation unfolds over the years.

What is the way forward?
Even though the India-New Zealand FTA is considered historic, it is important to learn from the trade agreements in the past, as many resulted in low yields.

India needs to invest in domestic competitiveness, meet global market standards and quality requirements, ensure strong rules of origin, define anti-dumping provisions, strengthen its sensitive sector and MSMEs and formulate them in line with global markets.

India also needs to invest in research and development for increasing quality and competitiveness of its products if it has to thrive in the global market.

Saee Pande is a freelance writer with a focus on politics, current affairs, international relations, and geopolitics

FROM THE ARCHIVES

Know your English

S. Upendran

I don't find the word 'dude' in the dictionary. What does it mean? (A. Sivaji, Malkajgiri, Hyderabad).
The word dude is not found in many dictionaries because it is considered slang. The word is often used to address one's male friends. For example, it is common to hear teenagers in the United States greet each other in the following manner. "Hey dude! What's up?". or "How is it going dude?". It can be used to refer to any man. Remember, the word 'dude' is considered slang, so do not use it on formal occasions.

Not everyone likes to be called a dude! Slang dictionaries list 'dudette' as the female of 'dude'. For example, Kalavathi is a female dudette. Dictionaries list this word, but I haven't heard anyone actually use the word 'dudette'.

What is the origin of the expression of 'to up the ante'? (K. N. Nair, Alwaye, Kerala)
This is an informal expression which is used quite a bit in gambling. When you up/raise the ante, you increase the stakes. It is common for people to play cards for money. In a card game like poker, a player puts money into a pot even before he has been dealt the cards. This amount of money which he contributes is called the 'ante'. When a player decides to 'up the ante', he puts more money into the pot; thereby increasing the stakes. The word 'ante' is from Latin meaning 'before'. The person puts in the money before he receives the cards, remember! Here are a few examples. When Ramdas joined the game, he upped the ante to Rs. 50,000. My friend wanted to up the ante, but I said nothing doing.

This expression is also used in contexts other than gambling as well. If you up the ante when you are involved in a dispute with someone, you usually increase the stakes.

By the way, the 'ante' in 'ante' is pronounced like the word 'ant'. The 'e' in the second syllable is pronounced like the 'i' in words like 'bit', 'hit' and 'fit'. The stress is on the first syllable.

What is the meaning of 'hype'? (Uma Devi Ramaswamy, Cochin, Kerala)
The word 'hype' rhymes with the words 'type', 'ripe' and 'pipe'. It has several different meanings. One of the meanings of the word 'hype' is to promote a product aggressively. There is a lot of hype nowadays whenever a new cola is launched. After all, image is everything, isn't it?

The word 'hype' also means to overpraise or give importance to someone or something. In other words, you try and make an event or a person seem better or more important than what he is.

What is the meaning of 'glitch'? (L. A. Ramanan, Palakkad, Kerala)
The word 'glitch', which rhymes with 'switch' and 'pitch' is usually defined as a small or minor fault in the working of something. The fault though minor, usually causes a lot of irritation. For example, the computer has developed a glitch. I would like you to look into it. We expected a few glitches, but everything went smoothly.

Published in The Hindu on February 16, 1999

THE DAILY QUIZ

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

Can you identify the locations based on the news events that unfolded in 2025?

Mohammed Hidhayat

QUESTION 1
Where did the summit between Donald Trump and Vladimir Putin take place?

QUESTION 2
The Prime Minister of this Western European country resigned after less than a month in office, only to be reinstated.

QUESTION 3
The Preah Vihear Temple remains a point of contention between which two Southeast Asian countries

QUESTION 4
Where did the mass shooting attack on tourists occur that led to a military escalation between India and Pakistan?

QUESTION 5
Which African city hosted this year's G-20 Summit?

QUESTION 6
Which country enforced the world's first social media ban for children under 16?

QUESTION 7
Where was the year's deadliest earthquake recorded?

QUESTION 8
The United Nations Security Council supported an autonomy plan for the disputed Western Sahara territory under the sovereignty of which country?

QUESTION 9
The 2025 Nobel Peace Prize winner was from this South American country.

QUESTION 10
This sparsely populated Arctic region was referenced in global discourse after a major power assigned it a special envoy.

Visual Question:
This narrow water body bordering the Arabian Peninsula appeared frequently in the news this year in connection with drone and missile attacks on commercial shipping. Can you name the strait? WIKIMEDIA COMMONS

Questions and Answers to the previous day's daily quiz: 1. Between which two big nations is Mongolia located? **Ans: Russia and China**
2. What is the 'Morin Khuur'? **Ans: It is a musical instrument with a horse's head that is traditionally carved into the top of the pegbox and featuring two strings**
3. Name the Capital of Mongolia and its meaning. **Ans: Ulaanbaatar, Red Hero**
4. How does one better know the famous warrior Temujin? **Ans: Genghis Khan**
5. What is the name of the traditional fermented mare's milk drink? **Ans: Airag**
6. Mazaalai's common name comes from a big feature. **Ans: Gobi Bear**
7. What do a 'deel' and a 'ger' mean to a Mongolian? **Ans: Deel is a traditional dress, while ger is a portable, round tent**
Visual: What is the symbol on the Mongolian National Flag called? **Ans: Soyombo**
Early Birds: K.N. Viswanathan | Arun Kumar Singh | Haridas Pal | Pranab Biswas | Sakshi Gupta

Word of the day

Terse:
Brief and to the point

Synonyms: short, concise, crisp

Usage: *He gave a terse answer and walked away.*

Pronunciation: newsth.live/tersepro

International Phonetic Alphabet: /tɜːs/

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

A twist in the tale: are scientists wrong about dark energy?

For proving that the expansion of the universe had speeded up, three scientists were awarded the 2011 physics Nobel Prize; a new study from Yonsei University has introduced a twist by suggesting that dark energy may actually be weakening, putting the brakes on the universe's acceleration

Prakash Chandra

All major discoveries in cosmology underline the maxim that the universe is not only stranger than we suppose but that it is stranger than we can suppose. The latest example of this is a study by researchers at the Yonsei University in South Korea that said the expansion of the universe is slowing down.

The study, published in *Notices of the Royal Astronomical Society* of November 6, is in sharp contrast to the standard model of the universe, called Lambda-Cold Dark Matter (LCDM), which speaks of an accelerating universe.

The Hubble space telescope's view of the galaxy in 2018. The type Ia supernova SN 2018gv is visible near the left edge. ESA/HUBBLE & NASA, A. RIESS AND SH0ES

Mysterious force

Accepted theory says the universe began about 13.8 billion years ago from a single, infinitely dense point that exploded cataclysmically in a 'Big Bang', leading to the formation of matter, energy, and space. As the explosion spread rapidly, it engendered subatomic particles such as protons, neutrons, and electrons before matter collapsed under gravity to form galaxies, stars and planets.

While the American astronomer Edwin Hubble confirmed that the universe was expanding in the 1920s, cosmologists conjectured that gravity must have also slowed down the expansion at some point.

This is why they were surprised when, in 1998, astronomers who were measuring the distances to faraway galaxies using the light from exploding stars called Type Ia supernovae concluded that 9 billion years after the universe began, its expansion actually gained momentum.

They figured the impetus came from a mysterious force known as 'dark energy', which makes up about 70% of the cosmos. In 1917, Albert Einstein had proposed that its effects can be represented in equations by the cosmological constant lambda Λ.

Dramatic twist

For proving that the expansion of the universe had indeed speeded up, three scientists – Saul Perlmutter, Brian Schmidt, and Adam Riess – were awarded the 2011 physics Nobel Prize. The trio and the teams they led had calculated the distances to Type Ia supernovae by using their apparent brightness as "standard candles" and measuring the redshift, i.e. the stretching of light due to the expansion of the universe.

This helped them determine the speeds at which different parts of the universe were receding from the earth.

Their data showed that the universe was accelerating as dark energy forced galaxies apart ever faster. An analogy astronomers often use to illustrate this is the way raisins in rising bread dough move away from each other. Thus, in the LCDM model of cosmology, gravity binds planets, stars, and galaxies together, while the anti-gravity properties of dark energy push galaxies further away from each other, driving the universe's expansion.

The Yonsei University study introduced a dramatic twist to this cosmic tale by suggesting that dark energy may actually be weakening, putting the brakes on the universe's acceleration.

"Our study shows that the universe has already entered a phase of decelerated expansion at the present epoch and that dark energy evolves with time much more rapidly than previously thought," Yonsei University astronomy professor Young-Wook Lee, who led the study, said.

The findings tie in with similar data from the Dark Energy Spectroscopic Instrument (DESI) in the USA: that Type Ia supernovae may not be the universe's "standard candles" after all, since their luminosity could be affected by the age of their parent stars.

If dark energy density is not constant in time, it flips conventional cosmological wisdom on its head, forcing scientists to look afresh at a universe that may be decelerating, and perhaps eventually contracting before collapsing in on itself in a 'Big Crunch'.

'Modify, not negate'

The study has already set off a fierce debate amongst scientists, with many doubting if there is enough evidence to revamp the LCDM any time soon, or if at all.

For instance, in an email to the author, University of Michigan cosmologist Dragan Huterer expressed doubts about dark energy evolving with time. "But this is really hard to evaluate as we do not have any compelling theoretical models for dark energy. So, from a theoretical point of view, it is not clear," Prof. Huterer added. "From the observational/experimental point of view, the statistical significance of the findings is strong, but not sufficiently strong to claim a discovery. We need to collect and analyse more data to be sure."

Brian Schmidt, distinguished professor of astronomy at the Australian National University and one of the three astrophysicists who won the Nobel Prize for their work on dark energy, is sceptical about the study's consequences for the LCDM.

> The study result arises from a very particular way of slicing the data and from assumptions that aren't consistent with how supernova cosmology is done today
>
> ADAM RIESS
> JOHNS HOPKINS UNIVERSITY

"If validated, these findings would not negate the (standard) model of the cosmos, but would modify it," Prof. Schmidt wrote in an email. "Basically, instead of a constant [cosmological constant], we would have something that evolves over time."

He said he doesn't think that this would give rise to whole new subfields of astrophysics either.

"If true, it will give theorists a new set of clues to understand dark energy. I think it would be contained in the current theoretical cosmology community – and not (in) a new subfield."

Where is the jury?

Prof Huterer also said that "these developments would still continue in the realm of data-driven cosmology. And the fact that Type Ia supernovae have some new properties would inform the existing field of Type Ia supernovae astrophysics."

Adam Riess, professor of physics and astronomy at the Johns Hopkins University who shared the 2011 Nobel Prize, also said the Yonsei University study doesn't hold water.

"The study claims that Type Ia supernovae become systematically fainter with redshift because their progenitors evolve with cosmic time," he said.

"We show this is not supported by the data. Modern supernovae analyses already model and marginalise host-related systematics, like stellar mass and star-formation history, and when these are included, there is no significant evidence for luminosity evolution."

According to Prof. Riess, "the study result arises from a very particular way of slicing the data and from assumptions that aren't consistent with how supernova cosmology is done today."

When the Dark Energy Survey 5 Year dataset sample is analysed with standard methods, he continued, "the allowed level of evolution is an order of magnitude smaller than what their model predicts. In short: their proposed effect isn't seen in real data, and current analyses already guard against it."

Wherein lies the rub then? According to Prof. Riess, the new study makes a leap from host galaxy age to supernova age that is not physically justified.

This is something scientists have already tested and corrected for with much larger datasets.

"Present studies already correct for their claimed effect (age) because they correct for galaxy mass, and galaxy mass and age are directly correlated," he said.

Taken together, the jury is out on the Yonsei University study. Cosmologists are currently looking to state-of-the-art instruments such as the Vera Rubin Observatory in Chile and NASA's upcoming Nancy Grace Roman space telescope to throw light on dark energy's role in the fate of the universe – whether it will eventually slow down and end in a Big Crunch or continue to expand until it fades away into virtual nothingness.

(Prakash Chandra is a science writer. prakashisat@gmail.com)

Water guardian Oszkár Nagyapáti in Kiskunmajsa, Hungary. AP

How Central Europe's 'water guardians' are fighting desertification

Associated Press

Oszkár Nagyapáti climbed to the bottom of a sandy pit on his land on the Great Hungarian Plain and dug into the soil with his hand, looking for a sign of groundwater that in recent years has been in accelerating retreat.

"It's much worse, and it's getting worse year after year," he said as cloudy liquid slowly seeped into the hole. "Where did so much water go? It's unbelievable."

Nagyapáti has watched with distress as the region in southern Hungary, once an important site for agriculture, has become increasingly parched and dry. Where a variety of crops and grasses once filled the fields, today there are wide cracks in the soil and growing sand dunes more reminiscent of the Sahara Desert than Central Europe.

The region, known as the Homokhátság, has been described by some studies as semiarid, a distinction more common in parts of Africa, the American Southwest or Australian Outback, and is characterised by very little rain, dried-out wells and a water table plunging ever deeper underground.

Thermal spring water, cooled and purified, would flood a low-lying field, mimicking the natural cycle of flooding that channelising the rivers had ended

In a 2017 paper in *European Countryside*, researchers cited "the combined effect of climatic changes, improper land use and inappropriate environmental management" as causes for the Homokhátság's aridification.

Now a group of farmers and other volunteers, led by Nagyapáti, are trying to save the region and their lands from total desiccation using a resource for which Hungary is famous: thermal water.

Along with the group of volunteer "water guardians," he began negotiating with authorities and a local thermal spa last year, hoping to redirect the spa's overflow water, which would usually pour unused into a canal, onto their land. The thermal water is drawn from very deep underground.

According to the water guardians' plan, the water, cooled and purified, would be used to flood a 2.5-hectare low-lying field, a way of mimicking the natural cycle of flooding that channelizing the rivers had ended.

"When the flooding is complete and the water recedes, there will be 2.5 hectares of water surface in this area," Nagyapáti said. "This will be quite a shocking sight in our dry region."

A 2024 study by Hungary's Eötvös Loránd University showed that unusually dry layers of surface-level air in the region had prevented any arriving storm fronts from producing precipitation. Instead, the fronts would pass through without rain, and result in high winds that dried out the topsoil even further.

The water guardians hoped that by artificially flooding certain areas, they wouldn't only raise the groundwater level but also create a microclimate through surface evaporation that could increase humidity, reduce temperatures and dust and have a positive impact on nearby vegetation.

Tamás Tóth, a meteorologist in Hungary, said that because of the potential impact such wetlands can have on the surrounding climate, water retention is the "key issue in the coming years and for generations to come".

Following another hot, dry summer this year, the water guardians blocked a series of sluices along a canal, and the repurposed water from the spa began slowly gathering in the low-lying field. After a couple of months, the field had nearly been filled.

THE SCIENCE QUIZ

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

Chemistry's foul fellows

Vasudevan Mukunth

QUESTION 1

X is a colourless gas that smells like garlic or fish, especially when it contains impurities. Scientists have linked it to rotting organic matter in places with low oxygen. In 2020, researchers said they detected X in Venus's atmosphere, hinting at unusual chemistry, but later studies dismissed it. Name X.

QUESTION 2

Name the colourless gas notorious in high-school chemistry lab for smelling like rotten eggs. It's produced when bacteria break down one of its constituent elements in the absence of oxygen. It can also appear near sewage systems and volcanic vents and is toxic even at low concentrations.

QUESTION 3

_____ gas has a sharp 'electrical' smell that people sometimes notice after lightning storms or near some machines with sparking. It's a compound made of three atoms of the same element. The 1987 Montreal Protocol was created to help protect this gas's presence in the upper atmosphere. Fill in the blank.

QUESTION 4

This element is a dark reddish-brown liquid at room temperature and gives off a strong and irritating vapour. It belongs to the family of halogens on the periodic table. People used to use it in the first photography techniques and also in some flame retardants. Name it.

QUESTION 5

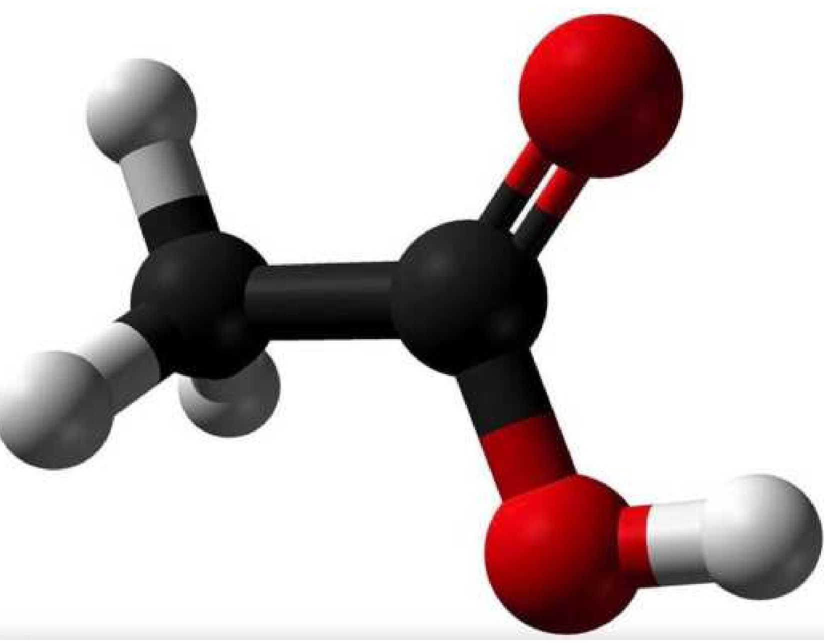
Y is a simple compound, in fact the smallest aldehyde, and it's widely used to preserve biological specimens and in some building materials. It has a strong, sharp archetypically chemical smell and can irritate the eyes and the throat, especially in poorly ventilated spaces. Name Y.

Answers to December 25 quiz:

1. Worked on falling bodies, inertia of motion – **Ans: Galileo Galilei**
2. Whose observations led to Kepler's laws – **Ans: Tycho Brahe**
3. Philosopher who advanced analytic geometry – **Ans: René Descartes**
4. Investigated mechanics of springs, etc. – **Ans: Robert Hooke**
5. Physicist who worked out timekeeping with pendulums – **Ans: Christiaan Huygens**

Visual: **Pierre de Fermat**

First contact: Tamal Biswas | K.N. Viswanathan | Aditya Tiwari | Mohammad Sohail | Anmol Agrawal



Visual: Name the molecule depicted by this ball-and-stick model. It's responsible for vinegar's odour and imparts its sour taste. PUBLIC DOMAIN

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thehindubusinessline.
TUESDAY - DECEMBER 30, 2025

Wrong track

Railway fare hike is too inconsequential

After a gap of many years, the Railways has hiked passenger fares twice this fiscal year. Both these hikes (in July and December) are inconsequential, almost apologetic, prompting the question of what they will achieve — save reduce at the margin the revenue-expenditure gap of the Railways and keep the operating ratio at below 100. In fact, the latest hike, which came into effect on December 26, seems an afterthought, and quite out of trend for an organisation that raises fares at best in years.

Indeed, if the intent was to repair finances in a more enduring way, the Railways could have raised fares more rationally and purposefully. It has conformed to a populist notion that the commuter cannot take the burden. This is a misplaced view that disregards the *raison d' etre* of the Railways in many respects. The current hike spares suburban travel, where the fares are archaic and absurd not allowing for any upkeep whatsoever. To argue that the commuter cannot pay is a stretch, as bus fares in a metro city are many multiples of the suburban fare. A hike of 2 paise per km for all mail and express trains across classes seems irrational. Premium trains, such as Vande Bharat, Shatabdi and Rajdhani can be priced higher, as passengers can pay more for the comfort and convenience of short and medium distance travel. These trains are priced far lower than air fares and even luxury buses. The fare revision seems calculated to neither please or displease any section of commuters; but in the process the Railways cannot benefit, and nor can the quality of services improve. The Railways informs every traveller that it subsidises the ticket by 40 per cent or more, whereas that is neither necessary nor desirable. The bottom of the pyramid commuter as well as the creamy layer can pay more. Above all, by tinkering at the margins with passenger fares, the Railways is perpetuating the subsidisation of passenger travel by freight travel.

The revision of passenger fares should be entrusted to an independent authority (a 'railways tariff commission' was proposed years ago) that does so periodically, and by employing a transparent methodology. The fare hikes should be rational, differentiated and linked to costs. Except for AC three tier and AC chair car, all classes are loss-making.

The central problem today with Railway finances is that freight revenues (₹1.88 lakh crore projected for FY26), which accounts for two thirds of total revenues, are not rising quickly enough for its profits to cover the losses from passenger services (revenues of about ₹92,000 crore). Any slippage in freight revenues (projected to rise 4.4 per cent this fiscal) or passenger revenues (16 per cent growth projection) could pose a strain. As the gap rises, the Railways dips into the general budget to fund its capital expenditure. This is unsustainable. A whopping subsidy to passengers imposes an economic cost. Meanwhile, freight movement reforms are still a work in progress, and require periodic review.

POCKET

RAVIKANTH

"Can you hear me now? Ok, good! As I was saying, connectivity issues are not at all a problem for us...."

Capital markets: Agency clearing, the next leap

REUTERS

STRENGTHENING MARKETS. The Securities Market Code Bill paves the way for a resilient infrastructure for market settlement

CKG NAIR
V SHUNMUGAM

The Bill on Securities Markets Code, recently introduced in the Lok Sabha by the Finance Minister, ushers in a host of big-ticket changes, including strengthening the legal backbone of finality and irrevocability of settlement, which are solely the responsibility of the clearing corporation; not intermediaries. This clear distinction ensures legal certainty at the central clearing level while subjecting intermediaries to supervision as well as insolvency procedures. The separation, which frees settlement finality from intermediation risk, enables the market to consider an agency-based clearing system, which would plug some major limitations in the current clearing framework.

The Karvy scandal revealed a major flaw in India's brokerage framework. Investors who thought their demat holdings were protected discovered that brokers had illegally pledged client securities to support their own trades. Smaller incidents soon emerged, demonstrating how easily brokers could misuse client assets. The bigger concern was unsettling: how were intermediaries allowed to pledge assets they didn't own?

Regulators responded quickly, but recovery was slow. Many investors waited months to get back what was rightfully theirs, and some never did. Banks challenged regulatory directives requiring the freezing or return of securities pledged by borrowers, triggering litigation that reached the Supreme Court in early 2024 — after the Securities Appellate Tribunal had ruled in favour of the banks. The episode raised a fundamental issue about the sanctity of the clearing system — the silent, unseen nerve centre of market integrity.

SCARS THAT PROMPTED REFORM

In the aftermath of the Karvy crisis, SEBI and market institutions implemented reforms that enhanced oversight and transparency. The pledge-re-pledge (PRP) framework now requires client consent before collateral can be used, recorded directly in depositories. Client funds are kept separate; brokers submit daily balance reports; and exchanges oversee every collateral link to ensure securities remain visible and auditable.

Confidence has returned since then. However, inefficiencies still exist. Each trade still involves multiple cost layers— brokerage, taxes, exchange, and clearing fees — and significant margins. Derivative contracts can require 10-20 per cent of the notional value upfront, creating a barrier for retail and smaller institutional investors. The result: India's markets remain dynamic but capital-intensive, with high impact costs.

By late 2025, India's equity landscape had significantly evolved. More than 210 million demat accounts were active—a tenfold increase since 2016. Mutual fund assets reached record levels, and institutional trading volumes grew as domestic funds and insurers expanded participation. But this success also exposed the limitations of the current clearing model.

Each client trade still generates two contracts — one between the client and the broker, and another between the broker and the clearinghouse. This "principal" structure results in double margining, requiring capital to be locked twice for the same exposure. It also means client positions are intertwined if a broker defaults; transferring open trades to another intermediary remains complicated, as past defaults have shown.

AGENCY-BASED MODEL

In advanced markets like the US, brokers act as Futures Commission Merchants (FCMs) — agents who clear client positions directly with the clearinghouse. Clients deposit a single margin, with their funds legally kept separate. If a broker fails, positions can be transferred or settled immediately. This agency-clearing system enhances safety and capital efficiency. It enables cross-margining, portfolio netting, and liquidity optimisation — tools that free up capital and reduce trading costs.

> **Instead of just developing a smartphone app, India's next** financial leap could involve resilient infra for market settlement

By separating client ownership from intermediary risk, US markets handle large volumes with resilience and transparency. Europe is adopting similar strategies through agent-trustee frameworks to protect client assets while reducing redundant exposures for intermediaries.

India's market structure is prepared for this change. Increasing institutional participation, renewed foreign interest, and fintech intermediaries have all added pressure on legacy systems. For banks, principal clearing increases balance-sheet risks; for brokers, it ties up capital that could otherwise be used more effectively.

An agency-clearing framework would allow brokers to serve more clients with less tied-up capital. Investors would gain direct legal ownership of their positions at the clearinghouse, while regulators would have a transparent, auditable view of risk.

The depository system for dematerialised securities already demonstrates that such segregation is effective: investors' holdings remain secure even if a broker fails. Expanding this model to cover cash and collateral — by establishing legally protected client trust accounts — would complete the circle, creating symmetry between the safety of demat accounts and margin funds.

WHO GAINS

Brokers and clearing members: Capital freed from double-margining can be redeployed into technology, product design, and client servicing.

Investors and traders: Lower margin requirements and transferable positions would enhance access and competition.

Exchanges and CCPs: Larger cleared volumes enhance liquidity and price discovery.

Foreign investors: Familiarity with agency-clearing structures facilitates market entry, aligning India with global norms.

Regulators and the economy: Clearer ownership lines improve supervision and reduce systemic risk, thereby directing savings toward productive uses.

NEED A GRADUAL ROADMAP

The reform need not be abrupt since clearing is the nerve centre of the market ecosystem. A phased pilot, starting with the institutional phase, could assess operational readiness. Exchanges may categorise members as "sponsor" or "agent" clearing members, allowing optional migration. Capital rules could be adjusted to prevent brokers' client guarantees from inflating exposures.

Safety nets — default funds, guarantees, and stress tests — would remain unchanged. The only change would be in the allocation of collateral and claims, shifting from a pooled, opaque paradigm to a direct, transparent structure.

India's transformative UPI system exemplifies how direct, real-time settlement reduces costs and intermediaries, streamlining financial transactions across the country.

Similarly, agency clearing — backed by the Securities Markets Code (once enacted), which ensures legal finality at the CC level — aims to create a unified, interoperable architecture that significantly improves market access, reduces operational costs, and enhances safety and financial inclusion for all participants.

Instead of just developing a smartphone app, India's next financial leap could involve rebuilding a resilient infrastructure for market settlement — ready to replace outdated models and offer all participants the same efficiency and confidence UPI has brought to digital payments. This evolution is not just technological but a practical shift towards a more robust, inclusive financial ecosystem that directly impacts the daily lives of millions.

Nair is former Director, National Institute of Securities Markets; Shunmugam is Partner, MCQube

Politics and policies are driving copper prices up

Trump tariffs have infused chaos into copper markets. Inventories are reshuffled and prices distorted by policy asymmetry

Krishnan Ranganathan

Electricity, when it arrived, transformed daily life — lighting homes, preserving food, and extending the usable day. The metal behind that miracle? Copper. William Nordhaus quantified the change: a 19th century worker needed nearly 1,000 hours of labour to buy enough candles to match a few hours of light from a 100-watt bulb. Today, running that bulb costs 10 minutes of work. Few productivity gains rival this. Without copper, we are quite literally left in the dark.

Copper now hums inside smartphones, snakes through power grids and sits silently inside EVs. Electrical systems, solar panels, wind turbines, EVs and data centres all drink the red metal by the tonne.

This should make copper a sober, long-term story. Right? Wrong. It has become a barometer of market unease rather than industrial demand.

Markets are euphoric for now. Prices soar, spreads widen and metal is shipped across oceans for a few basis points. BHP is dusting off mothballed mines. Even Saudi Aramco is hiring copper traders. And yet something feels wrong.

Copper typically rises when factories hum and slumps when they fall silent. By that logic, today's exuberance is puzzling. The global economy is holding up but hardly roaring. If copper is red hot now, what exactly is it diagnosing?

The bulls' favourite sermon is demand. The energy transition is copper-intensive by design. EVs use up to four times more copper than petrol cars. Wind turbines, solar farms and AI data centres are metallic gluttons. But demand stories disappoint in practice, particularly when prices anticipate adoption curves rather than current build rates. As technologies mature, they become thriftier. An EV built in 2025 uses 10 per cent less copper than one made in 2020. China's property market, once a voracious consumer of copper, is in a prolonged slump.

Perhaps, then, supply is the culprit? In 2025, floods, tunnel collapses and mudslides hit major mines from Congo to Chile to Indonesia. These incidents rattled markets, but not enough to explain the surge. The industry budgets for accidents, and Chile's Escondida — the world's largest mine — has been producing more than expected.

STRUCTURAL ISSUES

The deeper challenge is structural.

COPPER. Red hot price run

Copper is getting harder and costlier to find. Discovery rates are collapsing: of 239 major deposits found since 1990, just 14 date from the past decade. Bringing a new mine now takes more than 15 years. Despite popular claims, the world is unlikely to run out of copper. The US Geological Survey estimates total copper resources at about 5.6 billion tonnes— roughly 226 years of current consumption, or 115 years even if demand accelerates sharply. Copper is not scarce. Economically viable copper increasingly is.

What, then, explains the price action? Politics.

Trump's tariffs have turned copper markets into a hall of mirrors. Refined copper remains exempt while semi-finished products are not, encouraging traders to pull demand forward rather than create new end-use consumption. Inventories are reshuffled, flows rerouted and prices distorted not by shortage, but by policy asymmetry.

History offers a corrective. At the height of the Roman Empire, a tonne of copper cost the equivalent of 40 years of the average wage. By 1800, this had fallen to six. Over the next two centuries, it dropped to just 0.06 years per tonne. Each reversal reflected not scarcity solved, but technology, scale and capital catching up — often after prices had overshot. Copper's history is of recurring price spikes followed by adaptation.

Copper has now crossed $12,250 a tonne, its biggest annual gain since 2009. Electricity is no longer the second greatest thing after God; it is our best hope for decarbonisation. But today's prices reflect not just geology or green ambition, but the familiar alchemy of politics, positioning and compressed time horizons.

The writer is former Executive Director at Nomura, is currently a Visiting Faculty at various B-Schools

LETTERS TO EDITOR

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Visa uncertainties

Apropos "Visa woes" (December 29). The US decision to replace the H-1B lottery with a wage based selection model marks a decisive shift in how it views skilled immigration. By prioritising higher paid roles, adding expansive social media vetting, and imposing steep entry fees, the programme now favours senior talent and large employers.

For Indian students and early career professionals, the traditional education to OPT to H-1B pathway has become narrower, costlier, and far less predictable. The message is clear that the US is recalibrating access, not expanding opportunity. This moment should force introspection at home. India still underinvests in research, innovation, and frontier technology roles. It must rapidly strengthen its R&D ecosystem to retain talent.

K Chidanand Kumar
Bengaluru

For inclusive loans

This refers to the news report 'Retail loans go premium as ticket sizes rise', (December 29). The shift towards higher-value retail loans reflects banks' comfort with well-rated borrowers, but it also raises concerns about access for smaller and first-time customers.

As lending becomes more premium-focused, households with modest incomes may be pushed towards costlier informal credit. Banks should balance growth by strengthening risk assessment for small-ticket loans rather than avoiding them. Wider use of cash-flow based lending, credit guarantees and digital underwriting can help.

K Sakunthala
Coimbatore

Mangaluru's advantages

This is with reference to the article "Mangaluru emerges as Karnataka's coastal technology gateway" (December 29). The article highlight's Mangaluru city's distinguished characteristics. The unique characteristic of this city is, it is a blend of tradition and technology.

Mangaluru is increasingly being viewed as a coveted destination for large scale technological hubs in view of its tech talent , coastal location, reliable power infrastructure, and reputed engineering colleges.

With government support, such as tax incentives, encouragement to talent, specialized support services and logistics, Mangaluru can be turned into another Silicon Valley of India.

Veena Shenoy
Thane

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M ND-NDE

The 10-minute trap

Quick delivery apps are taking a toll on gig workers

Prabir Kumar Bandyopadhyay

In India's megacities, a new economic race has taken hold — one measured not in miles or hours, but in ten minutes flat. Ultra-fast delivery platforms such as Blinkit, Zepto, Swiggy Instamart and others promise groceries, meals and daily essentials at astonishing speed. While this model thrives in developing, densely populated cities due to low labour costs, high unemployment and an abundant supply of young workers, its social and labour implications remain deeply troubling.

Unlike standard logistics systems, where delivery is planned and risk is distributed across infrastructure, scheduling and inventory management, the 10-minute delivery model concentrates risk almost entirely on the last-mile worker — the delivery rider and the dark-store picker.

Evidence from workers themselves reveals the human cost behind the stopwatch — the race against time often leads to accidents and injuries.

There are media reports of workers being sent home without pay for missing performance targets, with no explanation or grievance mechanism.

Delivery riders have echoed similar concerns.

These testimonies align with findings from multiple labour studies showing that algorithmic management — opaque ratings, automated penalties, and unpredictable task allocation — strips workers of control while intensifying pressure.

WORKERS' DEMANDS

Gig workers, in their recent strike in Hyderabad, protested wage cuts, unsafe delivery timelines, lack of basic amenities at dark stores, and arbitrary app deactivations. They have demanded — removal of ultra-short delivery timelines; minimum guaranteed wages; accident insurance and medical coverage; and Transparent grievance redressal mechanisms.

While India's new labour codes mark an important step by recognising gig and platform workers, they do not directly address speed-driven delivery models, where risk continues to be disproportionately borne by workers. The 10-minute delivery is reshaping consumer psychology and social habits.

This transformation is not abstract. It is deeply personal. Most people are slowly getting

QUICK-COMM. The human costs

accustomed to the convenience of 10-minute delivery app.

The model is not merely demand-driven, but actively manufactures habits — replacing planning, self-reliance and routine with instant availability.

Such habits erode basic consumption discipline, weaken daily planning skills, and promote instant gratification among young people. When a generation grows accustomed to outsourcing even the smallest acts of self-reliance, the long-term implications for productivity, resilience and social responsibility are deeply concerning.

Supporters of ultra-fast delivery often argue that such services are a lifeline for senior citizens living alone. There is merit in recognising that doorstep delivery of medicines and essentials can provide real relief in such situations. However, this benefit is neither new nor unique to the 10-minute delivery model. For decades, neighbourhood grocers and local pharmacists have informally extended precisely this support — delivering medicines, groceries and essentials to elderly residents without imposing artificial time pressures on workers or normalising extreme urgency. The critical question, therefore, is not whether home delivery is useful, but whether compressing it into a 10-minute promise is necessary or socially responsible.

A society that cannot wait 10 minutes without transferring risk onto another human being is not merely inefficient — it is unsustainable. The debate around 10-minute delivery is about what kind of work culture and consumption culture India wants to build. If speed continues to be prioritised without accountability, infrastructure or labour protection, the cost will be paid not only by delivery workers, but by society at large.

The writer is a retired Management Professor and Independent Researcher

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V.S. SESHADRI

WTO.ORG

The US push to redefine the WTO

TRADE TANGLE. The US' diagnosis of some of WTO's problems is valid. But it does not lay out a constructive agenda for reform

The US recently articulated its vision for reforming the World Trade Organization (WTO). Set out in a communication to the WTO General Council in December 2025, the paper complements the Trump administration's unilateral tariff actions and its growing preference for bilateral or selective trade arrangements.

Taken together, these moves reveal not just Washington's preferences for WTO reform, but also a deeper scepticism about the organisation's relevance in addressing today's trade challenges.

The US submission responds to three issues identified by the WTO reform facilitator — decision-making, special and differential treatment (S&DT), and the level playing field — but goes well beyond them. It also questions the centrality of the most-favoured-nation (MFN) principle, criticises the evolving role of the WTO Secretariat, rejects scrutiny of national security measures, and argues that certain major trade problems are simply not solvable within the WTO framework.

THREE AREAS OF REFORM

On decision-making, the US places singular emphasis on plurilateral agreements — negotiations among a subset of willing members — as the only viable future for WTO rule-making. It argues that achieving consensus among 166 members on newer disciplines is unrealistic, given divergent economic systems and ambitions. Plurilateral agreements, limited in benefits and obligations to consenting parties, are presented as key to keeping the WTO relevant as a negotiating forum.

However, the US paper does not explain why WTO institutional resources should be used for agreements in which not all members participate, nor how the rights and interests of non-participants would be protected. Countries like India have consistently raised the systemic and legal concerns about possible proliferation of plurilaterals in a carefully structured multilateral body.

On S&DT, the US adopts a hard line. It argues flexibilities should be limited largely to least developed countries, and all other members should be governed by the same rules, regardless of economic differences. Any deviation, it says, requires adequate justification.

On level playing field, the US rightly points to how non-market policies and practices have distorted global trade and eroded trust in the WTO. Yet its reform proposals for WTO focusses almost entirely on greater transparency and stricter compliance with notification obligations.

WHAT WTO SHOULD AVOID

More striking than what the US wants the WTO to do is what it wants the organisation to avoid.

First, it questions the continued centrality of the MFN principle, arguing that it was designed for an era of economic convergence that no longer exists. With deepening divergence in economic policies, US contends, countries must be able to treat trading partners differently to optimise trade relationships. MFN, it argues, impedes welfare-enhancing liberalisation by forcing one-size-fits-all outcomes. While the paper does not explicitly call for abandoning MFN, it makes a strong case for widening departures from it.

Second, the US strongly criticises the role of the WTO Secretariat, which it views as fundamentally administrative rather than substantive. It accuses the Secretariat of overstepping its mandate by expanding its monitoring and commentary on members' trade measures, and undertaking research projects not authorised by members. According to Washington, these trends erode trust in the Secretariat's neutrality and must be reversed.

Third, the US rejects any questioning of a member's invocation of essential security interests. It insists that such determinations are self-judging and should not be second-guessed by WTO panels. This position follows adverse rulings in disputes challenging US tariffs on steel and aluminium imposed on national security grounds. Under the current Trump administration, the list of products covered by such justifications has expanded to include copper, timber, automobiles and auto parts, with more under consideration.

ISSUES WTO CANNOT ADDRESS

The US goes further to argue WTO is simply not a viable forum for tackling several systemic trade problems.

These include persistent trade imbalances, overcapacity, and over-concentration of production, all attributed to non-market policies and distortionary practices in certain economies. Although China is not named, the references are unmistakable.

> **The US argues that WTO is not a viable forum for tackling several systemic trade problems.** These include persistent trade imbalances, overcapacity, and over-concentration of production

The US asserts countries benefiting from such practices are unlikely to agree to rules that would deprive them of these advantages, rendering WTO ineffective.

Similarly, the US dismisses the WTO as a forum for addressing economic security and supply-chain resilience. It argues that such discussions require trust, confidentiality and shared strategic interests. The WTO, it says, is biased toward trade liberalisation and economic efficiency, often downplaying vulnerabilities created by excessive dependence on concentrated sources of supply.

WHAT DO US PROPOSALS SIGNIFY?

There is considerable validity in the US diagnosis of some of WTO's problems. Yet the remedies proposed devote far more attention to what the WTO should avoid or not get into than to constructive reforms. This signals a retreat from trade multilateralism than a serious attempt at rejuvenation. US may have the economic and political clout to pursue unilateral or minilateral solutions on its own,. Most other countries don't.

The proposals also appear designed to legitimise recent US actions — selective bilateral trade arrangements that fall short of free trade agreements, extensive use of tariffs as leverage, and expansive invocation of national security exceptions. If other major trading nations adopt similar approaches, the result would be systemic instability.

The only area where the US shows a somewhat positive approach is in accommodating plurilateral agreements within the WTO architecture. Even here, however, critical details are missing, including participation thresholds, safeguards for non-participants and systemic integrity.

Early assessments in Geneva suggest that, given the wide divergence of views reflected in the reform submissions, a consensus outcome at the WTO Ministerial Conference in Cameroon in March 2026 is unlikely.

At best, members may agree on a framework for taking the reform process forward.

INDIA'S APPROACH

This article is not an attempt to define India's overall approach to WTO reform. However, following could comprise a broad response to US proposals.

India should strongly defend the MFN principle. Diluting it would entrench power-based bargaining and disproportionately harm developing countries.

Despite US paper's scepticism, stability and predictability in trade rules remain essential for investment and growth.

While trade imbalances deserve attention, they cannot become the sole or dominant driver of trade policy.

Economic security concerns should sought to be addressed multilaterally. One option is to expand the WTO Safeguards Agreement beyond allowing temporary measures in cases of serious injury to also address strategic vulnerabilities.

WTO rules could further permit members to limit excessive import dependence on a single country for what are deemed critical products by that country without requiring proof of dumping or subsidies. Agreeing on threshold levels would be difficult, but such disciplines could discourage deliberate overcapacity and market flooding.

On S&DT, limiting flexibilities exclusively to least developed countries is too extreme. A more nuanced approach — such as eligibility based on World Bank income classifications, with reasonable transition periods — would better reflect economic realities.

Finally, plurilateral agreements require caution, as they can alter the balance of rights and obligations even for non-participants. The Marrakesh Agreement rightly requires explicit consensus for their incorporation into the WTO. That said, shutting this route completely may not be appropriate particularly when a certain agreement finds very substantial level of support such as the plurilateral agreement on Investment Facilitation. A solution finding approach is needed here.

The writer is former Ambassador and Senior Fellow, Delhi Policy Group

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thehindu **businessline.**

TWENTY YEARS AGO TODAY.

December 30, 2005

IT firms step up security

After Wednesday's terror at tacks on the Indian Institute of Science, IT companies in the country's tech capital have be gun beefing up security procedures. Multinationals and domestic companies like Infosys Technologies and Wipro Ltd said that they have tightened security processes within their campuses. In addition, these companies have also implemented certain additional security controls to protect themselves. "We have taken all necessary precautions," said Mr N.R. Narayana Murthy, Chairman and Chief Mentor of Infosys.

SEBI panel recommends short selling by institutions

A Securities and Exchange Board of India (SEBI) commit tee has recommended that institutional investors such as FIIs and mutual fund be al lowed to short-sell shares in the market akin to retail investors. Short selling means selling a stock which the seller does not own at the time of trading.

SAT to hear pleas against FMC orders

The Securities Appellate Tribunal, which currently hears appeals against SEBI's orders, would also be the Appellate Tribunal for orders passed by FMC.

China's digital yuan to become interest-bearing next year

Reuters
Beijing / Shanghai

Holdings of China's digital yuan, or e-CNY, will start generating interest income next year under a new framework, state broadcaster CCTV said on Monday, as China steps up efforts to promote the use of its central bank digital currency.

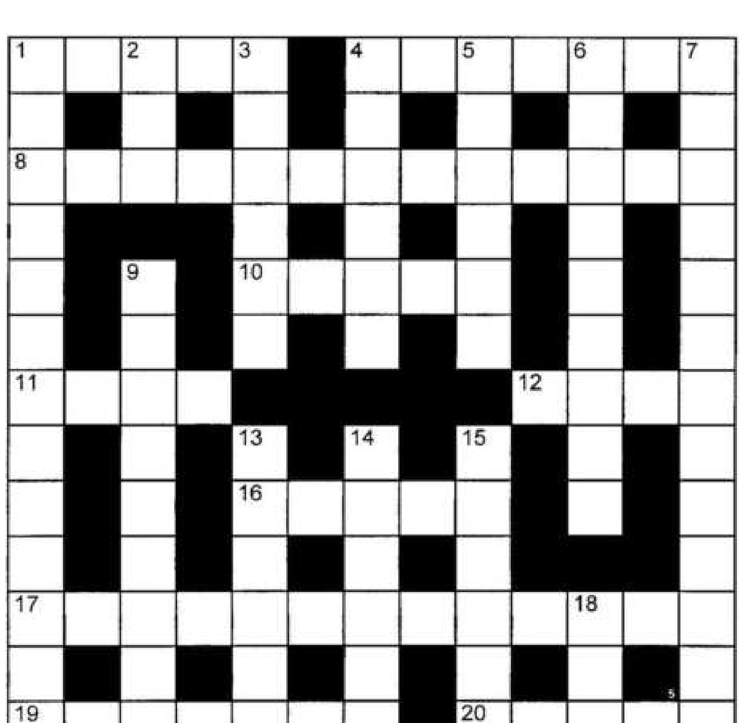
Starting January 1, e-CNY stored in wallets will earn interest based on demand deposit rates, becoming the world's first interest-bearing central bank digital currency, according to CCTV. It means e-CNY is advancing into an era of "digital deposits", from "digital cash", CCTV said.

"This will help increase users' willingness to adopt the digital yuan, expand its usage scenarios, and further solidify China's leading position in the global exploration of central bank digital currencies," the state broadcaster said.

The use of China's digital yuan is currently limited to some government agencies and state companies. Most transactions via China's ubiquitous digital payment platforms Alipay and WeChatPay do not involve e-CNY. The People's Bank of China (PBOC) last month reaffirmed its tough stance on cryptocurrencies and vowed to crack down on illegal activities involving stablecoins. Meanwhile, the PBOC is stepping up efforts to promote the use of its own digital currency.

The central bank has set up a global operation centre in Shanghai to promote international use of the digital yuan, and has said it would support more commercial banks to operate e-CNY businesses.

BL TWO-WAY CROSSWORD 2586



EASY

ACROSS
01. Was prying (5)
04. Throw loosely about (7)
08. Water spectacle in Africa (8,5)
10. Clean out harshly (5)
11. Unpleasant to look at (4)
12. With distance between sides (4)
16. Spacious (5)
17. In a prominent fashion (13)
19. With a burden imposed (7)
20. Of lesser importance (5)

DOWN
01. Senior service medical men (5,8)
02. Instruction to read as printed (3)
03. Accumulation of fluid in the body (6)
04. Yachtsman (6)
05. Provide necessary money (6)
06. Verbose (9)
07. One waiting to play for team (7,6)
09. Brought together (9)
13. Coloured chalk (6)
14. Having thorns (6)
15. Gaseous element (6)
18. Member of shooting-party (3)

NOT SO EASY

ACROSS
01. One was inquisitive, so had nothing to send out (5)
04. Reacts badly with talc initially, so disperse it (7)
08. Station drops what is a big comedown in Africa (8,5)
10. Clean it out using acid with carbon in it (5)
11. Nasty looking guy turns when about fifty (4)
12. An extra one may be seen in distribution of dew (4)
16. It is big enough for one to try without a top (5)
17. Dismissed when on one's feet, lay heartlessly but prominently (13)
19. Lumbered with the last of the eggs that went bad (7)
20. One under age may yet produce this sort of key (5)

DOWN
01. They may be involved in maritime operations (5,8)
02. Read it as printed for one in South Carolina (3)
03. Fluid accumulation in body will fall, say, without a heart (6)
04. 'Barnacle Bill' as rendered by RA with oils (6)
05. Provide off-turn in a road (6)
06. Might take vital adjustment if so loquacious (9)
07. Man on the bench may book instrumentalist (7,6)
09. Got together and received payment (9)
13. Sort of colour to stick on top of the line (6)
14. Hurried around at home but found it thorny (6)
15. He is not a pronoun? It's a gas! (6)
18. From this shoot tops of greens, unless nipped (3)

SOLUTION: BL TWO-WAY CROSSWORD 2585

ACROSS 1. Wharf 4. Scribes 8. Nominated 9. War 10. Crucial 12. Hi-fi 14. Therapy 17. Ally 18. Diocese 20. Dog 21. Portfolio 23. Retired 24. Limit

DOWN 1. Wing-Commander 2. Armour 3. Fanlight 4. Set 5. Ride 6. Bewail 7. Straighten out 11. Lured 13. Spoonful 15. Flight 16. Vellum 19. Spar 22. Rod

The Hindustan Times
ESTABLISHED IN 1924

{ OUR TAKE }

The hills will stay alive, for now

The Supreme Court has done well to reconsider its approach to the Aravallis

In a welcome course correction, the Supreme Court, revisiting its ruling on the definition of the Aravallis *suo motu*, decided to stay its November 20 order. The court's move to constitute a high-powered expert committee to assess concerns relating to the height-based definition, ecological continuity, and permissible mining is also welcome, considering the importance of the Aravallis to the environmental well-being of northern India. In the wake of the court's rethink, the Centre must now put on hold all policy pronouncements regarding the Aravallis, including surveys and mappings, and freeze all construction and mining in the mountain belt, pending closure of the matter in court.

At the heart of the current debate is the Centre's stated decision to open up the Aravallis for exploration and mining of critical minerals and infrastructure projects. This is deemed necessary for economic and strategic reasons, though the minister for environment promised that only 0.19% of the Aravallis will be impacted by mining. This is a vague claim since the area under threat would depend on what is deemed as the Aravallis, and experts have widely different estimates on the area that will lose protection. The central panel had proposed that only landforms located in the 37 Aravalli districts, having an elevation of 100 metres or more above the local relief, should be deemed as a part of the mountain. This would mean that large stretches of the range would not be defined as Aravallis, and hence, could be delineated for mining or other infrastructure. Ironically, the court-appointed Central Empowered Committee in March 2024 backed the Forest Survey of India, which, as per the directions of the Supreme Court in 2010, said all terrain with a slope of three degrees or more should be deemed a part of the Aravalli range. This seems to be a more scientifically rigorous approach to protect an ecologically sensitive region.

Remember, the two-billion-year-old Aravallis, the country's oldest fold-mountain range, act as a natural boundary to the Thar desert and protect Delhi and its neighbourhood from desertification, serve as a natural water recharge facility, and provide biodiversity-rich green cover in an otherwise arid region. The region is already facing a shortage of clean air and water, and any further harm to the Aravallis will exacerbate an already grievous public health and resources crisis. It is assuring that the Supreme Court has preferred to consider more expert views before delivering an order that could have major implications for the survival of the Aravallis.

Poll pressures force a reunion of Pawars

Blood is thicker than ideology is a truism when it comes to Indian politics. So, it is no surprise that Sharad and Ajit Pawars have come together to fight municipal elections in Pune and neighbouring Pimpri-Chinchwad corporations. On Sunday, the Nationalist Congress Party (NCP) factions announced a seat deal for the January 15 municipal elections. What makes the arrangement interesting is Ajit Pawar continues to be a deputy chief minister in the BJP-led state government even as his party joins hands with NCP (Sharad Pawar) to take on the BJP — and the Congress, the largest group in the Maha Vikas Aghadi (MVA) mentored by Sharad Pawar — in Pune district.

The reasons behind this political realignment are simple. One, since the bitter split in 2023, the NCP has been losing ground in its strongholds in Western Maharashtra. The NCP (Ajit Pawar) was decimated in the Lok Sabha elections, which saw the NCP (SP) do well. But the scenario changed in the assembly polls when the senior Pawar's political outfit was swept away in the NDA tsunami. The Pawars realise that, irrespective of the poll outcome, the levers of power in Maharashtra, including in their own backyard in the Pune region, are now with the BJP. It's been some time since the BJP expanded its footprint into urban pockets in Western Maharashtra — the party had won both Pune and Pimpri-Chinchwad corporations in 2017 and the Pune Lok Sabha seat in 2014. Any further erosion of influence at the grassroots would severely curtail the organisational strength as well as the negotiating power of the NCPs in Maharashtra politics. If the pre-poll alliance is a first step towards a merger of two factions or triggers a realignment in state politics will depend on many other factors, including the local bodies poll outcome.

Soaring ambitions, systemic constraints

India's aviation story is facing headwinds from contradictions of a high-cost environment and a price-sensitive market

Aviation is capital-intensive, regulated, and slow to adjust. Exit is rarely followed by rapid entry. HT ARCHIVE

Amit Kapoor

Richard Dasher

India has become a graveyard of airlines. From Kingfisher and Jet Airways to Go First, carriers have repeatedly expanded and collapsed in a market that should be among the world's most lucrative. These failures are often attributed to poor management, aggressive expansion, or weak governance. Yet the pattern is too consistent to be explained by firm-specific mistakes alone. The more durable explanation is structural. India is among the world's highest-cost aviation environments, even as its political economy insists on persistently low fares. This contradiction has proved difficult to navigate for most airlines that have attempted to operate at scale.

Indian aviation combines high input costs with constrained yields. For instance, aviation turbine fuel is benchmarked to international prices and then burdened with heavy central and state taxes which goes up to 24%. Almost 70% of costs such as aircraft leases, maintenance and spares are largely dollar-denominated, leaving airlines exposed to currency depreciation. Airport, landing, and navigation charges have risen steadily as infrastructure has expanded, and these costs tend to be sticky. Against this, passenger willingness to pay remains limited in a price-sensitive market, and fares are frequently subject to political pressure even when not formally capped. The result is a sector where airlines can grow rapidly and still lose money on every additional seat-kilometre (km) they fly.

When airline performance is normalised for size using unit revenue and unit cost per km, the pattern is revealing. A recent assessment of Indian carriers between 2007 and 2022 with inflation-adjusted data show average unit revenues of about ₹2,490 crore per km, against unit costs closer to ₹2,510 crore. The difference is narrow, but its persistence over 15 years points to structural margin compression.

IndiGo is relevant in this context not because it is exceptional in intent, but because it is exceptional in its adaptive capacity. Operating within the same cost structure and regulatory framework as its peers, it has remained profitable while offering reasonable fares. Its model of high utilisation, operational simplicity, and tight cost control demonstrates that viability is possible, though difficult, under Indian conditions. That fact makes it analytically useful as a reference point.

The significance of recent disruptions involving IndiGo lies less in the fortunes of a single firm and more in what they reveal about the system as a whole. Dense airline networks optimise for efficiency under normal conditions, but depend critically on recovery margins during disruption. When those margins are thin, even compliant systems can fail abruptly. Regulatory design in this context becomes critical. Safety in aviation is non-negotiable, but safety governance is not merely a question of stringency; it is a question of institutional design. In most mature aviation systems, legislatures set broad safety objectives, regulators translate those objectives into duty-time limits and operational standards, and airlines operate data-driven fatigue risk management systems subject to continuous oversight and audit.

India's trajectory has been different. After a prolonged period of relatively weak oversight, the system moved abruptly toward a more prescriptive framework, shaped in part through judicial intervention. While this shift has delivered formal compliance, it has also reduced operational flexibility and weakened feedback loops between data, operations and regulation. Rules that are rigidly specified but insufficiently stress-tested against network effects can produce outcomes that are compliant on paper yet fragile in practice. Reliability suffers, passengers bear the cost, and confidence in the system erodes.

The same misalignment is visible in the way public objectives are pursued through economic instruments. Fares are capped or politically constrained on many routes. Regional connectivity is mandated through schemes such as UDAN. These interventions reflect legitimate public goals: Affordability and connectivity. The problem is not intervention *per se*, but how it is implemented. Fare caps and partial viability-gap funding often fail to keep pace with real costs, effectively transferring losses to airline balance sheets. This creates hidden cross-subsidies that weaken the financial resilience of the system as a whole.

International experience suggests a clearer approach. Where connectivity is treated as a public good that the market cannot sustain on its own, transparent and adequately funded support is less distortionary than price controls or unfunded obligations. India's current approach achieves connectivity, but often at the expense of airline viability.

Competition policy also struggles to address these realities. Aviation is capital-intensive, regulated, and slow to adjust. Exit is rarely followed by rapid entry. When airlines fail, capacity does not instantly reappear in the hands of new competitors. Instead, markets tend to consolidate around the remaining capitalised operators. In such an environment, weakening surviving firms through ad hoc burdens or unpredictable rule-making does not automatically enhance competition. It can just as easily reduce it.

This matters because India's aviation ambitions are large. The country wants affordable fares, universal connectivity, global reliability, and rapid growth. Achieving all four simultaneously requires institutional coherence. Costs, prices, safety rules and financing conditions must align. When they do not, the system compensates through churn: Entry, expansion, collapse, and consolidation.

The deeper lesson here is about system design. High fuel taxes, rising airport charges, currency exposure, shallow domestic aviation finance, fare constraints, imperfect subsidies and rigid regulation together create a constrained and extractive environment. India should address the underlying structural rigidities: Rationalise taxes and charges, align public-service obligations with transparent funding, deepen domestic maintenance and financing ecosystems, and strengthen the technical capacity of the aviation regulator to design safety rules that are rigorous yet operationally robust. Until those structural issues are confronted, new airlines will continue to enter India's skies, and many will continue to exit them.

Amit Kapoor is chair, Institute for Competitiveness and Richard Dasher is Professor and Director, USATMC, Stanford University. With inputs from Meenakshi Ajith. The views expressed are personal

Roadmap for customs reform in the FTA era

Prabhash Ranjan

Finance minister Nirmala Sitharaman recently said that customs reforms will be her major priority in next year's budget. This is excellent news for the economy. Customs reforms, some of which were initiated in the 2025 Budget, are indispensable for India to facilitate the ease of doing business and realise its full economic potential. Customs reforms could take many forms, such as simplifying tariff structures, easing procedural bottlenecks, streamlining processes, and augmenting physical, digital, and human infrastructure at ports to facilitate the smooth transit of goods. A key dimension of customs reforms is its intrinsic link to the signing of free trade agreements (FTAs). After a hiatus of a few years, India began signing FTAs from 2020 onward. In the last five years, India has inked numerous FTAs with prominent countries such as the UAE, Australia, and the UK. FTAs with other key countries/blocs, such as the EU, and a trade agreement with the US are in the works.

These FTAs not only obligate India to lower its customs duties but also offer a splendid opportunity for Indian manufacturers to augment their exports. Boosting the competitiveness of Indian goods requires the country to pursue domestic reforms, including in its customs structures, tenaciously. Imports are critical for exports.

Before examining the reforms needed, it is compelling to enunciate that customs duties, in themselves, are not inherently problematic, as is often claimed. Under the law of the World Trade Organization (WTO), unlike quantitative restrictions, countries are not prohibited from imposing customs duties on imports, as these are an inseparable element of State sovereignty. As the WTO's Appellate Body held in a case (India-Additional Import Duties) in 2008, "tariffs are legitimate instruments to accomplish certain trade policy or other objectives such as to generate fiscal revenue". Of course, there are limits on the exercise of this sovereign power imposed by WTO law and FTA obligations. The question is: Within these limits, how should countries exercise this sovereign choice that reflects their national needs?

An essential aspect of customs reforms is related to correcting the inverted duty structure. As India undertakes obligations under various FTAs to reduce tariffs, this often results in import duties on finished products being lower than those on raw materials or input goods. So, if the tariff rate on tyres (a finished product) is 5% and on raw rubber (an input good) is 10%, it will disincentivise tyre production in India. Thus, addressing this conundrum is critical to enhancing the competitiveness of the Indian industry, and enabling it to tap low-cost foreign suppliers for intermediary goods. It will also help India attract export-related FDI and become part of global supply chains. A key aspect in reforming the inverted duty structure is rationalising customs duties. The 2025 Budget took valuable steps in that direction, but more needs to be done. A tariff overhaul and rationalisation are also required, given India's commitments under multiple FTAs.

CUSTOMS REFORMS MUST BE ACCOMPANIED BY A COMPREHENSIVE OVERHAUL OF NON-TARIFF MEASURES

Another key aspect of customs reforms and India's FTAs is the need for clear, predictable rules of origin. Rules of origin serve a cardinal function in the international trade landscape dotted by multiple FTAs. They ensure that only products originating in an FTA partner country receive a concessional rate. In other words, Chinese goods entering India via Singapore (with which India has an FTA) should not receive preferential tariff treatment. India amended its customs rules to move away from requiring importers to produce a certificate of origin to proof of origin. While this move will ensure that non-FTA-partner countries such as China are excluded from enjoying preferential FTA tariffs when accessing the Indian market, it may also impose an onerous compliance burden on genuine importers. This could deter trade under concessional rates, thereby undermining the objectives of India's FTAs. Thus, an impeccable customs reform strategy for the rules of origin requires India to walk a tightrope adroitly.

Customs reforms must be accompanied by a comprehensive overhaul of non-tariff measures. Take Quality Control Orders (QCOs) — a non-tariff barrier falling under the WTO's Technical Barriers to Trade (TBT) agreement — as an example. While QCOs have a laudable objective of ensuring that poor quality products are kept out of the Indian market, several economists, such as Arvind Subramanian, argue that QCOs have become protectionist tools. They may discourage imports of intermediate goods that could benefit Indian producers. The impact of QCOs on man-made fibres — an intermediary product in the textile supply chain — is a case in point. Subramanian et al have demonstrated that imposing QCOs on man-made fibres, such as polyester yarn and viscose staple fibre, led to their imports falling despite a tariff cut, thereby hurting exports of apparel made from man-made fibres.

This also indicates that the indiscriminate imposition of non-tariff barriers, such as QCOs, may reverse gains from customs reforms aimed at addressing the inverted duty structure. Thus, the reform-in-silos approach is subject to diminishing returns. Moreover, WTO members have raised concerns about QCOs, citing a lack of transparency and non-harmonisation with international standards. The Union government's recent steps to simplify the QCO processincluding rescinding it for several raw materials is a welcome regulatory reset.

Political-economy reforms, such as overhauling the customs system and related areas, are not easy. The government must strike a balance while managing stakeholder diversity. Nonetheless, not undertaking these reforms would be inexpiable.

India needs intrepid economic reforms to boost competitiveness and maximise the opportunities the FTAs offer. This, in turn, will play a critical role in raising incomes and generating jobs.

Prabhash Ranjan is a professor and vice dean (research), Jindal Global Law School. The views expressed are personal

{ VOLODYMYR ZELENSKYY } PREIDENT, UKRAINE

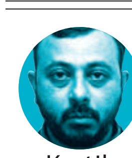
I told him (Trump) that we already have a war going on and it has been going on for almost 15 years. And so I really wanted the guarantees to be longer

After meeting with President Trump in Florida

HT

How warfare changed in many battlefronts in 2025

Harsh V Pant



Kartik Bommakanti

In the year 2025, warfare witnessed and underwent adaptation. Several trends evolved with States at war refining tactics and technology as hostilities progressed. First, drones emerged as an asymmetric capability that prevented a quick and decisive defeat. However, they are insufficient and incapable of inflicting heavy blows, and their use is undergoing adaptation. Second, ground forces continue to matter — without them, territorial gains cannot be secured. Third, airpower, using manned aircraft, is crucial for tipping the balance, but insufficient for gaining ground against entrenched ground forces. Finally, naval power will continue to evolve with Unmanned Underwater Vehicles (UUVs) playing a key role in most major navies across the world.

Unmanned Aerial Vehicles (UAVs) have played an important part in the ongoing war between Russia and Ukraine. Yet they have not had the impact they did during the 2022-23 phase of the Russia-Ukraine war. Even in the case of airborne drones, they have at best performed intelligence, reconnaissance and surveillance (ISR) and attack missions by slowing and thwarting the advance of attacking ground forces or neutralising enemy air defences and radar installations. Drones played a key role in the India-Pakistan skirmish in May this year, knocking out Pakistani radar and air defence installations. The same was true during the Israel-Iran war in June this year.

Drones also underwent a technical evolution through the course of the Russia-Ukraine war, with the Russians developing Shahed drones with jet motors that allow UAVs to travel faster than propeller-driven drones. Drones have been very effective in preventing either side from achieving battlefield surprise on a massive scale, thwarting a quick breakthrough across the flat, unvegetated country of Ukraine. Herein lies a lesson for India against China in the Depsang Plains and the flat terrain India faces in Punjab and Rajasthan against Pakistan along the international border. Additionally, a mixture of drones, ballistic and cruise missiles for offensive operations is crucial to preventing the enemy from adapting. This mode of attack was effectively demonstrated by the Russians.

Drones, however, cannot win battles alone, let alone wars. Ground forces are critical to winning wars. The Russian eviction of Ukrainian forces from the Kursk region in April this year stands as a visible reminder of why ground forces are so crucial: Russian ground forces with North Korean reinforcements compelled the Ukrainians to make a quick retreat. Long-range precision strike weapons can't compensate for infantry, towed and mobile artillery and tanks. Long-range missiles are not always suited for ground combat support, as the Ukrainians have discovered, despite being armed with High Mobility Artillery Rocket System (HIMARS). The latter are mostly suited for striking static targets deep behind enemy lines. Cannon artillery will be just as relevant for ground combat situations.

Airpower using manned aircraft will stay relevant for the foreseeable future. It can generate a level of mass and precision firepower that is hard to substitute with UAVs. This was visibly demonstrated by the Indian Air Force during Operation Sindoor, Israeli air strikes against Iran and the US Air Force strikes against Iran's nuclear facilities in June. UAVs in due course could evolve to possess capabilities to deliver the lethal punch that manned fighter aircraft can do today. India needs to build a mix of unmanned and manned airborne combat capabilities.

For India, a key lesson from 2025 is that innovations in drone use that blend their employment with missiles will obviate predictability, limiting the adversary's capacity to adapt, develop responses, and recover quickly. Capabilities will need to be adapted and tailored to the requirements of geography. Artillery, infantry and armour will need to adapt in the face of improving unmanned capabilities by developing counter unmanned capabilities. Continuous technical innovation and adaptation at the tactical and strategic level are critical for military performance and effectiveness on today's battlefield.

Harsh V Pant is Vice President, Observer Research Foundation (ORF) and Kartik Bommakanti is senior fellow, Defence & National Security, ORF. The views expressed are personal

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Fixing world trade

US suggestions for WTO reform are revealing of a new era

It is unusual for the United States' (US') federal government, under President Donald Trump, to take a constructive approach to multilateral affairs. It is far more likely to exit agreements, declare them disadvantageous and abrogated, and generally take a "burn it all down" approach to global governance. The President himself has long believed that trading arrangements are in particular designed unfairly as far as the US is concerned. It is both unexpected and welcome, therefore, that Washington has submitted a memorandum to the World Trade Organization (WTO), detailing its concerns when it comes to the operation and possible reform of the institution. It has also paid its dues to the WTO for both 2024 and 2025. This suggests that even the Trump administration retains some hope that the institution might be salvaged. It should be noted that subverting the WTO is not a priority of the Republicans alone. The previous administration of Joe Biden did not just delay payments but also continued to veto the operation of the organisation's appellate body, without which it is toothless when it comes to dispute settlements. And when the WTO ruled that restrictions imposed on the import of steel and other items in the first Trump term was illegal, it was the Biden administration that declared that it was refusing to acknowledge or follow the ruling.

The US' memorandum is revealing of the various ways in which Washington now believes — to an extent across parties — that the WTO is not working properly. Some of these complaints are widely shared. For example, it has identified the self-identification of economies as "developing" and thus deserving of "special and differentiated treatment" as a problem. In the past year, China said it would give up developing-country privileges. But both the US and many emerging economies will believe that Beijing held on to these privileges for too long, thereby discrediting the system. The US wants these henceforth restricted to the least developed economies. It has also called for a more transparent investigation into illegal export subsidies. This is again an ongoing problem when it comes to China. Many of its trading partners are of the belief that hidden subsidies for capital, power, and water break WTO rules — but, because of the opacity of the Chinese system, no accountability is imposed. The US correctly believes this is unsustainable.

Both these issues, and others, are concerns that the rest of the world might well have been willing to engage with. It is unfortunate that the US believes it is unnecessary to create a broad coalition for such changes rather than trying to shift the governance architecture single-handedly. On the other hand, the US has additional complaints, around which it might struggle to develop a coalition. One of these is its attack on the very concept of the "most favoured nation", or MFN, which is the bedrock of multilateral trade agreements. Rather than negotiating bilaterally in such a way that specific countries benefit and others lose out, the MFN norm means that all trading partners with that status automatically benefit when a country's trade rules change. Abandoning this norm would lead to chaos — but the largest economies would be least hurt, which is why Washington has undermined it. India must argue against this development, as well as the unnecessarily broad expansion of "national security" as a reason for tariff walls. But New Delhi must also recognise that some US demands — such as for the recognition of plurilateral agreements — will be broadly popular. India has overused its veto at the WTO, and the growth of plurilateralism is a natural blowback.

Skilling India

Internship scheme needs reassessment

When the Prime Minister Internship Scheme (PMIS) was announced in the Union Budget 2024-25, it was projected as an important step in India's youth skilling strategy. The ambition was expansive: Provide internships to 10 million young people over five years by partnering the country's top 500 companies, with a particular focus on the youth from Tier-II and -III cities. Two pilot programmes were rolled out, one late last year and another in August this year, to test the model before full-scale implementation. Early evidence, however, suggests that the scheme's challenge is not a lack of company participation but a deeper mismatch between design and demand. The data placed before Parliament shows that candidates' acceptance of internship offers fell 12.4 per cent between the first and second rounds of the pilot, even as the absolute number of offers rose and more than 70 new companies joined the programme. This decline is significant because it occurred despite greater outreach and refinements in the second round, including clearer job descriptions and better information on internship locations. In other words, awareness is improving but willingness to commit is weakening.

The reasons cited by the government are revealing. The Ministry of Corporate Affairs has acknowledged that the year-long duration of internships, limited alignment between candidates' interests and the roles offered, and eligibility concerns, such as the age criterion, have affected participation. For many candidates, particularly from smaller towns, moving to other places, even if the distance involved is short, for modestly paid internships carries real opportunity costs. There is also an inherent tension in how the PMIS is positioned. While the scheme is framed as a programme on skilling and exposure, the government has repeatedly clarified that it is not designed to guarantee placements. Yet, in a labour market marked by high youth unemployment and underemployment, the absence of a credible employment pathway weakens the scheme's appeal. The fact that companies may, at their discretion, offer jobs after assessing interns' suitability does little to offset this uncertainty. The state-wise data from the pilot further underscores the uneven outcomes. While some states have seen high numbers of internship opportunities or offers, these have not consistently translated into a take-up. This divergence suggests that the bottleneck lies not in supply or initial interest but in the conversion of offers into meaningful participation, precisely the stage at which the design of a scheme matters most.

Perhaps the most telling indicator of the PMIS's current limitations is the underutilisation of funds. Despite a substantial budgetary allocation for FY26, spending remains a fraction of what was earmarked. In 2024-25, the scheme was allocated ₹2,000 crore in the Budget estimates, and was changed to ₹380 crore in the revised estimates. Low utilisation reflects weak absorption on the ground and signals that the scheme, in its present form, is unable to scale up in line with its ambitions. None of this means the idea behind the PMIS is flawed. On the contrary, closer engagement between young people and formal enterprises is essential for bridging the gap between skills and jobs. But the pilot has made clear that scale cannot be a substitute for substance. Before committing itself to a nationwide rollout, the government must recalibrate the scheme, shortening internship tenures, improving role-skilling matching, prioritising local placements, and more clearly signalling employment outcomes.

ILLUSTRATION: BINAY SINHA

Impinging upon regulator's autonomy

The proposal to cap Sebi's spending and route its surplus to the government is a bad idea

AJAY TYAGI

In the recently concluded Winter Session of Parliament, the government introduced the Securities Markets Code, 2025, Bill to consolidate and amend the laws relating to the securities markets.

This column focuses on Clause 124 of the Bill, which deals with the transfer of the Securities and Exchange Board of India's (Sebi's) annual surplus general fund to the Consolidated Fund of India (CFI).

So, what in a nutshell is the proposed change to the existing provisions? What are the inflows into and outflows from this fund? The fees and charges levied by Sebi on market infrastructure institutions, regulated entities, and market participants constitute the inflows to this fund. The fund is utilised to meet the expenditure, both revenue and capital, of the regulator. The regulator's annual budget is approved by its board. This is how a financially autonomous institution is expected to work.

Now, according to the proposed amendment, the statute hard-codes the ceiling of the regulator's annual funding requirement, with the balance of the fund accruing to the CFI. The relevant excerpts from Clause 124 say:

"... (3) The Board shall constitute a reserve fund and twenty-five per cent of the annual surplus of the General Fund in any financial year shall be credited to such reserve fund which shall not exceed the total of annual expenditure of the preceding two financial years.

(5) After crediting the portion of the annual surplus under sub-section (3), the remaining annual surplus of the General Fund for that financial year shall be credited to the Consolidated Fund of India..."

The statement of objects and reasons of the Bill relating to this clause is: "Clause 124 of the Bill provides that the General Fund, established under section 14 of the Securities and Exchange Board of India Act, 1992, shall be deemed to be the Fund for the purposes of the Code." This doesn't explain, or even talk of, either the objective or the reason for the regulator constituting a reserve fund, and transferring surplus fund to CFI!

So what is the logic of proposing this change in the existing provisions? Commentary available in the public domain suggests that it was triggered by the government noticing excessive build-up in Sebi's fund over the years, and the government's right to transfer this surplus to itself to meet budgetary requirements. Some draw a parallel to what the government did about transferring the Reserve Bank of India's (RBI's) surplus funds to the CFI a few years ago. These arguments are specious on several counts.

The logic of establishing Sebi's general fund under the Sebi Act, 1992, was pretty straightforward — namely, to enable the regulator to earn income to meet its own expenditure and not be dependent on government grants. Now the tables have turned — the government is looking to receive an annual revenue stream from the regulator!

As the fees and charges levied on regulated entities are its only source of income, the projected expenditure of the regulator in the short to medium term is the major factor while taking a view on their quantum at any given time. The regulator is expected to calibrate the fees and charges on a regular basis so that the inflows to the fund are adequate to meet the projected expenditure. Admittedly, at times, despite being diligent in making assumptions and projections, there could be a mismatch between the inflows and outflows. One of the reasons for the sizeable build-up of surplus in Sebi's fund in recent years is the increased activity in the capital markets in India, with an increased number of participants and the entry of new entities. As a first step, the right course of action for the regulator to correct this situation would be to appropriately reduce the fees and charges after due analysis and pass on the benefit to the regulated entities.

In any case, the fees and charges levied by the market regulator on regulated entities and market participants cannot legitimately become a source of annual revenue for the government. These aren't taxes or duties. Nor can this transfer be construed as a dividend paid by Sebi to the government. A major problem with this formulation is that once income from Sebi becomes an annual revenue stream for the government's deficit budget, there would be constant pressure to increase such receipts year on year. This is absurd as it would amount to — tasking the regulator with earning more and more from regulated entities to feed the government's budget. One is not sure whether the proposed annual transfer is even legally tenable.

Moreover, how can a law arbitrarily fix a ceiling on the expenditure needs of a statutory regulator? Then there is the question of adhering to the basic and well-accepted international principle of the regulator working at arm's length from the government. Note that the market regulator also regulates government-owned listed companies. Any possible conflict of interest, or even its perception, is highly avoidable. This is likely to be adversely commented upon by the World Bank and the International Monetary Fund in their financial sector assessment programme report.

The comparison with the transfer of the RBI's surplus funds to the CFI is totally misplaced. The government allows the central bank to earn, on its behalf, seigniorage income from printing and issuing currency. The RBI also earns income from various commercial activities and operations. The RBI's transfer of funds to the government is categorised as a dividend payment.

The logic apart, what is the comparison of the amounts involved? While the RBI transferred about ₹2.69 trillion to the government for FY25, Sebi's general fund closing balance and surplus were only around ₹5,500 crore and ₹1,000 crore, respectively, for FY24. The transfer of the surplus fund wouldn't be even a drop in the ocean for the government's budgetary revenue requirements.

So what is the way out to deal with the surplus fund build-up with the market regulator? As argued earlier, the first step should be to reduce fees and charges. In case, at any given time, the surplus becomes too big — and is likely to remain idle and unutilised in the foreseeable future — the board may decide on the transfer of some lump-sum amount to the government. Of course, this should be considered a one-off action, and shouldn't be taken as a norm or precedent. Sebi has senior, responsible persons on its board — secretaries from two ministries, of finance and corporate affairs, a deputy governor from the RBI, and independent directors of repute. Let the board handle the issue. Fixing a statutory ceiling on the revenue requirements of the regulator and proposing an annual stream of receipts from Sebi to the CFI is a bad idea, which should be dropped.

The author is a distinguished fellow at the Observer Research Foundation, former Sebi chairman, and a former IAS officer

Ring out the old, tired consumption debates

RAMA BIJAPURKAR

The discussion around India's household consumption has been stuck on the same issues for the last 20 years, even though the answers to them are now well-known. It's time to "man up" and say: "This is not the narrative or number we like, but let's just accept it." For example, household income, formal salaried employment. It is also time to embrace the quintessentially Indian idea of "many truths, all true" — for example, mass and class markets both being attractively large and growing; gen-next includes both startup founders and government job seekers; and the ageing and youth are both significant demographics. Only then can we move forward.

Whether household consumption is in good health or not is a popular media debate, especially when favourite listed companies post results that fall short of analysts' forecasts. Private Final Consumption Expenditure (PFCE) growth has slowed down in periods, but it has been steadily, sustainably growing over time, a trend that we can safely bet on in the future. As this column has often pointed out, here is the world's largest mass of people who are very keen to consume and whose incomes are slowly and steadily rising. Even at modest gross domestic product (GDP) growth rates, the PFCE expenditure offers enough headroom for companies to grow. Where and how to get this growth is a business strategy question, not a macro consumption health question. We know that all our defining numbers are large on aggregate, small on per capita; absolute numbers of consumption of most things are very large, especially relative to the rest of the world, while penetration levels are still low. We know that a small percentage of a large number is large, and all interpretations are correct.

There is also no need to debate, as is often done, who the "demand stars" or the next wave of consumption drivers are — rural or urban, Tier I or II & III , Uttar Pradesh or Karnataka, the young or old. It is proven that demand is everywhere and even rich households are spread wide and deep. Instead of continuing to seek normative answers, the model to work with is that of many mini Indias, each with its own mini economies affected by different factors (for example, America, monsoon, politics, natural disasters, infrastructure spurts, acts of God and acts of governments). So the focus should shift to building excellent, dynamic tracking, and forecasting models of where the good news and bad news on income, hence consumption is going to be.

Forecasting models such as Crisil's DRIP (Deficient Rainfall Impact Parameter, created by the late economist Subir Gokarn) can be used to monitor and forecast agricultural incomes in real time, as the monsoon advances. Another model, used by a rural lender, continuously monitors agriculture, construction/ mining/ infrastructure building, and political activity/government actions across districts to forecast consumption health at any point in time in Consumer India's labyrinth.

Shifting the focus to proactive tracking of fundamental drivers of household cash flows and accepting the ebbs and spates of our consumption river as it flows across many mini Indias, steadily increasing its depth over time, will avoid the uninsightful post mortems and conjecture that happens every quarter. The long-standing debate of "mass or class — where does India's "true" consumption potential lie" is past its expiry date. The facts are known — the richest 20 per cent of households have over half of India's household income and never went below the mid-40 per cent even in high-growth, pre-Covid periods. The rest are also growing their incomes steadily and harbour considerable aggregate demand, though at lower income levels. We know that Indian consumption exists at a range of price and performance points. It is for companies to decide where on this spectrum they want to play and with what intensity, depending on whether they can innovate or achieve cost positions that enable them to make money. Companies that choose not to serve or play in "mass" markets give up large swathes of aggregate demand where scale can be built and where long-term value, volume, and price-point growth tends to happen on autopilot over time. To portray such company specific choices based on desired pain-gain-valuation as macro-consumption truths of vanishing middle classes, or disappeared demand is incorrect.

What we do need to better understand consumption is more insights on occupation, leading to a risk assessment model for income — how exactly Indians earn the money to consume (and pay back what they borrow to consume). We know from existing data that the bulk of consumers are own-account workers or micro business owners. We know anecdotally that doing multiple gig jobs is becoming the norm, especially for the young. What we need is a deep dive well beyond National Sample Survey categorisations of Consumer India's exact work, the share and predictability of each component of a person's total income, and the resilience to bounce back from bad times. This will also help establish the size of the genuine middle class and avoid specious debates on its true size.

We need to understand at an equally granular and nuanced level, the priorities (life attitudes, goals, anxieties) of different income/occupation/education segments that shape their thinking around spending portfolios and drive their spending. Maybe productivity-enhancement remains the most important value space that drives consumption. Maybe the new aspiration is to experiment and experience life's goodies rather than invest in capex for life's future.

The author is a business advisor in the area of customer-based business strategy

Mumbai: Between opportunity and despair

BOOK REVIEW

TALMIZ AHMAD

In the mosaic that constitutes India's diverse, complex and intimidating landscape, Mumbai has always stood apart. At once a land of opportunity and hopelessness, an orderly, law-abiding space but also home to a mafia-type underworld, remarkably cosmopolitan but scarred by xenophobic communal and caste divisions and lethal violence.

Several commentators have been attempting to make sense of this contradictory city that provides a large part of India's income tax returns, yet half of its population, possibly over six million, lives in slums. And despite its soul-numbing squalor, Mumbai attracts several thousand people every day who seek to eke out a living from its fetid streets and mountains of garbage to support themselves and families far away.

The distinguished journalist and long-term Mumbai resident, Sidharth Bhatia, has placed housing at the heart of the city's failure — the inability of successive generations of political leaders and officials to provide decent accommodation for most of its residents, while pandering to the needs of a paltry group of affluent business persons and professionals who live in gated communities and remain cut off from the surrounding sordidness.

Mumbai, as is well known, emerged from the linking together of seven islands and, later, from the challenging reclamation schemes that added to its territory. Its original importance lay in its location that made it one of the greatest ports in the world, linking the commercial interests of East and West, bringing Western enterprise to India and taking Indian students, professionals, workers and entrepreneurs to pursue opportunities in West, North and South Asia.

Prospects for business and employment attracted hundreds of people from across India. Gujaratis, Sindhis, Bohris and Marwaris became promoters of major enterprises, primarily textile mills, which in turn brought in workers for these factories, as also the support systems that the burgeoning enterprises needed — in the construction, transport, food, and leisure sectors.

But from the very beginning, alongside the factories and upmarket housing for the affluent, were the slums. In 1910, a British urban planner noted that the working-classes had to live close to their place of work, but "have not the most elementary ideas of sanitation". It was obvious even to the untutored that the city's principal shortcomings are congestion and overcrowding, but high property prices have meant that most residents live in squalid conditions, with every plan for "development", the author says, either not working or, at most, making only a marginal difference.

The book provides wonderful thumbnail sketches of Mumbai's diverse areas — Colaba, Marine Drive, Dharavi, Dongri, Koyla Bunder, the former red-light area of Kamathipura — a mine of information even for Mumbai's longstanding residents. These are embellished with pen-portraits of diverse personalities whose lives throw light on various aspects of Mumbai's housing situation.

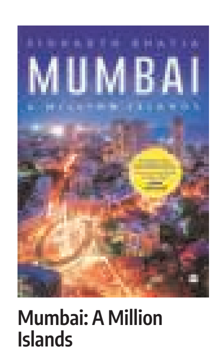
Thus, we meet Nainesh Thakkar, whose family for two generations has lived in makeshift accommodation on the terrace of a high-rise building; Nikhil Banker, who manages the accommodation of 3,400 tenant families in three buildings on Marine Drive; Bombil Aapa, who has lived in Dharavi, described as Asia's biggest slum, for several decades and has witnessed the enterprise that flourishes in this grimy space; the intrepid transgender, Gauri Sawant, who has gained renown due to a popular advertisement; and Atika Chohan, who, as a single woman, struggles to find accommodation.

We also get to know former mill workers and union leaders who experienced the fall of the textile industry and the real estate bonanza that was reaped by politicians, developers and contractors. We shake hands with Kantibhai, a resident of Kamathipura who describes the changes in this formerly disreputable area.

And, finally, we meet Shanti Ravi of Koyla Bunder who shares with us the intricacies of the several hundred acres of land that belong to the Mumbai Port Trust but which are now home to thousands of families that have no legal status and simply do not exist. Realising the value of this illegally occupied land, politicians, officials and developers are salivating at the prospect of raising a Dubai in this wretched space.

Mr Bhatia ends Mumbai's story by pointing out that the glitz and glamour of Mumbai's skyline hides "the vast numbers of those who can't afford this glossy version of the city they have lived in all their lives"; Mumbai's rise as a great global centre is founded on deep human misery.

This is an excellently researched work that lucidly throws light on several less-known aspects of this great metropolis.



Mumbai: A Million Islands
by Sidharth Bhatia
Published by HarperCollins
302 pages ₹599

Mumbai's tale is brought to life through the stories of numerous humble residents who live at the margins of this urban achievement and are rarely heard or taken note of. Mr Bhatia engages with them with empathy and ensures they complete Mumbai's narrative by asserting their place in its landscape. But the sense here is not of hope but despair.

The space that had once compelled India's diverse mosaic to live and work together in harmony has now become deeply divided and violent. Perhaps, we could date this to the fierce state- and party-sponsored communal riots that had convulsed the city in the 1990s, when its partisan police force supported a xenophobic political party to wreak violence upon the Muslim community.

Those of us who recall the old city with deep nostalgia also mourn the loss of that unique reflection of cosmopolitan India.

The reviewer, a former diplomat, was a resident of Mumbai in his early years

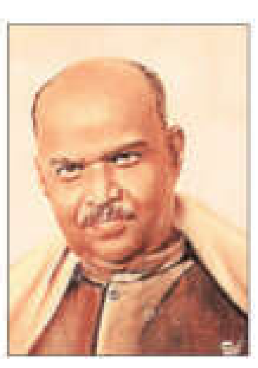
POLITICS

The three icons memorialised by BJP in Rashtra Prerna Sthal

SHYAMLAL YADAV

THE RECENTLY inaugurated Rashtra Prerna Sthal in Lucknow is home to statues of three three iconic figures in the Bharatiya Janata Party pantheon — Syama Prasad Mookerjee, Deendayal Upadhyay, and Atal Bihari Vajpayee.

Syama Prasad Mookerjee (1901-53)



Mookerjee, who was the Minister of Industry and Supply in Jawaharlal Nehru's interim government, was originally a Hindu Mahasabha leader. He left the Mahasabha in 1948 and resigned from Nehru's cabinet in 1950. A new political future beckoned.

After Gandhi's assasination, the Rashtriya Swayamsevak Sangh (RSS) was a political pariah. To gain ground among masses, it decided to float a new political party — the Bharatiya Jana Sangh. Mookerjee was one of the founding members of the BJS, and led the party in the 1951-52 polls in which it contested 94 Lok Sabha seats and won three; Mookerjee himself won from Calcutta South East.

In the very first Lok Sabha elections, in which the Congress won 364 out of 489 seats, Mookerjee formed a joint Opposition of 38 members (32 in Lok Sabha and 6 Rajya Sabha) comprising eight parties.

Mookerjee was neither a Sangh ideologue, nor did he have a long association with the RSS. His importance to the BJP stems from his stature as a foremost Hindu nationalist at the time of Independence; his role as BJS founder; and his position as one of Nehru's sharpest critics, especially on Kashmir.

In 1952, Mookerjee launched a campaign against the Nehru-Sheikh Abdullah agreement. He was arrested after trying to enter Kashmir and died in prison on June 23, 1953. The 2019 abrogation of Article 370, which granted special status to J&K, was framed by the BJP as a fulfilment of Mookerjee's vision.

Deendayal Upadhyay (1916-68)

Upadhyay was a protégé to RSS Sarsanghchalak M S Golwalkar, under whose guidance he came up with the philosophy of Ekatma Manavvad (Integral Humanism), a driving force behind the BJP's economic vision.

He was a founding member of the BJS, and mentored several young politicians who later led the BJP.

During the 1967 polls, Upadhyay successfully rallied the Opposition to Congress; the BJS would be a part of coalition governments in several states, including UP, Bihar, MP, Punjab, and Haryana. Subsequently, many Congress leaders, including Charan Singh in UP, Rao Virender Singh in Haryana, and Govind Narain Singh in MP, quit the party to join opposition alliances. The credit for these victories goes largely to Upadhyay and socialist leader Ram Manohar Lohia.

On February 11, 1968, Upadhyay's corpse was found close to the Mughalsarai Railway junction near Varanasi; the station has now been named after him. Unlike Mookerjee, who died soon after the BJS's formation, Upadhyay guided the party through several ups and downs; his policies and ideology continue to influence the BJP.

Atal Bihari Vajpayee (1924-2018)

Vajpayee was active in electoral politics from 1951-52 to 2004, and remained a Lok Sabha MP till 2009. Under him, the saffron party tasted power in the Centre for the first time. In 1977, Vajpayee facilitated the formation of the Janata Party, and he served as the Minister of External Affairs in the Janata government from 1977 to 1979. In 1980, he rallied ex-BJS leaders to form the BJP.

Vajpayee's political journey was full of ups and downs. After former BJS politicians quit the Janata party to revive their own saffron outfit, the BJP struggled for a few years, winning only two seats in the 1984 polls. However, he remained a strong face within the Opposition, and together, with Lal Krishna Advani, he helped consolidate the BJP's position.

He successfully helmed the BJP-led National Democratic Alliance (NDA) government at the Centre from 1998-04, putting a few of the party's ideological issues on the backburner to attract coalition partners. The Vajpayee-Advani duo helmed the party till 2004, when the government lost the mandate and Vajpayee had to resign as Prime Minister. He quit active politics in 2005.

A poet and a brilliant orator, Vajpayee's idiom always resonated with the masses. He was a moderate figure in the party, and enjoyed cross-party support unlike any BJP leader before (or after) him. He also nurtured several leaders, including Prime Minister Narendra Modi.

AI that you can hold in your hand, and that holds your hand

This was the year when AI began changing the way people access knowledge on the internet, challenging Google's stranglehold. While the promised efficiencies are yet to materialise, expect AI to further integrate itself in everyday life

LOOKING AT 2026
TECH

NANDAGOPAL RAJAN

A YEAR is now an awfully long period of time. The sheer speed of AI adoption has expedited all other tech cycles, making it difficult to predict what's coming our way in the next few weeks.

As a result, we are living in exciting times, with new products and updates shipping every few days, opening up opportunities and challenges we hadn't even envisaged the week before.

Despite all this buzz, however, the fact remains that AI has yet to bring in the kind of efficiencies it once promised, raising fears that we are all just riding another bubble inflated by a lot of hype.

Despite these uncertainties, most of what we said in this column a year ago has been correct, though with varying degrees of success. AI is now being deployed across industries and by individual users for practical use cases. However, autonomous AI agents, as well as the use of the technology for creating new hardware and simplifying dashboards, is taking time.

But we are clearly on that path and the drag is mostly from adaptability and adoption. The social media flux is continuing with users becoming spectators rather than active participants, though we haven't seen the emergence of any new platform that captures user interest.

This gives us the confidence to come up with ideas that could come true in 2026. In fact, many of the predictions from last year could actually materialise now. And, not surprisingly, there is a common theme this time for all the predictions — and it needs just human intelligence to figure this one out.

A new homepage for the internet

There is a drastic change happening in how we access knowledge on the internet. If Google gave us the ability to search for and find links in a list format, AI platforms are making it more natural to consume the same information in concise textual nuggets. While this has resulted in the "zero click" panic for online portals, the fact is that for users, AI formats make more sense as they deliver what they want in a personalised format and with the ability to ask follow-up questions and fill knowledge gaps.

This change in user behaviour is transforming the business models the internet is based on. If click-through rate, or CTR, was the metric on which website success was measured, Generative AI has taken away the need to click on anything to access information.

In the new year, expect this transition to accelerate with the widespread adoption of AI browsers like ChatGPT's Atlas and Perplexity's Comet. These are essentially browsers serving what you seek without the need for an additional click.

An AI-generated image, with this story as the prompt for its creation. CHATGPT

They can even surf the internet for you, giving you daily updates from the websites you love without you ever returning to these domains.

All of this is already threatening Google, which has had a monopoly on users of the internet, especially in countries such as India where it essentially serves as the gateway to the world wide web.

If people stop entering search queries on Google surfaces, the most powerful business model in the world will be challenged. But it is unlikely Mountain View will let go of its stranglehold on the web. It is already offering AI overviews on most searches, giving users the knowledge they need without requiring them to click further. In 2026, expect this to become the norm in how we access the internet — pulling knowledge from websites rather than pushing users in for content.

AI-powered devices

The browser is the most used app on any smart device. In the new year, expect smartphone and laptop companies to leverage this by making an AI browser the core of their device. AI is already a buzzword for these devices, but these interventions are superficial at best and based on an earlier understanding of how users will interact with GenAI surfaces. The fact is that not everyone wants to keep creating AI-generated images or summarising their emails. They want to do more, and maybe they want the operating system itself to do more for them. An AI-powered device can be like your personal butler — it will summarise your day for you, make appointments, and remind you of important calls and emails that need responses. Don't be surprised if OpenAI or Anthropic announced an AI phone.

If smartphones spawned the age of apps, GenAI platforms are going to take us into a post-app era by doing everything without you having to open specific applications. These app integrations are already happening, and you will only see this increase in the coming months. The interaction with your phone might be more like a conversation and may not even need a textual interface. You might be able to put away your device in your pocket as you use either goggles or earbuds to interact with non-visual content most of the time.

A rewind on your life

An extension of these devices will be their ability to record everything you have seen and let you go back to what you might not be able to remember. If the new version of Google's Android XR Glasses are any indicator, these devices are closer than we think. They will make notes from everything you see and every conversation you have, using AI to take actionable next steps so that you don't forget anything. There will be obvious privacy issues with technology that is logging even your offline life, but there will be obvious advantages, too. And this will also be technology that is more passive than what we are used to, working in the background as we go about our daily lives. The possibilities of this new kind of AI assistant will be endless, and soon you will see the co-pilot aspect permeate into physical life as well. AI glasses will be able to tell you how to react to situations, read languages you have never learned, and solve problems you have never encountered.

AI agent orchestration

If 2025 was the year we all started experimenting with AI agents, 2026 will give us the power to orchestrate multiple agents to complete complex tasks, making decisions when they need to and moving on when they can't. Platforms that let you orchestrate AI agents, often from different companies, will gain popularity in the coming year, especially among more evolved AI users. This multi-agent world will be especially beneficial in bringing efficiencies to businesses that have to manage multiple departments and vendors, resulting in different types of data and dashboards. Deloitte's market estimates suggest the autonomous AI agent market could reach $8.5 billion by 2026.

Physical AI

Those who have sat in an autonomous Waymo taxi in San Francisco may think it is a better, safer ride than Uber. And this lack of human intervention, or distraction, could drive up the adoption of autonomous public transport across the world, followed by drone deliveries, especially to places humans can't easily reach. As long as they have a good power supply, these autonomous automobiles can manage on their own without getting stuck on sidewalks or running into lamp posts. This newfound autonomy is also going to result in the adoption of robots from companies like Tesla, Boston Dynamics and Figure AI that do everything from folding and ironing clothes to taking your dog out for a walk and, of course, increasing productivity and efficiency in factories. However, this will happen only if their per unit costs come down to under $50,000 from where it is in the prototype stage now.

NEW IN THE NEW YEAR

A changing internet

Users can get answers to online queries instantly, and as a result, the ad-based business models of websites are transforming.

This shift will likely accelerate, with the rise of AI browsers such as Perplexity's Comet.

Other trends to watch out for

- Micro videos across social media platforms that try to drive engagement with low-attention users
- Social media platforms trying to purge AI slop from their feeds to keep them relevant for users
- Platforms that allow only AI generated content, pushing the envelope of what we thought could be real
- Multi-fold devices becoming more popular — not just smartphones, but also tablets and laptops

HEALTH

As nations flag Indian rabies vaccine, how treatment works

Anonna Dutt
New Delhi, December 29

THE AUSTRALIAN health department recently urged citizens who may have received a rabies shot in India to check if they needed additional replacement doses. The UK and the US also released advisories.

The messages stem from concerns about potentially counterfeit batches of the vaccine Abhayrab — manufactured by the Human Biologicals Institute, a key division of the PSU Indian Immunologicals — circulating in India since 2023.

This raised an alarm because rabies, once it develops, is nearly 100% fatal. The viral infection is transmitted through the saliva of infected animals, leading to symptoms ranging from fever and nausea to excessive salivation, hallucinations, and partial paralysis. However, post-exposure vaccination can prevent it.

The WHO estimates that India accounts for nearly 36% of global rabies deaths.

Issues in packaging

Indian Immunologicals said in a statement on Saturday: "In January 2025, IIL proactively identified in the market one specific batch (#KA24014) with a packaging different than the original. The company immediately notified the Indian regulators and law enforcement agencies... There is no instance of any other counterfeit batch in the market."

Counterfeit vaccines were reportedly found in cities like Delhi, Mumbai, and Agra, and some of those locations were then raided.

An expert who was aware of the matter said the products were "seized and tested, including in the government's Central Drug Testing Laboratory in Kasauli, which tests all vaccines before they are released in the Indian market. The test report, in fact, found the vaccines to contain the genuine product. What this essentially means is that the outer package of the product was changed to divert the government supply to the open market."

Several brands of rabies vaccines are available in India, and Abhayrab holds nearly 40% of the market share. "We are the largest producer of rabies vaccines in the world... The challenge with such advisories is that it may lead to more vaccine hesitancy... We want to let people know that the vaccine is safe and effective," said a senior official from the company.

Stray dogs being vaccinated with rabies shots in Delhi. ABHINAV SAHA

The UK advisory said that vaccines administered after November 2023 needed to be identified, based on the date printed on the faulty packaging. The genuine vaccines, bearing the same batch number, were actually manufactured in 2024, according to the official.

Dr MK Sudarshan, founder president of the Association for Prevention and Control of Rabies in India (APCRI), said, "Fortunately, people in India are usually administered five doses of the vaccine following an animal bite. Now, even if one of the vaccines is of doubtful efficacy... the person will still be protected if they have received the other doses and the immunoglobulin (antibodies)".

Dr Sudarshan explained that the WHO vaccination schedule requires that people receive at least three doses of the intramuscular vaccine or two doses of the intradermal vaccine with an immunoglobulin given on the day of the animal bite. For those immunised previously, only two booster doses are needed.

Other suspect vaccines

A spike in rabies cases was reported in Kerala in 2022, and several of the deceased had received rabies vaccines, giving rise to suspicions of ineffective vaccines.

A committee set up by the Union Health Ministry found that the rabies cases were attributable to faulty wound washing techniques and non-administration of immunoglobulin for category 3 bites (when multiple bites or scratches break the skin, and an infected animal then licks that skin). It also pointed out that the availability of immunoglobulin and vaccines was a major challenge.

Dr Sudarshan said, "In rare cases, rabies might happen despite vaccination if the wound has not been cleaned properly and on time. If the bite happens in a nerve-rich area and sends the virus directly into the nervous system, the infection may occur."

WEB EXCLUSIVE
'Brigitte Bardot's revolution of the self.'
— By Aishwarya Khosla
Log on to www.indianexpress.com

WORDLY WISE
There was never a good war, or a bad peace.
— Benjamin Franklin

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BECAUSE THE TRUTH INVOLVES US ALL

SC rethink on Aravallis is welcome, much needed

THE SUPREME Court's decision to stay its verdict of November 20, which redefined the extent of the Aravallis, is enormously reassuring. The definition had effectively shrunk the more than 650-km ancient range to a few hills. It militated against a more than two-decade-old jurisprudence, in which the Court had drawn on its expansive interpretation of forests in the *Godavarman* (1996) case, to nudge the often mining-friendly state governments in the Aravalli region — Rajasthan, Haryana and Delhi — to protect the hills. The Court's demand for a definition of the Aravallis was, of course, grounded in a need to address a regulatory deficit. Last year, it found that an inconsistent definition of the range was the major reason for the persistence of illegal quarrying. However, the SC's decision to accept the criteria proposed by a panel constituted by the environment ministry — only landforms at an elevation of 100 m or more should be considered as part of the mountain system — invited controversy. Fears that this height filter would aggravate the ecological insecurity of the Aravallis triggered protests in Rajasthan. A series of reports in this newspaper pointed out that the new definition would diminish the ecological services of the Aravallis. On Monday, a three-judge bench led by CJI Surya Kant took *suo motu* notice of the range of voices, including this newspaper's, that urged the Court to review its order. The decision to put the 100-m rule in abeyance is a much-needed course correction.

A committee of experts will now be formed to re-examine how to map the Aravallis. Its mandate includes addressing a major concern flagged by the Forest Survey of India (FSI). The agency had underlined that less than 10 per cent of the Aravalli hills made the 100-m cut. The SC's own amicus curiae and the CEC had concurred with the FSI: They had warned that the definition could open vast stretches of the Aravallis to mining.

For starters, the committee would do well to go back to the central message of SC verdicts — hills, ridges, plateaus and forests in the Aravallis function as one ecosystem. In 2010, this respect for the range's ecological integrity was the main reason for the Court's rejection of the 100-m threshold proposed by the then Congress government in Rajasthan. Eight years later, a two-judge bench recognised how even small hills in the Aravallis were an anti-pollution shield for the Indo-Gangetic region. Now, with a vast swathe of the region blanketed in toxic smog, the salience of the Court's latest intervention cannot be overstated. It must continue to hold out against attempts to diminish the nearly two-billion-year-old mountain system.

Stable peace in Ukraine is not yet in sight

PERHAPS FOR the first time in the nearly four-year-long war, the three principal actors appear to agree, albeit for different reasons, that a settlement may be close. After meeting US President Donald Trump in Florida on Sunday, Ukrainian President Volodymyr Zelenskyy said he believed the US and Ukraine were "90 per cent agreed" on a 20-point peace plan and "100 per cent agreed" on security guarantees. Trump claimed that a draft agreement to end the war was nearly "95 per cent done". Even the Kremlin, which usually tempers expectations of peace, echoed Trump's assessment that the negotiations were in their final stage. Yet for all the positive optics, there are few indications that a concrete agreement is in the offing.

For several weeks now, Ukraine has been confronted with a stark choice: Surrender territory in the east and accede to Russian President Vladimir Putin's demands, or continue fighting a war of attrition with mounting costs. That the war persists despite consistent pressure from Trump on Zelenskyy to opt for the former — articulated in Washington's original 28-point plan — underscores Kyiv's determination not to cede land. Trump and Zelenskyy both acknowledged on Sunday that the future of the Donbas remained unresolved. This eastern region — comprising Ukraine's Donetsk and Luhansk oblasts, the latter now almost entirely under Russian occupation — has been an intractable obstacle to peace. For Ukraine, questions of sovereignty and national pride aside, Donetsk forms the so-called "fortress belt" of its defensive line. Losing it could allow Russia to use the region as a springboard for future offensives. For Putin, the capture of the Donbas and the supposed "liberation" of its Russian-speaking population is central to the justification for Russia's invasion and necessary for any peace deal.

For India, a stable peace in Ukraine would ease the foreign policy bind it has found itself in over Russian oil imports and US tariffs. It is evident that Moscow's ultimate objective is to improve the terms of its engagement with Washington. New Delhi must factor this into its own strategic calculus, as reflected in PM Narendra Modi's endorsements of Trump's peace initiatives in Eastern Europe. As the year draws to a close, even as diplomacy goes full throttle, the battlefield continues to set the limits of peace.

Brigitte Bardot, star who went against the grain

WITH HER tousled hair and smoky eyes, Brigitte Bardot arrived like a rupture in the moral conservatism of the French film industry of the 1950s. Her debut film *And God Created Woman* (1956) tanked at the box office but it changed post-war entertainment by its assertion of an unapologetic womanhood that was more assertive of its sexuality than ever before. Bardot, who died on Sunday at 91, became the face of this change, embodying a modernity that critics and audiences strained to interpret even as they consumed it. Her films, though never critically acclaimed, challenged what French philosopher Simone de Beauvoir called the "tyranny of the patriarchal gaze", turning Bardot into both archetype and anomaly.

The arc of Bardot's life was defined by the choices she made. In 1973, at the height of her fame, she walked away from films, choosing animal-rights activism in its place. The Brigitte Bardot Foundation fought against bullfighting and wolf hunting, industrial farming and seal hunting with a devotion that was uncompromising. Bardot brought this abrasiveness to many of her socio-political stances. Her disdain for the #MeToo movement and support for actor Gerard Depardieu, found guilty of sexual assault during a film shoot in 2021, her active support of Marine Le Pen and her far-right politics, her controversial views on immigration and multiple convictions for inciting racial hatred reveal a figure for whom there can be no easy classification.

It is this refusal to be resolved into neat boxes that secures Bardot's place in cultural memory. Bardot did not lead a model life but in its contradictions and unresolved tensions, she held up a reminder that originality is rarely tidy.

Congress decline is a story of centralisation, missed opportunities

SANJAYA BARU

AFTER THE drubbing it received in elections to the Bihar legislature and reacting to Priyanka Gandhi's stellar performance in Parliament during the Winter Session, many political analysts and members of the Congress party have once again been raising questions about Rahul Gandhi's leadership.

The political gravitas that Mr Gandhi secured with his Bharat Jodo Yatra seems to have dissipated. There is talk of another *yatra*, perhaps to sustain his image and political appeal. It is, however, unfair to blame Mr Gandhi alone for the sorry state of the party.

In my last meeting with former President Pranab Mukherjee a few weeks before he passed away, our conversation turned to books. I suggested to him that he should write a book examining the decline of the Congress party. "When do you think it began?" he asked me.

Without thinking, I replied instantly that I would date it from Rajiv Gandhi's tenure when the number of party members in the Lok Sabha went down from over 400 to under 200. Mukherjee sat back, reflected for a while and said, "I think you would have to start from 1969".

The Indian National Congress that led the national movement for India's freedom from European colonialism formally split in 1969. In his fictionalised autobiography, *The Insider*, former prime minister Narasimha Rao has one of his characters say that "the party had become a proprietorship". This remark in the book is dated to around the time of the Emergency.

Clearly, the two stalwarts, Mukherjee and Rao, believed that the split in 1969 followed by the centralisation of political power within the PM's office and family, with chief ministers being reduced to rubber stamps, had together contributed to the organisational decline of the party.

The party revived briefly in the 1980s but based on this centralised model. Indira became India. The subsequent decline has been well recorded by political analysts. During Rao's tenure as PM, he tried to revive the party organisation, conducting elections to the Congress Working Committee, but it was an aborted experiment. Rao did not have the political base in his own home state to empower himself for such a task.

However, the Congress party had the opportunity to reinvent itself as a normal, mainstream all-India political party, not dependent on the charisma of one family, if its leadership of the 1990s, across the country, had come together and rebuilt the party from the grassroots. This did not happen. Into this vacuum Sonia Gandhi, and the power elite that surrounded her, stepped in.

The rise of the Bharatiya Janata Party gave Congress an opportunity to team up with regional parties and the communists to form a coalition government in 2004. Having returned to power, the Congress party could still have revived its organisation at the state level by empowering regional leaders within the party. Only Y S Rajasekhara Reddy managed to do that and eventually the party organisation he built up in Andhra Pradesh was betrayed and abandoned by the Delhi leadership. Elsewhere, Congress could have revived organisationally by bringing leaders like Sharad Pawar, Mamata Banerjee, Y S Jagan Mohan Reddy, and others back into its fold. That did not happen.

On the other hand, the tenure in office was used to further consolidate the Nehru-Gandhi family's leadership. It was clear to one and all that party president Sonia Gandhi wanted her son to take charge of the party. While some leaders, most prominently Mukherjee, resisted this dynastic succession, others, most prominently PM Manmohan Singh, acquiesced.

In September 2013, Rahul Gandhi had challenged prime ministerial authority by publicly rejecting an ordinance passed by the Union Cabinet. Rather than quit, Singh told the media, while returning home from Washington, DC, that he was ready to take up any role in the Congress party and that he would be "very happy to work under the leadership" of Rahul Gandhi. He then went on to state "I have always maintained that Rahul Gandhi would be an ideal choice for the PM post after the 2014 elections."

The die was cast. Those who questioned this line of thinking were snubbed. It's now too late for Congress persons to seek alternative solutions. As I have argued since 2008, if Singh had sought a second term in 2009 by contesting the Lok Sabha elections — he would have won hands down from Amritsar or Chandigarh — and returned to office as a politically empowered PM, he could have completed the task Rao began of reviving the party's regional leadership.

> The centralisation of political and organisational power in one person after 1969 had cost Congress dear. A return to that model in 1998 only contributed to a further erosion of the party's base

The centralisation of political and organisational power in one person after 1969 had cost Congress dear. A return to that model in 1998 only contributed to a further erosion of the party's base. Rahul Gandhi inherited this atrophied base.

While the BJP stepped into this environment as an organisation and cadre-based party, within a decade PM Narendra Modi has also converted it into a personality-based party. Regional leaders within the BJP have been disempowered, while political lightweights have been elevated to positions of power. If the BJP continues to walk this path, it will also decline organisationally, despite the support it has currently secured from the RSS.

One consequence of the turn to personality-based politics is that every political leader feels tempted to consolidate their position by projecting their personality. While BJP chief ministers are scared to do so, after the way in which regional leaders like Shivraj Singh Chouhan have been downsized by Modi, the weakness of the national leadership in the Congress party is encouraging regional leaders like Siddaramaiah in Karnataka and Revanth Reddy in Telangana to assert themselves.

The fact that others like Shashi Tharoor, Digvijaya Singh, Manish Tewari, Ashwani Kumar and Prithviraj Chavan have recently become more visible and articulate also suggests that there is some attempt to try and challenge this centralised model. The decentralisation of leadership within Congress will augur well for its future just as the centralisation in the BJP is likely to be its undoing.

Baru is a writer and former editor, The Financial Express. *His books include* India's Power Elite: Class, Caste and a Cultural Revolution

She will not back down, and that's reason to hope

POOJA PILLAI

ON DECEMBER 23, an old wound was reopened when a Delhi High Court verdict suspended the life sentence handed down to Kuldeep Singh Sengar six years ago. The four-time former BJP MLA had been convicted by a Delhi court in the 2017 rape of a minor in Unnao. The HC noted that Sengar was not a "public servant" as defined by the Indian Penal Code, and therefore, the stringent provisions of POCSO under which he was sentenced wouldn't apply.

The HC's strict textual reading sits uneasily with the spirit of a law that was designed to protect the most vulnerable. The Supreme Court stayed the order this week, but optics matter — and here, they resurrect memories of how Sengar used his position and power to subvert the due processes of law. Every step forward in the case came at the cost of great personal trauma for the survivor, including the custodial death of her father. So when Sengar was found guilty and sentenced to life in prison in 2019, it was a hard-won moment of accountability.

Looking back, however, this case seems to be part of a bleak pattern. Earlier this month, in the 2017 abduction and sexual assault case of a Malayalam film actor, a Kerala court convicted the main accused and several others, but acquitted actor Dileep, a powerful film-industry figure who had been charged with conspiring in the crime. The survivor, whose fight for justice had dragged on for eight years, later spoke of realising that "not every citizen in this country is treated equally before the law".

Then there was Balasore in Odisha, where a student at the Fakir Mohan Autonomous College died after setting herself on fire when the institution failed to act on her sexual harassment complaints against a professor. She had done everything that women who are harassed are told they should be doing, including going to the police and her college's PoSH committee. That she took the final desperate step is an indictment of a system where complaints become mere words on paper and the despair of victims becomes an afterthought.

> The Unnao survivor has said she will continue to fight. So has the survivor of the 2017 Kerala sexual assault. Their persistence belongs to a longer arc that began in 2012, after the Delhi gangrape broke a long silence around sexual violence

The fight for justice in such cases remains punishing for women, and the pressure exerted by money and power is felt long before these cases ever get to the court. Pursuing justice demands the kind of resilience that few can sustain. Which is why when verdicts go against survivors, the loss ripples outward, reinforcing the fear that silence may be safer.

And yet, look closely and another story emerges, one of stubborn hope. The Unnao survivor has said she will continue to fight. So has the survivor of the 2017 Kerala sexual assault. Their persistence belongs to a longer arc that began in December 2012, after the Delhi gangrape broke a long silence around sexual violence. It ended the old charade of pretending that such crimes are aberrations best whispered about and forgotten. The MeToo movement of 2018 widened that rupture, giving language to experiences long normalised as the price of being a woman in public life.

In Kerala, women in the Malayalam film industry took that spirit further. In the aftermath of the sexual assault of one of their colleagues, they formed the Women in Cinema Collective, which persuaded the Kerala government to form the Justice Hema Committee. The report released by the Committee last year was a bombshell of testimonies about exploitation and abuse that forced the state to confront an ugly reality. True, action since then has been halting, and accountability remains incomplete. But cracks in the old edifice are visible: This year, the powerful Association of Malayalam Movie Artists elected its first all-women executive committee. The Hema Committee's report also emboldened many women to speak up about their ordeals, perhaps permanently shattering the omerta on abusive practices within the film industry.

In every survivor who refuses to back down and insists on naming the problem, in every young woman who grows up knowing that her anger has a vocabulary and her pain a politics, we see this story of hope. And while the road ahead is long and uneven, those who walk on it carry the promise that justice, however delayed, is still worth demanding.

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I am an editor and in this age of AI, I miss 'bad English'

ROHAN MANOJ

THERE IS a certain dubious pleasure known only to a particular species of editor. It consists in staring at an incoherent piece of writing, whining a little, procrastinating more than a little, and being totally drawn in once you start. Taking on the whole blob can be daunting, so one tactic is to start a new document, paste one paragraph at a time and either edit it or type out your new version above or below. At the end, there's a sense of satisfaction, even a thrill at having created something — because you did, pretty much. Now, AI threatens to take away this simple joy. Articles are pumped out with assembly-line perfection, the Ford Model Ts of writing. Writers whose prose was flawed, yet human, until about a year ago are now robotically correct. They all sound the same. Em dashes are now old hat — it's all about "it is not this; it is that": "It is not vulnerability; it is strength." *Ad nauseam*. You start missing the "bad English" article that was your indulgence.

A study by Graphite, a firm that works with AI, has found that the number of AI-generated articles online surpassed those by humans in late 2024. The evidence is everywhere, from the fiasco involving a Pakistani newspaper to social media posts. The dispiriting conclusion is that human writing is analogous to handcrafted products and AI-generated "content" to mass-produced goods, and that the logic of capitalism will lead to the latter's triumph. But in this analogy, the consumer is the reader. Are readers necessarily lapping up this "content" or is it being shoved down their throats by Big Tech — just like the umpteen ways in which people's data is collected and monetised? Nobody asked for any of this. It's a bet, and bets can go bad.

Whenever I realise I am reading something with the imprint of AI, I stop. It feels too inhuman. If that holds true for many people, it defeats the purpose of writing the article. Do readers' tolerance levels for AI also vary with the type of writing? One might expect the bar to be higher for literature than for op-eds. However, AI-written books and poetry do exist, and a 2024 *Scientific Reports* study found that for most participants, poetry written by AI was indistinguishable from that composed by humans. So it may be that my perceptions are not widely shared, and AI will soon conquer all realms of human writing.

> Even what may be called 'bad writing' or 'poor English' has its place: At least it is a person's voice. Sometimes, especially in the Indian context, it may be the voice of a marginalised person, or an expert in their field who has not had an elite education

That would be a lethal blow to those who see writing — of many kinds, not just what is conventionally considered literature — as having an inherent, humane and artistic value beyond the pitiless swings of the invisible hand. Even what may be called "bad writing" or "poor English" has its place in this vision: At least it is a person's voice. Sometimes, especially in the Indian context, it may be the voice of a marginalised person, or an expert in their field who has not had an elite education. Some such writers may be turning to AI to "polish" their writing and avoid rejection, but the result is often uncanny. It ought to be an editor's job to work with such voices — not reject them out of hand based on language — and amplify them, while preserving the human quality of their writing. As for writing that is not intended for an edited publication: Well, do you really need AI to write your Reddit post for you?

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40 YEARS AGO

December 30, 1985


INDIAN EXPRESS

Plan to revamp Congress
Consensus is centenary resolve

Centenary stamp plays down Gandhi

3 new Pak governors appointed

Zia appoints governors

The Pakistan President, Zia-ul-Haq, has appointed new governors for the Punjab, North-west Frontier and Baluchistan provinces as preparations were made for the lifting of the country's longest-ever martial law rule. Zia is understood to have told some members of the national assembly that he would introduce "undiluted democracy".

Plan to revamp Congress

In its historic centenary year, the Indian National Congress once again reverted to the principle of intra-party democracy, with the party chief, Rajiv Gandhi, announcing the decision to hold the organisational elections after a prolonged interlude of two decades. Summing up the party's introspectional outlook on its growth, accomplishments and failings at the close of the three-day centenary celebrations at the Brabourne Stadium, the Prime Minister announced amidst cheers that the organisational elections would be held as a first step to revamp the party.

Centenary stamps

The Department of Posts could have found its own way to cut Gandhi to size. The occasion was the release of its new stamp to mark 100 years of the Indian National Congress. The department had announced on June 1 a competition for a set of stamps to be issued to mark the centenary. Four prizes of Rs 5,000 each for prize-winning entries and 10 consolation prizes of Rs 500 each were announced. The department suggested to applicants that they design a maximum of four stamps that would bring out the "mass movement nature of the Indian National Congress."

Star wars bomb

A buried hydrogen bomb was detonated in the Nevada desert in a test of "star wars" technology, officials said. The bomb, with a payload the equivalent of 150,000 tons of TNT, was detonated 1,800 feet beneath a desert. Code-named Goldstone, it had an explosive punch 10 times the force of the atomic bomb that devastated Hiroshima during World War II.

WHAT THE OTHERS SAY
How do vulnerable nations survive a warming world that emissions cuts alone can't stop?
— *The Guardian*

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Here is proof, from a natural experiment, that SIR carries a fatal design defect

DESH KAAL
BY RAHUL SHASTRI AND YOGENDRA YADAV

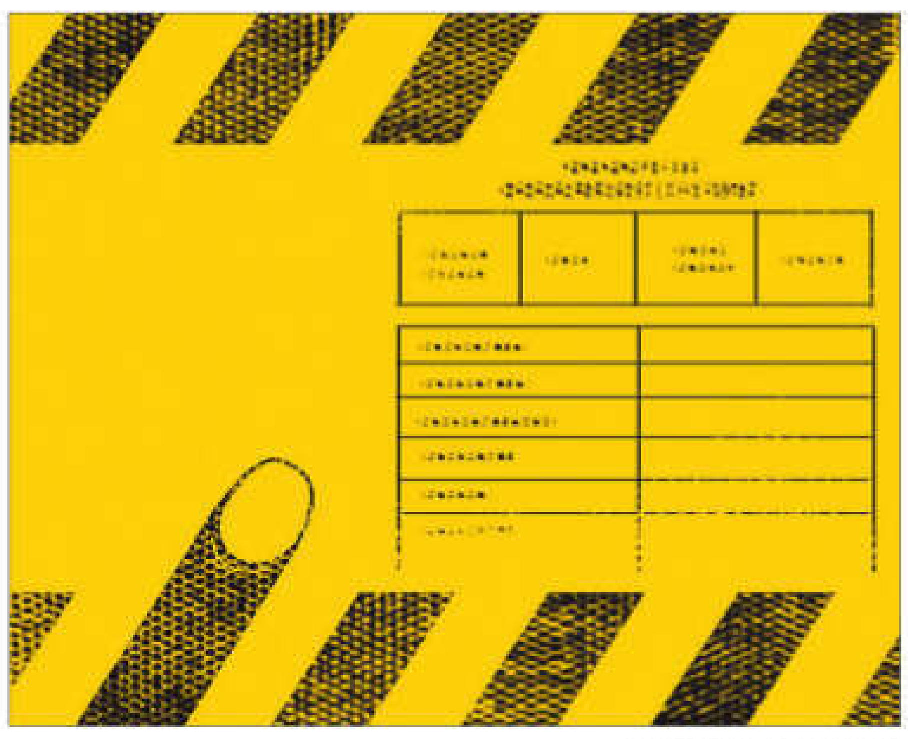
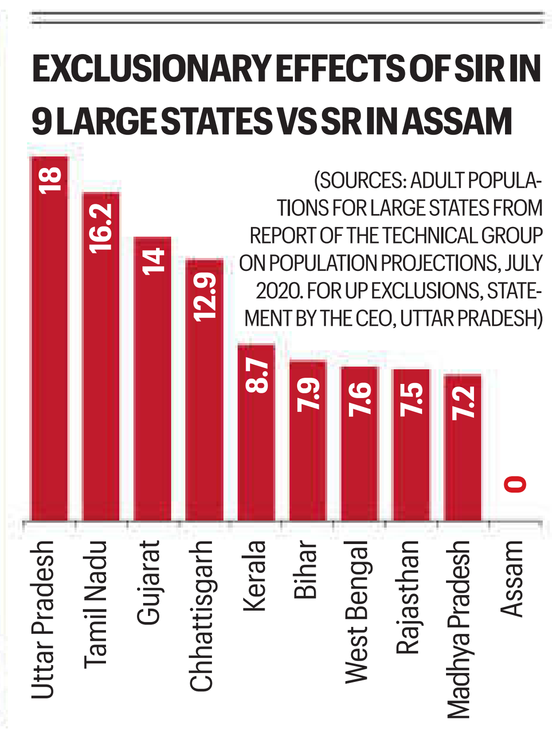


ILLUSTRATION: C R SASIKUMAR



SCIENTISTS CALL it a "natural experiment". When something happens on its own, not by design, and allows us to compare two objects as if an experiment had been run. The sudden lockdown, for example, allowed us to see how blue our skylines would be if industries and vehicles were to stop. We didn't stop industries for this comparative study. It just happened.

We stumbled upon something similar a few days ago. Not one but two natural experiments have occurred in the course of the second phase of the SIR. We anticipated one of these — the unusual revision in Assam. "Great, just as we expected", was our first WhatsApp exchange with each other when the CEO of Assam released the draft voters' list. The second case was a chance discovery, a news clipping about panchayat elections in UP.

Both these experiments now provide rigorous scientific proof, or as close to it as we can get in real life, that the SIR carries a fatal design defect. The problem with the SIR, as we have kept saying, is not in the idea of an intensive revision of the voters' list. The problem is with the two unprecedented and unnecessary design elements in the SIR — compulsion of enumeration forms and the requirement of proof of citizenship. These two experiments show that once both these elements are removed, voter list revision does not lead to mass disenfranchisement.

Let us begin the story at the starting point, the SIR in Bihar. The publication of the draft list shocked everyone as 65 lakh names were dropped. Eventually, thanks to the Supreme Court-enforced damage control, the net deletions came to 44 lakh. Everyone had their private theories. Surely, Bihar has too many migrants with duplicate votes. Maybe the original list was fudged and inflated due to administrative inefficiencies in Bihar. Or perhaps Bihar experienced the teething troubles of the new SIR method. Careful analysis would have busted each of these theories. But very few had patience for a nuanced reading, especially after the Bihar election results.

The second phase of the SIR in 12 states and UTs has confirmed that the disenfranchising effect was not specific to Bihar. As the accompanying table shows, the extension of this exercise to over half of India has resulted in the exclusion of 6.56 crore names from the existing voters' list, slightly higher than our provisional estimate of 6.28 crore in this column. (Rahul Shastri and Yogendra Yadav, *IE*, December 16). We had also red-flagged that the sword of disenfranchisement is hanging over the head of another 5.3 crore (now around 3 crore after massive "adjustment" in UP) electors who would get a notice to prove their citizenship.

The data from the second phase shows many disturbing patterns. It confirms that the SIR-induced deletion of names has nothing to do with migration. Voters' lists have shrunk drastically in the in-migration states like Gujarat and Goa as they have in out-migration states like West Bengal and UP. States like Gujarat and UP with deflated voters' lists (fewer electors compared to the adult population) have seen mass deletions as have states like Tamil Nadu with inflated voters' lists. It also shows that women have borne the brunt of the SIR disenfranchisement. The gender ratio in the voters' list has declined in every state after the SIR.

That leaves one question: How do you know that a different method would not have resulted in disenfranchisement? We had no answer so far. But now we know, thanks to the natural experiment in Assam.

This was the only state where the ECI junked the SIR method used across the country. Voters' lists were revised at the same time as others but through a simple and rigorous method of house-to-house physical verification. No enumeration forms were required. No one was asked to prove citizenship (a little odd for the only state that has a serious citizenship issue). And the ECI issued meticulous instructions about carrying out this exercise.

> We have two different methods that give us different numbers for the UP electorate — the SIR shows it at 12.6 crore, non-SIR at 16.1 crore, the same as UP's projected adult population. The only possible conclusion is that the problem lies with the SIR

Here is the outcome. Assam started its revision with 2.52 crore persons on its voters' list. As many as 10.56 lakh names were deleted and 10.55 lakh names were added. So the number of votes on the recently declared draft rolls is exactly 2.52 crore. In other words, Assam is the only state so far with zero per cent exclusions. Compare it with other major states in the accompanying graphic, each with anything between 8 to 19 per cent deletions. Clearly, not shifting the onus onto the voter and non-insistence on citizenship papers has led to non-disenfranchisement.

That still leaves some scope for doubt: Are we comparing mangoes with mangoes? Can we see the outcome of these two methods in the same state at the same time?

This freak natural experiment happened in UP. While the ECI was carrying out the SIR in UP, the State Election Commission (SEC-UP), an independent constitutional authority, had already been revising its own voters' list for the panchayat elections. Yes, two constitutional bodies were undertaking parallel exercises to map the same set of persons, the eligible electors of Uttar Pradesh, at the same time. The only difference was that for the panchayat elections, there was no requirement of enumeration forms or citizenship papers. The SEC-UP released its draft list on December 5.

Now just look at the difference. Uttar Pradesh has an adult population of 16.1 crore as of December 2025. The number of persons on the ECI's voters' list before the SIR was already low, 15.4 crore. Post the first phase of the SIR, it has dropped to 12.6 crore. Funnily, the total rural electorate listed by the SEC-UP now stands at 12.7 crore, more than the entire electorate of the state as per the ECI. Add 3.4 crore urban voters (declared by the SEC-UP in 2023) to the rural, and the total electorate for local body elections in UP is 16.1 crore. So, we have two different methods that give us two staggeringly different numbers for the electorate — the SIR shows it at 12.6 crore, non-SIR shows it at 16.1 crore, exactly the same as the state's projected adult population.

The only possible conclusion is that the problem lies with the SIR. While we wait for social scientists to work carefully on this natural experiment, the basic conclusion stares us in the eye: SIR is a disenfranchising monster let loose on the Indian voters.

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Kashmir was a crucial launchpad for global Buddhism

SHAH FAESAL

WHEN ARCHAEOLOGISTS began excavating the mounds at Zehanpora in Baramulla, few anticipated that the soil of north Kashmir would speak back to history. The first clue had surfaced far from the Valley: An archival photograph preserved in a French museum, showing three ancient stupas standing in Baramulla. The image hinted that the unassuming mounds at Zehanpora might conceal the remains of a significant Buddhist site. That possibility was confirmed by a collaborative excavation led by the J&K Department of Archives and Kashmir University, and facilitated by the Union Ministry of Culture.

What emerged were Kushan-period Buddhist remains — stupas, structural foundations, and nearly two-millennia-old artefacts — refocusing attention on J&K's integral place within Bharat's ancient civilisation.

It reopens a question that has long been pushed to the margins of popular memory: How germane has Kashmir been to the intellectual, spiritual, and trans-Asian history of Buddhism?

For most people, Buddhism is anchored to four sacred sites: Lumbini (birth), Bodh Gaya (enlightenment), Sarnath (first sermon), and Kushinagar (*mahaparinirvana*). Yet Buddhism did not become a world religion merely through sacred geography; it spread through traditions, ideas, debates, translations, and institutions. In that story, J&K and Ladakh occupy a significant but under-acknowledged place.

Buddhism flourished in Kashmir during the Mauryan period, traditionally associated with Emperor Ashoka, who is believed to have founded the city of Srinagar and established monasteries and stupas in the region. Kashmir's location at the crossroads of the Indus-Gandhara region and the Himalayan corridor made it uniquely suited to act as a conduit between the Indian heartland and the wider Asian world.

Early Buddhist chronicles and later Sanskrit sources consistently refer to Kashmir as a land of learning or Sharada Pitha, symbolising its role as one of the foremost seats of learning in the ancient and early medieval periods. In that sense, the Kashmiri engagement with Buddhism was never merely devotional — it was analytical, dialectical, and intellectually rigorous. While the Buddha's message was born in the Gangetic plains, its philosophical sophistication was sharpened in the arms of the Jhelum.

ILLUSTRATION: MITHUN CHAKRABORTY

The Buddhist philosophical tradition reached its zenith in the figure of Nagarjuna, the founder of Madhyamaka (the Middle Way) philosophy. Nagarjuna travelled widely, and Kashmir emerged as one of the most important centres for the study, preservation, and elaboration of his thought.

The significance of Kashmir in Buddhist history becomes noticeable during the Kushan period, precisely the era to which the Zehanpora remains are dated. Under Emperor Kanishka, Buddhism received unprecedented royal patronage. Tradition holds that Kanishka convened the Fourth Buddhist Council in Kashmir, presided over by the scholar Vasumitra, with Ashvaghosha among its luminaries. This council was decisive in the systematisation and spread of Mahayana Buddhism, a form that emphasised compassion, the Bodhisattva ideal, and universal liberation. From Kashmir, Mahayana ideas travelled to Qandhar, Kabul and thence over Bactria. In this sense, Kashmir was not peripheral to global Buddhism — it was one of its crucial launchpads

Material evidence reinforces this legacy. The Gilgit Manuscripts, among the oldest surviving Buddhist texts in the world, written in Sanskrit and Prakrit, reveal Kashmir and its neighbouring regions as custodians of Buddhist knowledge.

Buddhism's philosophical emphasis on the "Middle Path" — a rejection of extremes — found a striking afterlife in Kashmir's later spiritual traditions. The Sufi-Rishi movement, particularly the teachings of Lal Ded (1320–1392 CE) and Sheikh Noor-ud-din Noorani (1377–1440 CE), reflects an ethic of moderation, compassion, and inner discipline that resonates deeply with Buddhist values. It emerged from a shared cultural soil shaped by centuries of Buddhist, Shaivite, and Sufi thought, forming the foundations of Kashmir's syncretic composite culture — *kashmiriyat*.

For decades, Kashmir has been maligned globally by terrorism and conflict, eclipsing its deeper civilisational identity. The excavation at Zehanpora is an invitation to reframe J&K not as a land that has been struggling to find calm, but as a region that once shaped the moral and philosophical vocabulary of half the world. Buddhism did not pass through Kashmir in silence; it debated, evolved, and radiated outward from here.

The writer is an IAS officer posted in the Ministry of Culture, Government of India

LETTERS TO THE EDITOR

Rahman's return

This refers to the article, 'Tarique Rahman must break cycle of vengeance in Bangladesh' (*IE*, December 29). BNP leader Tarique Rahman's statement that he wants Bangladesh to become a safe country for all religious communities does provide some hope amid repeated incidents of violence. But how he will control the current situation and end atrocities against minorities remains to be seen. Whether he will walk the talk or not will be keenly watched, both in Bangladesh and across the world.

Bal Govind, Noida

Unforgivable racism

This refers to the report, 'Dehradun: Tripura youth dies 18 days after "racial" attack' (*IE*, December 27). Yet another day, another state, another horrific killing — the third this month. The year is ending on a shameful and scary note. Can't youngsters and working people move around in their own country without fear, and safely? The 24-year-old from Tripura stabbed by a group of people in Dehradun was an MBA student in the city for a year. He was fatally wounded in a hate crime. The two migrant workers lynched, a 19-yr-old Bengali in Odisha and a 31-yr-old Chhattisgarhi in Kerala, were called "Bangladeshi", a charge risking the safety of migrants anywhere in the country.

Sanjay Chopra, Mohali

NREGA's flaws

This refers to the article, 'Bring back MGNREGA in original rights-based form' (*IE*, December 29). While MGNREGA has provided income support during distress, treating it as irreplaceable ignores its structural flaws. Chronic wage delays, poor-quality assets, and politicisation at the panchayat level have weakened its impact over time. Reforming a scheme to improve outcomes is not an attack on social justice. What matters is the provision of timely wages and real livelihood security, not the symbolism of a name.

S M Jeeva, Chennai

US GDP puzzle and some clues for India

ROHIT LAMBA

THE US just delivered two economic reports that, placed side by side, seem to describe different countries. Official data shows that GDP grew at 4.3 per cent annualised in the third quarter of 2025 — the fastest pace in two years — while the Bureau of Labor Statistics reported that unemployment climbed to 4.6 per cent, with little net change in payroll growth since April. How can an economy boom without creating jobs? The answer carries profound implications, not least for India.

Three interpretations dominate the US debate. The pessimistic view holds that GDP is overstated and will be revised down. Historically, GDP revisions tend to be larger than employment revisions; when the two conflict, jobs data is usually more reliable. But this explanation struggles against the strength of consumer spending, which contributed 2.4 percentage points to growth.

The optimistic view flips this: GDP is right, and the weak labour data is misleading. Private-sector job growth has remained solid; headline figures have been dragged down by federal employment cuts. On this reading, the labour market will look healthier once transitory factors wash out. Yet, Fed Chair Jerome Powell has suggested that official figures overstate job growth by roughly 60,000 per month.

The third explanation is the most conceptually interesting: Both sets of data are broadly correct. GDP really is growing robustly, but it is being produced with little additional labour. This implies a productivity surge of unusual magnitude. In the first half of 2025, investment in IT and data centres — 4 per cent of GDP — accounted for 92 per cent of GDP growth. Strip out tech infrastructure, and annualised growth was a mere 0.1 per cent. This is growth where compute substitutes for labour — capital-intensive sectors generating enormous output with relatively few workers. Perhaps the traditional relationship between GDP and employment is breaking down. But caution is warranted: A single quarter of unusual data does not confirm an AI-driven productivity revolution.

For the Fed, this divergence creates an acute policy dilemma. Core inflation remains stuck near 2.9 per cent, while the labour market softens. Cut interest rates to support employment and you risk reigniting inflation. Hold rates steady and you risk tipping a fragile job market into recession. Powell has acknowledged navigating a "very unusual" economy; the Fed projects only one rate cut in 2026, with several officials favouring none at all. There are no good options here, only trade-offs — the classic bind of stagflation-lite.

> India has long grappled with GDP expansion that fails to generate commensurate employment. The US experience suggests this is not merely a developing-country affliction

For India, two lessons emerge.

First, the spectre of jobless growth. India has long grappled with GDP expansion that fails to generate commensurate employment. The US experience suggests this is not merely a developing-country affliction — it may be the structural reality of capital-intensive, technology-driven growth everywhere. If India's demographic dividend is to yield returns, growth must be labour-absorbing. GDP targeting alone is insufficient. If a productivity boom is indeed underway, the challenge is institutional: Ensuring its gains translate into shared prosperity.

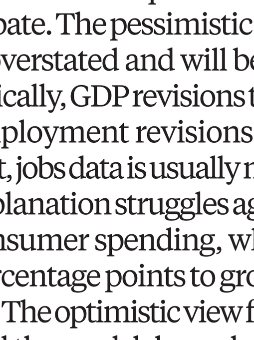
Second, the debate in the US is possible because of credible, independent statistical institutions. The BLS revises its data transparently. The Fed chair publicly questions official numbers. Economists can offer competing interpretations using the same data. When GDP and employment diverge, policymakers can interrogate which signal to trust.

India is moving in the right direction — the revamped PLFS now produces higher frequency labour-market indicators, even though its breadth and quality need improvement. Big gaps still remain: Questions around national accounts measurement, persistent mismatches between GDP/GVA and other high frequency indicators, the long delay of the Census, and controversies around the consumer expenditure survey all undermine confidence. You cannot navigate a fog if your instruments are unreliable.

The American puzzle will take years to resolve; official data for late 2025 will likely read very differently a few years hence. For India, the lesson should be absorbed now: It is better to confront uncomfortable data than to operate in comfortable ignorance.

The writer is assistant professor of Economics, Cornell University

To tap India's clean energy potential, a to-do list



DIVAKAR PRAKASH

FOR YEARS, India relied on Chinese imports to meet its solar needs. That dependence is now being challenged. In 2024, domestic companies added 25.3 GW of new module capacity, nearly doubling national manufacturing strength. The PLI scheme, central to this shift, encouraged investment and signalled India's intent to become more than just a consumer of global technology. The adoption of TOPCon cells shows that India is moving toward higher-value innovation.

Yet the picture is not without contradictions. Despite the surge in domestic capacity, India still imported nearly 66 GW of modules and cells in 2024, while exports slightly declined. Upstream integration remains limited: Only 2 GW of wafer capacity has been commissioned, compared to nearly 40 times that in downstream module production. Without addressing polysilicon and wafer production, India risks shifting its dependence rather than eliminating it.

In the first nine months of FY2025, clean energy attracted $3.4 billion in foreign investment — more than 80 per cent of all power sector inflows. Competitive auctions have driven tariffs to record lows, making renewable power among the cheapest sources of electricity in India. Developers and financiers see an opportunity in the scale of demand and the government's commitment to clean energy. However, the financial ecosystem has stress points. DISCOMs struggle with unpaid dues. In some states, attempts to renegotiate contracts after auctions have raised concerns. Such uncertainty can undermine investor confidence.

Around 60 GW of renewable projects remain constrained by inadequate transmission infrastructure. Without sufficient grid expansion, clean power cannot flow to where it is needed. Curtailment — when grid operators reduce renewable output due to transmission or stability issues — adds another layer of complexity. Developers often receive no compensation for curtailed power, making financial modelling difficult and raising the cost of capital. Compared to advanced economies, India's renewable financing costs are nearly 80 per cent higher, in part because of these risks.

> Around 60 GW of renewable projects remain constrained by inadequate transmission infrastructure. Without sufficient grid expansion, clean power cannot flow to where it is needed

The National Green Hydrogen Mission aims to produce 5 million metric tonnes of green hydrogen annually by 2030. Pilot projects are already underway in steel, refining, and transportation, sectors where direct electrification is difficult. The strategic logic is sound: India currently consumes about 5 million tonnes of grey hydrogen, produced from fossil fuels. Yet the economics remain challenging. Current production costs of $4.1–$5.0 per kg are several times higher than conventional hydrogen. Even with projected declines to around $2.4 per kg by 2030, commercial viability will likely require subsidies, carbon pricing, or regulatory mandates. Infrastructure for storage, transport, and end-use applications is nascent, requiring investment on a scale that may exceed production costs. The sector faces a chicken-and-egg dilemma: Industries hesitate to retrofit without guaranteed supply, while producers hesitate to invest without confirmed demand.

The power sector needs protection of contractual sanctity. Transmission networks must expand in step with generation capacity, and curtailment risks need clearer frameworks. For green hydrogen, realistic timelines and demand-creation will be crucial. If these challenges are met, India could become a model for other nations navigating the complexities of energy transition.

The writer is a corporate finance and strategy professional

Opinion

TUESDAY, DECEMBER 30, 2025

ENRICHMENT THROUGH LANGUAGES

President Droupadi Murmu

Language and literature bind communities together. Literary exchanges between different languages enrich those languages and communities. Translations make this exchange possible

Valuation reality

We can't grudge investors an exit; they have backed businesses from the start

THERE HAS BEEN much chatter on how newly-listed firms are not benefitting from initial public offerings (IPOs) because it's largely the promoters and venture capital (VC) and private equity (PE) players that are cashing out. There is concern the funds raised are not being fully utilised to grow the business. True, in 2025 about 60% of the funds raised have been via offers for sale (OFS), while the rest is fresh capital. To be sure, the bulk of the funds may not be going back into the company, but a fair bit is. In some instances, the money is being used to repay working capital loans which would strengthen the balance sheet, freeing up cash flows that can be invested in the business.

The fact is that these companies have been able to go public because the PEs and VCs backed them. These investors need to return funds to their shareholders, raise money afresh, and invest in new businesses. They took the risk of putting money to work in businesses that were not sure-shot successes to start with, backing promoters who didn't really have a track record. Many of these startups could have gone either way and in fact, there are probably more flops than hits.

Unless investors get an exit, they will not invest in the first place. In truth, most of the startups have been backed by foreign capital and investors have waited long years for the businesses to stabilise; think Eternal, Nykaa, Lenskart, Meesho, Swiggy, Physicswallah and hundreds of others waiting to list. Had these investors not put in the capital in the early rounds and stood by the entrepreneurs, these businesses may not have existed today. It's not just that these companies have been selling us goods and services, they have, in the process, created million of jobs—both blue and white collar ones. To expect them to stay on forever is unreasonable. As for the promoters, they too have worked to build a business; in fact, some of them have even bootstrapped their enterprises. If their companies are highly- valued today, they have earned it.

What seems to be rankling many is that promoters are getting an exit at lofty valuations at the cost of retail investors. The fact is the stock market believes that these businesses deserve the valuations that they command. Investors are buying the stocks at these levels of their own free will; no one has put a gun to their heads. There has also been some heartburn over the fact that some of the startups are valued more than legacy players. For example, the market capitalisation of Groww post listing put the company within the top 100 most-valued stocks in the country. At close to ₹1 lakh crore, the stock was more richly valued than many legacy lenders—some of them state-owned. Again, both retail and wholesale investors are willing to bet on some of these new-age businesses and what IPOs are doing is allowing them to participate in new growth stories. If the over-subscription to mainboard IPOs in the last couple of years has averaged around 20%, it reflects the interest in these stocks. What matters ultimately is the performance of the companies; many a company has raised "fresh capital" and run the business to the ground.

TECHPROOF EXPRESS

WHILE AI MAY STILL BE GUESSING, INDIAN IT HAS ALWAYS KNOWN EXACTLY WHAT IT'S DOING

Indian IT and AI's dawn

SIDDHARTH PAI

Technology consultant and venture capitalist

By invitation

THERE'S A MOMENT in every technology's evolution when the hype recedes, the buzzwords wear thin, and the real work begins. In 2026, artificial intelligence (AI) will be smack in the middle of that phase. Companies, after months of breathless pronouncements and budget-blowing experiments, are beginning to realise that AI, especially the wildly popular and highly unpredictable generative AI (GenAI), is less a magic wand and more a very sharp, somewhat wobbly tool that needs careful handling.

Indian IT service providers find themselves at the centre of this unfolding drama. They didn't build the AI models, those came from labs in Silicon Valley, Seattle, and a few stealthy startups elsewhere, but they will be the ones asked to integrate these models into the Rube Goldberg machines that are modern enterprise systems. And in many ways, they're well-suited to the task. After all, if you've spent decades coaxing legacy mainframes to speak to cloud-native applications, managing multilingual databases, and smoothing the wrinkles out of a compliance workflow last updated when Nokia still made phones, AI integration might actually seem... manageable.

But before we delve into how Indian IT might thrive, we need to understand the three-headed beast it's being asked to tame. AI in 2026 comes in three broad flavours. Predictive AI is the most familiar—statistical, data-driven, and relatively well-behaved. It's been around long enough to be trusted with forecasting inventory or flagging suspicious credit card transactions. Then there's Agentic AI, which is new enough to still feel exciting, or slightly threatening, depending on your outlook. These AIs can take actions autonomously—booking meetings, executing basic processes, or debugging code. Think of them as the interns who actually do the things you tell them to do, but who sometimes delete the CEO's calendar in the process. And finally, we have Generative AI—GenAI—the rockstar of the trio. This one writes code, crafts marketing copy, or designs a chatbot that's eerily cheerful. It's also non-deterministic, which is a polite way of saying it might give you different answers to the same question depending on its mood, the weather, or nothing in particular.

This probabilistic nature is where things get sticky. Enterprises are built on determinism. If a customer logs a complaint, the system creates a ticket. If the invoice is overdue, it sends a reminder. There are rules. There is structure. Enter GenAI, which might respond to the same customer complaint with either a heartfelt apology, a refund, or a limerick. Integrating such systems into the rule-bound architecture of a bank or a telecom operator is no small feat. It's not just about plugging in an application programming interface (API). It requires sandboxing models, adding layers of oversight, setting up audit trails, and building interfaces that let humans step in before something legally actionable goes out the door.

To survive and thrive in this era, Indian IT firms must double down on their strengths—system integration, workflow knowledge, delivery discipline

And yet, this is precisely the kind of challenge Indian IT service firms excel at. They may not be developing bleeding-edge foundation models, but they are veterans at stitching together systems in fragile equilibrium. They understand the entrails of enterprise software better than most of the companies that use it. They know which systems can tolerate a little unpredictability and which ones must be protected like Fabergé eggs. In a world where every CIO wants AI, but also wants it to "not break anything," that kind of know-how is invaluable.

However, the road ahead isn't all rosy. The very nature of GenAI means it can already perform many of the tasks that once kept legions of junior developers busy—writing basic code, formatting documents, testing APIs. The traditional pyramid-shaped workforce model of Indian IT firms, with its vast base of entry-level coders and testers, is under strain. As GenAI automates these roles, companies will have to rethink how they structure teams and projects. The demand will shift upwards, to AI architects, prompt engineers, model auditors, and integration specialists. These are higher-skilled, higher-paid roles. HR costs will rise, even as hiring volumes fall. The model is shifting from "many people doing simple work" to "fewer people doing complex work"—and that transition won't be frictionless.

At the same time, enterprises themselves are in for a reckoning. Many senior executives bought into the dream that AI would unlock double-digit productivity gains, reduce headcounts, and magically transform sluggish business units into hyper-efficient profit engines. By 2026, reality will have made itself known. GenAI doesn't eliminate work—it reshapes it. It's fast at generating outputs, but often slow at generating the right outputs. It creates first drafts, not final decisions. And its non-deterministic quirks mean every use case must be carefully vetted, monitored, and reined in.

This growing awareness is likely to trigger a wave of reassessments. Budgets will tighten. Pilot projects will be shelved. The euphoric AI gold rush will settle into something more cautious, more realistic. And this, paradoxically, is where Indian IT firms may thrive most. Because this phase—turning wild ideas into sober implementations, squeezing value from complex systems, managing expectations while delivering incremental gains—is their comfort zone. They've done it before—with cloud, digital transformation, and every other buzzword that promised to upend everything but ended up just needing better middleware.

To survive and thrive in this era, Indian IT firms will need to double down on their strengths—system integration, workflow knowledge, delivery discipline—and invest heavily in upskilling their workforce. Building proprietary accelerators, safety wrappers, and tools that make GenAI enterprise-ready will be a big opportunity. So will consulting—helping clients understand what AI can do now, and what they should expect from the next AI version.

As 2026 progresses, AI will stop being a science experiment and start being an engineering challenge. It won't be the dawn of artificial superintelligence, nor the collapse of human jobs. It will be a slow, complicated, often frustrating but ultimately rewarding slog through spreadsheets, APIs, and approval workflows. And Indian IT, with its patience, pragmatism, and unglamorous but effective ways, might just be the best group to lead the charge.

Because while AI may still be guessing, Indian IT has always known exactly what it's doing.

Your mum and dad are influencers now, too

YOU MAY NEVER have heard of Aki and Koichi, but this sartorial couple in their 70s from California are a hit on social media. They are part of a wave of influencers who are going viral in their 50s, 60s and beyond. From fashion to beauty to fitness and lifestyle, the rise of the silver content creator is sending a powerful message: Age is no barrier to having cachet. These trendsetters are a much-needed counterpoint to the youth-obsessed, anti-aging culture whose overriding narrative has been that our worth diminishes with every passing year.

They are not only a potent spending force, due to the substantial net worth they've accumulated (Australia's roughly $3 trillion pension pool is on track to become the second largest in the world), but are helping redefine what we associate with aging. With graduates finding it harder to get a job, perhaps it's no surprise that after a long time of catering to Gen Z and millennials, brands are courting mature-age and retired digital creators with money in their pockets and huge online followers. But more importantly, this phenomenon is providing an avenue for women — who continue to face gendered discrimination in employment—to reclaim their voice and visibility. That's become urgent with the advent of artificial intelligence (AI). A recent study published in *Nature* found that large language models are perpetuating and intensifying harmful stereotypes about older women already pervasive online.

Many of these newly-minted Internet personalities are relatable. They might exude sass and confidence, as well as the savviness to parlay their passions into compelling content, but their backgrounds are decidedly normal: Before becoming online sensations, Aki and Koichi, who are grandparents, had careers in education and medicine; there are trained microbiologists and accountants. One of my favourite accounts on Instagram is Sciuraglam, which celebrates Milan's glamorous older women just going about their day. The trend was also on display at Paris Fashion Week, with celebrities including Helen Mirren (80), Jane Fonda (88), and Laura Dern (58) appearing on the catwalk.

ANDREEA PAPUC

Bloomberg

This might all seem superficial — it will take more than a bunch of influencers to dismantle unconscious bias in the workplace that limits women's career progression. But let's not be too quick to dismiss the impact of the simple act of showing off daily outfits on Instagram, TikTok and YouTube. As populations age and people delay retirement, these third-age influencers are restoring some relevance and legitimacy to age groups sidelined in many professions. And it signals to those born after 1980 that shaping tastes, sparking trends and driving product interest online doesn't have to fizzle out as the years pass; you can continue to have digital clout for decades to come.

Jane Evans, an advertising executive and entrepreneur in her 60s, has been campaigning for years to bring visibility back to middle-aged women, frustrated by her own experience of trying to get a job after a hiatus. "I went to see a creative director and he was like 'Jane, I'd give you a job, but you would end up at the back of the department doing the s--t that nobody else wants.' The ageism was to my face," Evans said on the Power of Women podcast. (Lately, Evans and Cindy Gallop, an advertising veteran and outspoken advocate for gender equality in business, have taken on the LinkedIn algorithm, urging females to change their profile gender to male, after they noticed that men consistently received greater engagement with fewer followers.) Evans also co-authored a book — *Invisible to Invaluable: Unleashing the Power of Midlife Women* — that describes the stages of a woman's life as little girl; troubled teenager; sex object; career woman; mum; old woman waiting to die. "We are taught to fear the passage of time, not celebrate it," the authors wrote.

The latest crop of influencers are doing just that, despite the online hate and misogyny they experience. Supermodel Paulina Porizkova, 60, who has become an outspoken advocate for ageing authentically, has been open about the abuse she has received. Lyn Slater, who became widely known as the Accidental Icon, went viral about 10 years ago in her 60s, when "the word influencer wasn't used." After the pandemic, the former professor of social welfare reassessed her life, stopped doing sponsored posts on Instagram (*@iconaccidental*) and now has a Substack documenting her reinvention.

Like youth, trends are fleeting and never more so than in the digital age. Some you are glad when they are over — and yes, this one might also fade away. But for now, it's worth basking in its moment as we roll into a new year, and another, and another...

Indian philanthropy: Tax law as a catalyst

SUDHIR KAPADIA

The author is a tax expert and senior board advisor

Allowing tax-exempt NPOs to hold donations in shares beyond one year would help boost private philanthropy, resulting in multiple benefits

SINCE THE TURN of the 21st century and the clarion call for 'compassionate capitalism', there has been a salutary change in heart at the modern Mecca of capitalism—the US. This movement received endorsement and nudges from the likes of Bill Gates and Warren Buffett, and soon enough, the gospel of 'accelerated giving' spread worldwide. Arguably, this ethos has manifested in Europe's 'old rich' in a markedly different way—more understated funding of public causes coupled with a relatively higher rate architecture of personal taxes and higher compliance discipline. India also has a strong and rich history of philanthropy going back to provincial kingdoms right until modern Indian industrial evolution. In tandem with the aforementioned global movement towards 'accelerated giving', many first-generation tech entrepreneurs have been similarly inspired to meaningfully contribute to a myriad of social and economic priorities in India.

In the current context of the vision for Viksit Bharat @ 2047 unveiled by Prime Minister Narendra Modi, it is imperative to simultaneously focus on inclusive and sustainable economic growth to enable reaching a per-capita income of $15,000 in 2047 alongside a $26 trillion economy. Private philanthropy has a unique role to play in building bridges by working at the intersection of government, corporations, civil society, and communities. An enabling tax and regulatory policy environment can help mobilise this vast pool of private philanthropic funding like the impetus provided to corporate social responsibility (CSR) funding by the Companies Act, 2013. The Income Tax Act, 1961 has provided for an enabling structure for taxpayers to donate towards public charitable causes to tax-exempt non-profit organisations (NPOs) subject to conditions and checks and balances. Interestingly, until 1975, there was no prohibition for donation of shares in private sector companies to such tax-exempt NPOs as, in any event, all income earned by such an entity (including dividend income on shares) needs to be substantially utilised towards the charitable objects enshrined in the constitution of the NPO. This requirement ensures that the donors of shares do not receive any benefit from such dividend income.

However, through an amendment in 1975, tax-exempt NPOs have been prohibited to hold shares in private sector companies beyond one year after the date of donation. Seemingly, the trigger was the perception that such tax-exempt NPOs were created to obviate the extraordinarily high rates of income tax (approximately 77%) and wealth tax (approximately 8%) then prevailing. In today's era of a stable and moderate tax structure, this anachronistic prohibition is a huge impediment for modern entrepreneurs wanting to donate a part of their personal shareholding to NPOs. It needs to be appreciated that a major portion of an entrepreneur's wealth is in shareholding in their companies. The current requirement of mandatory divestment (within one year of donation) by NPO is a serious disincentive for a founder-entrepreneur as it may result in significant volatility in share prices adversely impacting residual shareholding of the entrepreneur. Moreover, this requirement prevents donation of unlisted shares due to their inherent lack of liquidity, thus depriving an NPO from receiving such valuable bequests from willing entrepreneurs-donors.

Donations through shares are preferred for long-term value and sustainability of 'life-time' NPOs, freeing them from a continuous cycle of annual fundraising

As seen from the positive experiences, especially in the US, private philanthropy can act as a salutary catalyst complementing government efforts in funding innovation, research and development, enhancing performance of public programs, and affecting transformation at scale and speed. Allowing donation of shares would also create opportunities for professional entrepreneurs to contribute to their alma maters for setting up incubation platforms, in turn promoting cutting edge research, innovation, and entrepreneurship in nationally critical areas like deep tech and new-age product development. Donations through shares are also preferred for long term value and sustainability of 'life-time' NPOs, which frees them from a continuous cycle of stressful annual fundraising for episodic needs (rather than long term and transformative capacity building in the chosen areas of public causes). A cursory analysis of current total market cap on the Bombay Stock Exchange (BSE) shows that even if 25% of founders-promoters were to donate just 5% of their shareholdings in their companies, it would unlock a huge corpus of shares worth ₹2 lakh crore for NPOs generating regular dividend annuity besides long-term compounding. It is precisely due to legacy donation of shares to public endowments in the US that one sees tremendous transformational contribution to philanthropy by globally reputed educational, health, and policy institutions. which have stood the test of time.

Just as Companies Act, 2013 mainstreamed CSR in India, this suggested reform can mainstream philanthropy for nation building, signalling the government's commitment to ease of doing good with ease of doing business and ease of living.

LETTERS TO THE EDITOR

Handling layoffs

Apropos of " Year of pink slips" (*FE*, December 29), companies have the right to rationalise their costs to justify their business models as business cycles and external factors also play a huge role in that decision. But how CEOs or management handle that situation is the most critical aspect of this sensitive issue. The least they can do is to approach the situation with compassion, empathy, and grace, as it not only affects the employee who is being laid off but their families too. Thus, layoffs should be the last option to execute. Communication with the entire organisation is the key here, because that can make a world of difference. Assistance like exploring opportunities in other departments or locations, outplacement services and suitable severance packages should be offered. Last but not the least, any company should not be known as a hire and fire company.

—Bal Govind, Noida

Tackling corporate fraud

Apropos of "When corporate fraud outpaces enforcement" (FE, December 29), corporate fraud is growing faster than the systems meant to detect and punish it, largely due to fragmented investigations and weak coordination. A single, well-empowered lead agency such as the Serious Fraud Investigation Office should handle complex corporate fraud from investigation to prosecution. This must be backed by statutory clarity, skilled manpower and modern forensic capacity. Time-bound trials through dedicated courts would further improve recovery.

—Abbharna Barathi, Chennai

●Write to us at feletters@expressindia.com

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It'll Be a Pop-Out Year For Emerging Pack

Post-shock EMs have held up splendidly

Emerging markets like India are bulking up against their mature counterparts, and continue to offer outsized returns on investment. EMs provide opportunities to active investors that are not available in well-capitalised markets, which adds to their appeal aside from faster growth. Some of the capital locked up in AI stocks in the US is expected to flow to EMs next year, adding to their momentum. Weakness of the dollar is contributing and the longer it stays under pressure over geopolitical uncertainty, EMs should benefit from inflows. The EM pack have made smart choices, while US policies seem wobbly, and investors have been diversifying to stable demand overseas. Fundamentals are improving and sovereign ratings are reflecting the change for EMs. There's little to justify being underweight on EMs.

Risk to EMs is posed by sliding US economic performance, which would pull capital back. But this is not as big a risk, with EMs less economically sensitive to the US. Investors are anticipating more interest rate cuts by the Fed next year, keeping it behind the curve on central bank action by EMs that have completed their rate-reduction cycles. Expectations of further easing by the Fed are propping up risky EM assets. Valuations are not stretched at these levels and can climb on diversification demand. Resilience demonstrated in the face of US tariffs could be tested by geopolitical uncertainty. Yet, the EM pack has acquired immunity after a series of shocks to the global economy in the recent past.

The idea of EMs as risky bets was laid to rest in 2025, and next year should reinforce the belief. The more they are subjected to the risk of trade fragmentation, their domestic demand will be put to the test. It has held up splendidly so far. There is little to suggest macroeconomic policies will permit significant deterioration. It has taken emerging markets years of fiscal and monetary adjustment to reach its current state of stability. That was the biggest draw for investors this year. And it will remain so next year, too.

Clean Air Act Needs An Urgent Clean-Up

On Monday, the Supreme Court stayed its November ruling on the Aravali range, offering a breather to those fighting to preserve this ecosystem that plays a crucial role in mitigating air pollution in Delhi-NCR. Even as governments seek to open the range to mining and other infrastructure activities — through the front door or side — evidence of the health damage caused by Delhi's toxic air continues to mount. Hospitals and clinics are already reporting rising respiratory distress. Those who can afford to leave are increasingly contemplating, or already making, an exit.

One of the latest émigrés 'fleeing' Delhi's pollution terrorism is Akums Drugs and Pharmaceuticals' finance chief Rajkumar Bafna, who stepped down citing serious health concerns. Bafna, who moved to Delhi barely 4 mths ago, has developed a persistent cough. He is not alone. GoI minister Nitin Gadkari recently said he develops infections within 48 hrs of being in the national capital. Air pollution is a public health emergency, much like Covid, and demands the same mission-mode urgency. Yet, governments tend to treat it as a civic governance issue rather than a health emergency.

The Air (Prevention and Control of Pollution) Act 1981 does not place public health at its core. Instead, it seeks to 'prevent, control and reduce air pollution', without reference to health benchmarks. This framing treats pollution control as an end in itself, leaving space for competing considerations such as economic costs and industry capacity. The result is weakened public buy-in. The law needs to be amended Asap to place public health at its centre. Doing so will trigger a necessary shift in mindset — within government and society — and ensure that clean air becomes a political priority.

JUST IN JEST

Swearing is good for your brain, so loosen that tongue

New Year Resolution No. 12: !@&#$-ing

%$!@! Another year, going, coming, through the revolving door. So, the second-last HETLoR — Honest ET List of Resolutions — has to be simple, primal and scientifically endorsed: your resolution to swear more in 2026. Yes, loudly, proudly and indiscriminately — at passing autos, pigeons, elders, juniors, at the mirror.… Research in the journal American Psychologist now confirms what every sailor and frustrated columnist had long suspected: swearing sharpens focus, especially during physically demanding tasks. With a steady stream of expletives that would make Captain Haddock blisteringly proud, be liberated to use the choicest words freely, at a drop of a hat or stub of a toe.

Imagine the productivity revolution that will follow: surgeons muttering 4-letter words (that are *not* 'scan', 'cure' or 'vein') as they stitch arteries with laser precision; kindergarten teachers unleashing PG-13 tirades that somehow improve finger-painting accuracy; monks chanting obscenities at an octave lower than you can say 'holy —' … you get the idea. Swearing, since Queen Victoria's demise, is no longer a vice. It's a cognitive supplement, a verbal protein shake. Every cuss word is a dumbbell for the brain. So, this new year, enough of rubbish affirming. Shout profanities at the sunrise, and get the clarity you always yearned for while reading this $%#@*! column.

STATE OF PLAY: India must be nimble to secure its growth trajectory in a bumpy year ahead

Lights, Camera, Transaction!

Pranab Dhal Samanta

Pivotal days around the corner

India stands at a different crossroad in end-2025 than it did at the start. The year has been so tumultuous that the country is staring at a complex, unpredictable external environment in the new year — one that it must manage, leverage and, where needed, insulate itself from, to secure its growth trajectory.

2025 has unsettled key strategic assumptions for New Delhi. Instead, new uncertainties have entered the arena as Trumpian transactional diplomacy replaces institutional approaches that offered guarantees and predictability. What appeared as a promising start with Washington in February has turned into an arduous journey. And it's not just Trump tariffs but also the White House cosying up with Pakistani army chief Asim Munir, and penalising India with additional duties for doing legit oil business with Russia. Once oil was sanctioned, India's offtake has dramatically reduced, even as US duties remain in place.

But the US will continue to remain the most important conversation for India, given the sheer width and depth of the relationship. But expectations have to be drastically readjusted. The Trump White House is unlikely to cut any slack for India. And this is in sync with the way the US has gone about with a policy to extract more than give from its allies and partners.

US will remain the most important conversation for India, given the sheer width and depth of the relationship. But expectations have to be drastically readjusted

Trump's biggest hit on India has been economic. Which is why India must turn to Europe. There's a complementarity with economic partnership with the EU for India that the latter must work out by closing ongoing FTA negotiations, especially at a time when EU countries are also facing challenges from Trump. 2026 could well be India's year of Europe, a rare historical moment.

The next challenge is geopolitical pressures. In a changed transactional environment, the US views frameworks like strategic partnerships and dialogues as a channel to obtain compliance, not forge jointness. So, it would want India to move away from Russia, talk less to China, do a more pronounced bidding to US interests while not holding itself back from engaging with these very countries for its own gains.

The US wants to peel off countries from each other and deal with them individually. So, while seeking anti-China compliance from countries like India, Trump is willing to step up US dialogue with China within a 'G2' frame, allow access to high-end chips and, in doing so, confusing its larger strategic goal with Beijing to which many countries had aligned with.

India, thus, will have to hold its own with the US. This is easier said than done, since the US has demonstrated willingness to impose costs on India for autonomous behaviour. Yet, key US institutions, especially its security establishment, are under no illusion about the threat China's giant tech leaps and growing military profile pose. They will continue to reinforce the precept with White House, despite their reduced stature and salience, that a stronger India is in US interest.

This mixed bag with the US will impact the next big challenge: India's neighbourhood. The most significant difference is in Pakistan's expanding profile on the strength of a new sense of comfort with the US. Coupled with its all-weather relationship with China, Pakistan believes it has hit a strategic sweet spot in an uncertain world.

With its current UNSC member positioning, Pakistan is a significant 2026 challenge. This is further proven by its growing aggressiveness on Kashmir, terror incidents in the Indian hinterland, and strengthening anti-India forces in the neighbourhood. Which is why India's continued conversation with US security institutions will be vital, alongside deepening engagement with the Taliban administration in Kabul. In fact, the Afghanistan reach-out and suspension of Indus Waters Treaty are two issues on which India could face international pressure, but can't afford to yield for national security reasons.

The broader problem with the neighbourhood, including the situation in Bangladesh and Nepal, is the impact they can have on India's internal security. India should insulate itself on this front as both countries have to go through a political churn, which will drive up anti-India sentiment. In Bangladesh, the current anger must eventually find expression through the ballot. Till then, India will find itself drawn into tough political debates. But just like with Sri Lanka, matters can be readdressed once an elected government is in power.

Finally, there's a new challenge on cultural issues that will impact the diaspora. Be it anti-India targeting by the MAGA brigade in the US, or anti-Hindu street sentiment in Bangladesh, or susceptibility to Islamic radicalisation, these are political imponderables for an Indian state looking for a stable few decades of peaceful growth.

Pre-WW2 US, post-war Japan, and China in the 1980s-2000s enjoyed periods of peaceful growth, which took them into the next orbit of development. India is seeking the same

Pre-WW2 US, post-war Japan, and China in the 1980s-2000s have enjoyed periods of peaceful growth, which took them into the next orbit of development. India is seeking the same, but in a more uncertain, transactional, unpredictable global environment.

While there's no single formula to fit the case, or a guaranteed alliance/grouping with the right answer, issues will find their own friends. That's where the answer may lie in 2026. There will always be a list of positive items to work on with key countries. If it's economic with the EU, it may be military, tech and culture with Israel, trade with Gulf countries, investments from Southeast Asia, neighbourhood-plus with Sri Lanka and Maldives — the idea must be to remain open, politically acceptable, and create economic opportunities to all.

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ChatGPT SHAIRI OF THE DAY

There once was a range
called Aravali,

Mentioned by the
ancients in Pali —

One expert said,
'Prehistoric and tall,'

Another wonk said,
'It's barely a wall,'

Till they went home shouting,
'Jai Bajrang Bali!'

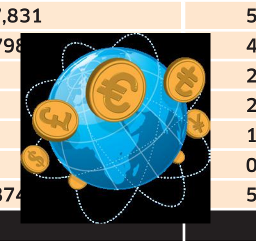
•••

Reserve Currencies

The US dollar remains the backbone of the global reserve system, with central banks holding approximately $7.4 trillion in dollar-denominated reserves. This represents nearly 57% of total reported global reserves. The table below ranks the world's leading reserve currencies, showing how global reserves are distributed across major currencies today. While the dollar's share has declined over time, no single alternative currency has emerged as a clear replacement...

Composition of international reserves, Q3 2025

CURRENCY	Value ($ million)	Share of total (%)
US dollar	7,414,472	56.92
Euro	2,647,978	20.33
Japanese yen	757,831	5.82
Pound sterling	580,798	4.46
Canadian dollar	346,892	2.66
Australian dollar	268,128	2.06
Chinese yuan*	251,259	1.93
Swiss franc	23,228,	0.18
Other currencies	734,874	5.64
All currencies	13,025,462	



*(renminbi); Source: IMF's COFER data, Visual Capitalist

Bell Curves

R Prasad

Just hand us corporate laws, and watch how labour laws trickle down.

MAGA Cowboys vs Indians

Seema Sirohi

LETTER FROM WASHINGTON

Hate against India and Indian Americans has gone mainstream. It's gushing forcefully from the many spouts of social media. You don't have to doomscroll or seek. It's delivered home, primed and packaged to incite. Burn, baby, burn.

Nothing is off limits. Not your wife (ask J D Vance). Not your kids (ask Vivek Ramaswamy). Not your food, religion or clothes (ask millions of desis on X). Believers of the Great Replacement Theory are out in force to declare Indians the new enemy in this new America. The thesis: their success in the tech, academic, political and financial world was gained unfairly by gaming the system, not through hard work.

As a wise political thinker said on X, 'Like many features of domestic production, other nations have caught up and now make and export better Americans.' The fact that they are winning, and defying the image of a struggling immigrant for the most part, is unacceptable in many quarters. It hurts deeply, because the US, like all other societies, is status-conscious and socially hierarchical.

The question of who is a 'true, blue' American is far from settled. White nationalists consider Indians suspect because they don't 'assimilate' per their definition, maintain their cultural identity, and tend to socialise with other Indians. Colour of their skin is the main thing but… Brown is NOT the new Black this season, and may not be for a while.

According to a Center for the Study of Organised Hate (CSOH) report, 'Anti-Indian Racism on X', 680 anti-Indian racist posts on X garnered 281.2 mn views between July 1 and September 7, 2025. Framing Indians as 'invaders' and 'job thieves', and calls to deport them accounted for 69.7% of the total posts studied. They got 111.8 mn views, making immigration and expulsion-related rhetoric the primary driver of engagement.

It's real. And it's scary. On Christmas day, a far-Right 'journalist' Matt Forney provided a new take on 'DEI': Deport Every Indian. For their own safety, he said helpfully — because in 2026, hatred against Indians will hit a 'boiling point' and violence will follow. Attacks on Hindu temples, mass shootings and vandalism of Indian businesses could result. He deleted the post, but not before everyone got a screenshot and shared. Wonder if Kash Patel's FBI is monitoring the situation.

Indians are openly being called 'jeets' — an ethnic slur — by 'groypers', as followers of White nationalist extremist Nick Fuentes are known. Every time Nasty Nick opens his mouth, his tongue runs away. He is a fan of Hitler, Stalin and even the Taliban. But Indians are unacceptable. They are 'smelly' and their food is 'shit'.

Uncouth to the core, Fuentes is waging a war against Ramaswamy to 'deny' him the governorship of Ohio. It doesn't matter that MAGA-in-chief Donald Trump endorsed the candidate. Fuentes asked his 'followers' to vote for anyone, even a Democrat, or not vote at all, but not 'anchor baby' Ramaswamy. As for the veep, he is a 'race traitor' because he married Usha, a practising Hindu.

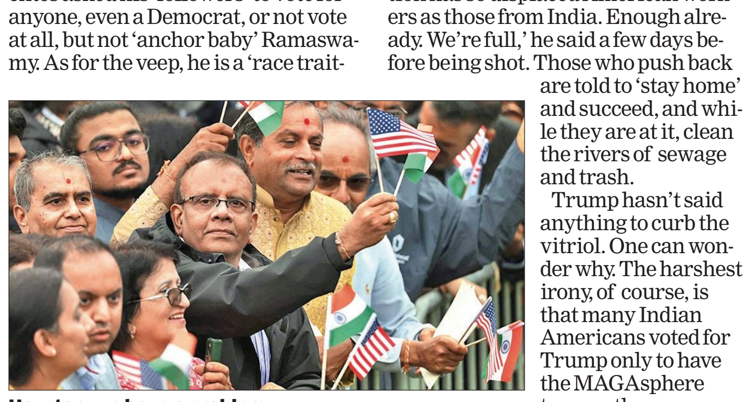
It's no consolation that Fuentes' hate is manufactured in bot farms of Pakistan, Nigeria, Malaysia, Indonesia and — hold your breath — India, to create artificial popularity. Fake handles are directed to 'retweet' every awful claim, often beating X boss Elon Musk's own posts, to say nothing of his famed algorithm.

It's the 'same low-cost amplification clusters and engagement farms that foreign actors often use to manufacture virality, distort platform metrics, and manipulate recommendation systems', according to 'America Last: How Fuentes's Coordinated Raids and Foreign Fake-Speech Networks Inflate His Influence', a report this month by the Network Contagion Research Institute, a think tank dedicated to detecting threats in the information ecosystem.

Fuentes, however, is one actor in an army of online haters, their racism palpable and anger against H-1B visas accumulating over the years in dark corners of the internet. This year, they burst into the open, ripe and raging. Musk's no-curbs-on-speech on X, hate or otherwise, gives them an open field. Charlie Kirk, the conservative activist who was assassinated in September, was vocal on H-1Bs.

'Perhaps no form of legal immigration has so displaced American workers as those from India. Enough already. We're full,' he said a few days before being shot. Those who push back are told to 'stay home' and succeed, and while they are at it, clean the rivers of sewage and trash.

Trump hasn't said anything to curb the vitriol. One can wonder why. The harshest irony, of course, is that many Indian Americans voted for Trump only to have the MAGAsphere turn on them.



Houston, we have a problem

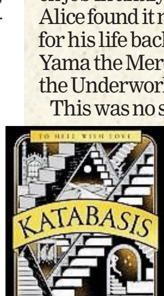
PARANORMAL ACTIVITY

Paragraphs From Fiction

Katabasis

R F Kuang

It was a terrible gruesome accident that killed Professor Jacob Grimes, and from a certain point of view it was her fault, and so for reasons of both moral obligation and self-interest — for without Professor Grimes she had no committee chair, and without a committee chair she could not defend her dissertation, graduate, or apply successfully for a tenure-track job in analytic magick — Alice found it necessary to beg for his life back from King Yama the Merciful, Ruler of the Underworld.



This was no small undertaking. Over the past month she had become a self-taught expert in Tartarology, which was not one of her subfields. These days it was not anyone's subfield, as Tartarologists rarely survived to publish their work.… All existing sources were unreliable to different degrees and devilishly tricky to translate besides. Dante's account was so distracted with spiteful potshots that the reportage got lost within.

T S Eliot had supplied some of the more recent and detailed landscape descriptions on record, but The Waste Land was so self-referential that its status as a sojourner's account was under serious dispute. Orpheus's notes, already in archaic Greek, were largely in shreds like the rest of him. And Aeneas — well, that was all Roman propaganda.

THE SPEAKING TREE

Beauty of New Year

SWAMI SUKHABODHANANDA

Where there are waves prem, anand and saundarya, a divine presence opens up. These waves are the wings of God. The new year will come alive if infused with the energy of these waves. A true guru, or master, does not teach in words; he teaches through expression of His presence.

Krishn taught Arjun more by his presence. How was it possible to teach Arjun all that was contained in Gita when the two armies were readying to fight? It would have taken hours for such a communication to take place. It was a communication between two hearts, far beyond words and time; it was effected through Krishna's presence. A dream may last for about 2 mins. But it may take an hour to relate it in the waking state.

Quieten your mind before approaching a master; let there be prem, anand and saundarya. Life is the greatest master and scripture, so treat it with respect and love. We are like the caterpillar who is unaware of its ability to become a butterfly. We are unaware that we can become a Buddha, an enlightened being.

A Chinese carpenter who created many masterpieces of art was asked what the secret of his success was. He replied, 'I approach a tree with deep love and joy and then ask if it is willing to be felled. Only when my intuition says 'yes' to a particular tree, I cut that tree with a prayer in my heart.' In this manner, he was able to create masterpieces. Can we live life in the presence of a feeling of divinity? If we do, then the new year for us will have a beauty and depth that words cannot express.

Chat Room

Storehouse, Not Currency

Apropos the Edit, 'O Mere Sona, Meri Tamanna' (Dec 29), the renewed global rush for gold reflects unease, not wisdom. Gold has value as a reserve and a hedge, but treating it as a currency substitute risks false comfort. Modern economies run on flexible exchange rates, credible institutions and disciplined fiscal policy. Instead of hoarding bullion, emerging economies should deepen trade settlement mechanisms, strengthen financial regulation and curb reckless public spending. Central banks buying gold may steady nerves for now, but long-term stability will come from trust in policy, not metal locked away in vaults.

A Myilsami
Coimbatore

The sudden ascendancy in the value of gold and silver is due to less dependability on the dollar for international trade, caused by the undependable Trumpism. Investment in gold in the current scenario is not advisable. Matters immanent today might be different in the imminent future. India should take a cautious path avoiding complete dependence on the dollar in foreign trade by persuading other countries in trade with India through the vostro account scheme. Be cautious: the brightness of gold today should not bring darkness tomorrow.

K Rajendran
Chennai

Probate: Uncheck. Will: Uncheck?

Parliament has passed Bills removing the necessity for probates in Mumbai, Chennai and Kolkata. What next? Does a will stand by itself? But wills can be challenged. How can a judge know who should be the legal heir better than the owner? It is necessary to make the inheritance process smooth and effortless. There is no need for a will. The owner should name his legal heir for each asset including immoveable property to banks, MFs, housing society, etc. The PAN/Aadhaar of the legal heir should be submitted to the institution. The institution should then give an acknowledgment of having documented this in their records. The owner should give this acknowledgement to the legal heir. When the owner of the asset dies, the legal heir should produce the acknowledgement to the institution and the asset will be transferred without question.

T R Ramaswami
Mumbai

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A thought for today

The care of human life and happiness, and not their destruction, is the first and only object of good govt

THOMAS JEFFERSON

Don't Be Ruled By Rules

If GOI's deregulation push leads to genuine lightening of compliance load, economy will get a huge boost

A whisker separates India from Japan, and the 4th largest economy rank, as we head into 2026. But it's fair to say India got here *despite*, not because of, its policies. Recall how, in 2004, enforcing a contract took 425 days on average, with 40 procedures. Insolvency resolution easily stretched to 10 years. Even in 2017, a Niti Aayog report said setting up shop in India required 118 days on average, with the wait stretching to 248 days in Assam. Things are better now, but only relatively. An abundance of regulations continues to be the proverbial spanner in business's wheels. So, the PM's advice to top bureaucrats, to set up "deregulation cells" for speeding up reforms, and improving ease of living and doing business, demands undivided attention.

There's no denying that regulation has its place in a modern society. We wouldn't have had seat belts in cars without it, nor the Aravalis. But the problem is too much regulation, or as the

Economic Survey said in Jan – when "layers of operational conditions" are piled, policies become complicated and incomprehensible. The reams of quality control orders (QCOs) India published after 2017 are just one example of this problem. Excellent in theory – they were intended to keep out substandard and hazardous imports – the orders became a hurdle for business. The steel ministry alone had over 150 of them. Importing raw materials at the right price became difficult, hurting domestic manufacturing's competitiveness.

That's why regulations should be imposed sparingly, only if they pass the test of necessity. And those that make no sense, or have crossed their best-by date, like most QCOs, should be scrapped. Govt has pressed this point through the year, with the FM announcing a regulatory reform panel to promote ease of doing business in the Budget. The CEA has also said deregulation is the next focus area for India. Some moves, like the Jan Vishwas initiative to decriminalise minor offences, are already afoot, but getting every ministry and department to reduce procedures and paperwork – as PM has urged – is the need of the hour.

Tamil Nadu proves the worth of light-touch regulation. The way it handled Ford's exit, and the Samsung strike last year, boosts investor confidence. More than big industry, the sector that needs deregulation most is SMEs – the biggest job creator – that's hamstrung by costly compliances. If govt lifts its foot off the regulatory brake, India will get to the next trillion dollars faster.

Damned If You Don't

Cursing can make you feel more confident, less stressed. But be smart about when to use it

As family and friends crowd together in the festive season, high spirits tend to nudge gatherings towards high swearing. The adultest adults in the room then put the zip on it, particularly for the sake of the young ones. But ultimately, it's a doomed effort. Between school and street, movies and music, over the years, most people grow up getting familiar with phrases like f-up. And the ways they do this, are of great interest to scientists, sociologists and historians. Because it reveals a lot about how our brain and society work. A new study in *American Psychologist*, for example, finds 'state inhibition' in uttering curse words. Meaning, it lowers hesitation and self-doubt, thus improving the ability to perform physical tasks, like chair push-ups.

All swearing is rooted in some taboo. Breaking it can create bonding. As much in a sterile operating theatre as a raucous factory floor. Taboos vary from place to place. In Japan, there's almost no excretory taboo, so 'shit' is not a cussword. The poop emoji is actually considered a cutie and sweets shaped like it are good luck tokens. Taboos also change over time. Religious blasphemy declined in the West as authority became secularised – 'Jesus Christ!' stopped being shocking. In the reverse direction, words that used to be in nursery rhymes became seriously unacceptable. Steven Pinker points out that, "To hear 'nigger' is to try on, however briefly, the thought that there is something contemptible about African Americans."

Today's popular cusswords tell us that sex remains Taboo No. 1. Films like *Gangs of Wasseypur* both capture this trend and dish it up as exotica. Most sexual swearing is sexist because power, honour, and shame are still structured by patriarchy. But while swearing privately may give you the confidence to ask someone for a date, doing it on the date itself is risky. Some adulting adults, as noted above, feel it's crap.

Scent A Clause

You have nose for the festive season

Anil Abraham

The neighbouring apartments needed an older man to play Santa Claus for the annual party and I was roped in for all the obvious reasons. Kamala reminded me of my lapsed gym membership – she never misses a chance to stress how my generous proportions get me certain roles in every cultural event. I went over to collect the Santa outfit from the stock of costumes in the school theatre storeroom and was given a damp musty Santa outfit that smelt of complete neglect.

I scrubbed thoroughly with soap and water and hung it out to dry in the afternoon sun, but the rancid odour refused to disappear. Finally, I was forced to generously brandish some body spray sourced from my son's room – a brand that promised to attract admirers like houseflies to garbage. Smelling like an airport cosmetic store, I walked into the room where *Joy to the World* was playing on a loop.

At first it was just a few curious glances and then people started sniffing suspiciously, like Indians passing a public restroom. Kamala sidled up to me like Lady Macbeth looking for the perfumes of Arabia and hissed under her breath, "You're smelling really hideous!" Everyone else seemed to have caught the scent of Santa but was not sure if they smelt something fishy or if it was just a red herring. Secret Santa was passé this year – Smelly Santa was a new tradition that we had begun.

The smells of the festive season are very special and range from the heady fragrance of rum and fruits mixed to make plum cake, to the warm wonderful smells of other special treats like kalkals and marzipan. There's the smell of new clothes or books as presents are unwrapped and also the general scent of anticipation and excitement that fills the air together with the gentle melody of Xmas carols.

For me, my father was my Santa, and as he held me close to his chest, I could smell the fragrance of talcum powder and soap – a clean, crisp smell that far surpassed any expensive perfume in a fancy bottle. Helen Keller was bang on: "Smell is a potent wizard that transports us across thousands of miles and all the years we have lived." Next year I'm making sure that Santa comes up smelling of roses.

Eat, Drink & Discover India

Indian whisky will give Scotch even more competition. Why import Japanese matcha when tea-growers here can make phalap? Why can't Andhra's shrimp, tariffed by Trump, become pakodas in dhabas? This year, India can get a taste of its own amazing produce

Vikram Doctor

Only one trend really matters for food in 2026 – Rupee reached 90 to a Dollar in Dec and, while currently a bit below that peak, it's unlikely to change much. While this should be good news for food exporters, tariff troubles and rising fuel costs will prevent this exchange-rate advantage from helping much.

But, there is an upside. This is the time to discover foods made in India.

Countrywide, local producers are growing and harvesting and cooking and fermenting and brewing up an amazing range of produce. Buying from them doesn't mean a return to the import substitution era when Coca-Cola left the country and we were given a Double Seven cola. It's more a levelling of the field where, in recent years, importers have brought cheap food products by container loads, undercutting efforts of local producers.

Lots of these products were culinary equivalents of export surplus clothing – made for supermarkets in Australia, Southeast Asia or West Asia, with slick packaging and appealing prices, but just average mass-produced food. They are widely distributed in retail outlets ranging from upmarket food stores that tout their sourcing, to small stores often oddly calling themselves 'health' or 'nutrition' stores. Some products have dodgy expiry dates, some are no longer popular in their primary markets – but in India, just being foreign-made was enough.

These are the products Indian manufacturers can replace. And, it doesn't have to be just big companies. Small producers are making quality products, and some have been doing so for quite a while. It's no surprise, for example, that Goa has a tradition of making soybean products like tofu and tempeh, going back to the hippie era, but how many people would associate Prayagraj with them?

But in the 1960s, a Japanese professor visited Allahabad's Sam Higginbottom University of Agriculture, Technology & Sciences (SHUATS) and started a programme to make miso paste. That tradition continued. It has now been developed in a more commercial way. Meanwhile, in Goa, Prachet Sancheti has taken fermented products to a new level with his Brown Koji Boy brand, to create a range of gourmet cooking pastes and sauces using soy, chickpeas, mushrooms and other ingredients.

Small producers like Sancheti always faced hurdles in managing distribution and payments. But for anyone willing to reach out to them directly, UPI has simplified the payment process and one of the best, most economical agents for dispatch is, actually, India Post.

In remote locations in the hills, or down the coast, there are women's self-help groups making excellent pickles, preserves, papads, wadis and other products that can be easily sent, to any location, by India Post. Perhaps, communications ministry should find ways to expand this commerce side of the service so that it can perform better than many courier companies.

Homegrown: Phalap tea, prawn pakoda, miso & fish chakli (clockwise from top left)

The miso link with SHUATS is a reminder of the wealth of food knowledge in India's agricultural research system. Under ICAR, an institute can be found for almost every possible food product, and scientists have often developed food products that find commercial use. Some can be odd too – like the fishmeal chaklis I once got from a fisheries institute. But it was an attempt to create a high-protein product, like the many imported protein powders sold in gyms across India. There's little encouragement at the moment to monetise such research products, but a policy change at ICAR could help.

Food products have to really work though, in terms of taste and how consumers can use them. For proof how simply promoting a product without considering how consumers might really use it isn't enough, consider millets. Two years ago, govt majorly pushed millets. But where are all those millet products now? The campaign didn't engage with the basic fact that consumers really don't like millets, no matter health and environmental benefits.

2026 WHAT LIES AHEAD
SIXTH OF A MULTI-PART SERIES
FOOD

A more credible campaign might have created more products where millets were blended with preferred grains, or only more acceptable millets (like ragi) were promoted, or millets were used to produce ingredients like alcohol or sugar (from sugar sorghum, a variety of jowar) that could then be used for consumer use.

India has often assimilated new products that, for various reasons, are suddenly in surplus here. Tea was little consumed until the 1920s when the tea industry decided to develop domestic demand for the tea grown until then for foreign markets. It took decades, and development of milky *chai*, but now India is hooked on tea.

Bread became mainstream in the 1960s after India started receiving food aid in the form of high-gluten American wheat. It made notoriously tough rotis, but turned into leavened bread, especially in south India, it has arguably become as much a staple as flatbreads.

Now it's time to do the same for all food products whose exports are blocked by tariff wars. Andhra's vast production of shrimp can be sold across India as a tasty, high-protein product – let dhabas start selling prawn pakodas and prawn pulao and shrimp-stuffed momo. Premium Indian whisky is already doing so well that UK's Scotch industry is in crisis. Why is matcha – a frankly ridiculous tea product – being imported from Japan when Indian tea growers can make similar products, or promote really great indigenous equivalents like the Northeast's amazing smoked phalap tea? India-produced food can step up in most areas – the exchange rate is giving producers reason to try.

What 2 Movies Made 50 Yrs Apart Tell Us About Film Critics

All pundits had dismissed *Sholay* as too gory, some have said the same about *Dhurandhar*. But these days, film reviewers' politics often determine the review. Viewers, then as now, don't care

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Few films have enjoyed an afterlife like *Sholay*. Director Ramesh Sippy's multi-starrer, now 50 years old, was restored and re-released this year to eagerness and acclaim. It wasn't always like this. When first released in the middle of the Emergency in 1975, the film was panned by most critics as too violent, too long and too derivative. One of the reviews described it as "a shaggy dog western…monstrously violent and sprawled in loose limbed abandon." Also, most reviews did not devote a single word to Amjad Khan's portrayal of Gabbar.

Director Aditya Dhar's *Dhurandhar* shares a few things with *Sholay*. Both are extra-large. *Dhurandhar* is three hours and 34 minutes long, the new *Sholay* clocks in at three hours and 24 minutes. Both are technically first-rate, with some breathtaking photography and uniformly perceptive performances. Both are the year's biggest hits. In both films, the antagonists – Gabbar in *Sholay* and Rehman Dakait in *Dhurandhar* – emerge as showstoppers.

Among other things, Dhar's film has been roasted for being ultra-violent. Just as *Animal* (2023) was two years ago. The truth is that filmmakers are constantly pushing audiences' thresholds for accepting more violence. Ramgopal Varma and Anurag Kashyap, to name just two, have used violence as a synonym for cool, to celebrate and shock.

Now in the OTT and mobile age, when gore and sex have entered our homes the dosage is rising every season. The beast must be fed. It's all relative. A critic wrote 50 years back that *Sholay* raised "screen violence to almost unimaginable heights".

The two blockbusters are divergent too. *Sholay* is celluloid fiction. *Dhurandhar* uses facts to create fiction, seamlessly weaving terrorist-driven incidents – Kandahar hijack, Parliament attack 2001, Mumbai massacre 2008 – with an imaginative narrative on an Indian spy. The film's support characters are borrowed from real-life and can be easily recognised by avid sub-continent news watchers.

But unlike Gabbar, a one-dimensional profile in evil, gangster Rehman has multiple shades. He kills ruthlessly, but follows a code of honour, has reel-worthy dance moves, loves his son, even takes a slap from his wife. The script humanises him. The power of Akshaye Khanna's performance lies in capturing every shade, a reason why he is the movie's talking point. Probably, *Dhurandhar 2*, will offer a more detailed backstory of Ranveer Singh, playing the protagonist Hamza.

For over three and half decades, Pakistan has weaponised terrorism against India. But in recent years, some major spy movies have preferred to find villains 'inside' than outside. Dhar, who has also written and produced the movie, firmly puts the focus back on Pakistan – where a grand alliance of ISI, jihadis, and underworld is at work. The treatment is more realistic than exaggerated. To ensure that nobody misses the point, even actual conversations of ISI handlers during the 2008 Mumbai massacre are played out.

Undeniably, *Dhurandhar*'s proactive and muscular approach to combating terrorism will please the current political dispensation. But it is also a compelling watch, especially in a year when terrosim led to an escalated armed conflict between India and Pakistan.

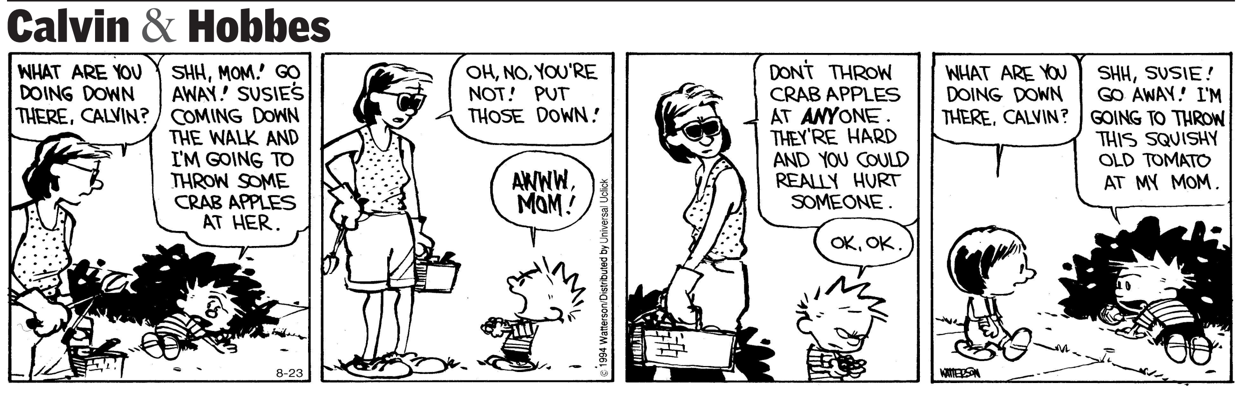
At a time when national politics is deeply polarised, film criticism too has taken the same route. Sometimes a film is primarily condemned and savaged for the politics it chooses, and because it differs from the critic's own worldview. Film criticism, then, becomes an extension of activism. The film isn't reviewed. The film that should have been made is reviewed. The reactions to *Dhurandhar*, and the sharp counter-points that emerged on social media, only amplify the politico-cultural world we live in today.

The new Mumbai masala has already grossed over ₹1,000cr, a respite for the Hindi film industry now facing prolonged spells of droughts at the box-office. Interestingly, *Dhurandhar* is being relished in Kashmir's only multiplex, as CM Omar Abdullah recently admitted. From several accounts, despite the distinct political subtexts, many in Pakistan have also loved it.

The film's super success also indicates that the audience's appetite for entertainment is size-agnostic. Length doesn't matter. Films either command attention or do not. Raj Kapoor's lush love triangle, *Sangam*, was nearly four hours long. It became the biggest money spinner of 1964. Six years later, Kapoor's sensitive but self-indulgent *Mera Naam Joker*, long enough to have two intermissions, became the flop of the year. There are such examples every decade. The 2023 blockbuster, *Animal*, was just 10 minutes shorter than Dhar's movie. Today, the same viewer, who relishes 'shorts' also gulps down a season of web series at one go, as they would a mammoth James Clavell novel in another era.

When first released, *Sholay* won just one Filmfare award – for editing. In a case of gross overcompensation, Sippy's magnum opus was declared "The Best Film of 50 Years" by Filmfare in 2005. Who knows how *Dhurandhar* will be appraised 50 years on.

Calvin & Hobbes



Sacred*space*

I have found both freedom and safety in my madness; the freedom of loneliness and the safety from being understood, for those who understand us enslave something in us.

Kahlil Gibran

Invertendo Helps Realise Tenets Of Eupraxsophy

Vijay Vancheswar

In the movie *Guide*, based on a novel by RK Narayan, iconic actor Dev Anand portrays a tour guide named Raju, who is a happy-go-lucky person until he undergoes a transformative experience. He then says, "Na sukh hai, na dukh hai, na deen, na duniya, na insaan, na bhagvan…sirf main hoon, main sirf hoon" – 'there is no joy, no grief, no religion, no world, no human, no God, only I Am.'

This profound statement captures the essence of the highest Vedantic truth repeatedly stressed by masters such as Ramana Maharshi. This ultimate Truth, emphasised in Ajata Vada teaching of Vedanta, holds that creation, birth, death, or rebirth are all figments of the mind. These trigger and activate their appearances in the steady state of consciousness. The conditioning and reinforcement of these appearances is very intense and personal. We find it extremely difficult to disengage ourselves from this severe entanglement. The path suggested is introversion of the mind. An inward search to find out who we really are. None can deny one's existence. 'I exist, or i am' is an undeniable truth reiterated by our everyday experience of deep sleep. We are unaware of our bodily consciousness, yet we claim to have enjoyed a good night's sleep.

Nisargadatta Maharaj reinforces Ramana Maharshi's teaching by advising us to focus on our state of 'I Am' to the exclusion of all other thoughts. Shirdi Sai Baba reiterates this with the statement that 'i give you what you want in the hope that you will want what i want you to have – self-knowledge by abiding in the state of 'I Am' – the source of perennial peace and happiness. Ramana Maharshi, when asked, 'How to be happy?' mentioned, 'Be as you are'. The quest and abidance have to be within. Happiness is our natural state, akin to searching externally for the necklace that one wears.

Introversion of the mind has to replace the preoccupation with the 'i am the body' notion. Metaphorically, this is called 'invertendo', reversing our perspective from the external to the internal.

American philosopher Paul Kurtz coined the term 'eupraxsophy', a portmanteau of Greek words meaning good practice and wisdom. He says, "We have a streak that runs deep in its nature; the capacity to be easily deceived, a tendency to allow our wishes, desires, fancies, hopes or fears to colour our imagination and influence our judgements and beliefs."

Ramana says the path is direct and straight. All other paths ultimately merge to the one query – 'Who am I?' Self-awareness results as we inquire within.

Ramana Maharshi's teachings focus on redirecting our attention to the experiencer rather than the experience, and on vigilantly connecting with the state of 'I Am'. In Ramana's words, a true guru's authenticity is validated by the peace experienced in his presence or remembrance. The guru acts as a guide beyond the physical frame.

The test is a change in one's attitude towards life. The three tenets of 'eupraxsophy' – respect, beneficence and justice get exemplified through our actions. Less judgemental, less dogmatic and more inclusive.

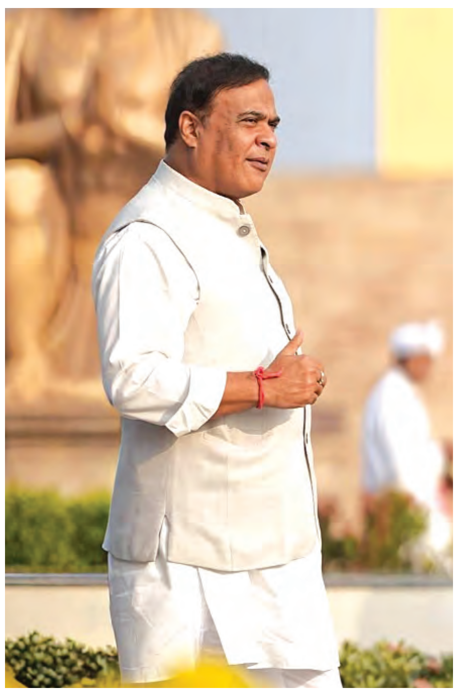
Ramana Maharshi's birth anniversary is on Dec 30

Batadrava Project: The resolve to protect our national existence

This project will elevate Batadrava into a national and international destination for cultural and spiritual tourism, taking Sankardeva's legacy to future generations. The project incorporates traditional Assamese architectural elements and cultural motifs, along with detailed visual representations of the life of Mahapurush Srimanta Sankardeva

FIRST Column

HIMANTA BISWA SARMA



Batadrava!

This single word evokes a profound spiritual and emotional bond for Assam and the Assamese people. This sacred land is the birthplace of the great saint, reformer and cultural visionary Mahapurush Srimanta Sankardeva — the architect of our national consciousness. Among all poets of ancient Assam, it was he who first connected Assam to the broader civilisational landscape of India. In this context, Birinchi Kumar Barua had observed:

'*The conception of India as our mother country was conceived by Sankardeva five centuries ago. He wanted the people to feel proud of being born in his holy country of Bharatvarsha, as India provides an immense opportunity for development of men's moral and spiritual potentialities. Repeatedly did he emphasise the glorious and spiritual experience of India.*'

Sankardeva's works are filled with praises of India and the idea of Bharatvarsha. In the Bhakti Ratnakar, which he translated into Assamese, he titled one of the chapters "Bharat Bhu-Prashansa" — In Praise of the Land of Bharat. References such as "Bharate manushya tonu kata punye pay" and "Dhanya dhanya Kali kal, dhanya nara tonu bhal, dhanya dhanya Bharat barishe" express the sacred emotional reverence that the Vaishnavite saints held towards the land of Bharatvarsha.

Dr Maheswar Neog described how Sankardeva, enriched by Indian philosophy and his pilgrimages to major sacred sites across the country, absorbed the spiritual currents of his time:

"He travelled for several years across northern India, visiting many sacred places. In two verses of Kirtan-Ghosa, he gives us a hint of what he saw and heard: '*From Odisha to Varanasi, everywhere and in every place, the cultured and refined sing the poet's songs.*' Across India, temples reverberated with chants, hymns and devotional songs; a great spiritual wave was sweeping the subcontinent. Out of this rose a renewed form of an ancient religion — Bhakti — which emphasised inner devotion over outward ritual, expressed through songs in one's own language."

THIS PROJECT WILL ELEVATE BATADRAVA INTO A NATIONAL AND INTERNATIONAL DESTINATION FOR CULTURAL AND SPIRITUAL TOURISM, TAKING SANKARDEVA'S LEGACY TO FUTURE GENERATIONS

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Batadrava, the land sanctified by the memory of Sankardeva, was once described by him as fertile and prosperous. While rendering the Uttarakanda of the Valmiki Ramayana into Assamese, he identified himself thus: "*The village named Bordowa is unmatched in fertility / Nourished by the waters of the Lohitya.*" Batadrava is also associated with a remarkable woman of the Vaishnavite era — Sati Radhika, whose name too is remembered with honour.

The Crisis That Threatened Assam's Identity

Over the decades, this sacred birthplace of Sankardeva came under grave existential threat. Due to continuous infiltration by Bengali Muslim immigrants, the very cultural nerve-centre of Assamese life — Batadrava — faced deep crisis. Under successive Congress governments, vast stretches of this sacred land were illegally encroached upon, turning the birthplace of our revered Guru into a zone of demographic aggression. Encroachers, sheltered by Congress regimes, took possession of satra lands, naamghars and institutions central to Assamese cultural and spiritual life. From Batadrava to Barpeta, many such centres faced systematic assault, which has been a calculated attempt to uproot Sanatan culture and replace it with an alien, fundamentalist identity. This was neither accidental nor sporadic; it was the result of a long, deliberate conspiracy to destabilise Assamese national existence.

The Sattras established by Sankardeva and Madhavdeva, centres of spiritual, social and cultural life, came under unprecedented threats. They are custodians of Borgeet, Sattriya, Chali dance, Jhumura, Dashavatar, ancient manuscripts and centuries-old heritage. When these institutions fell into the hands of encroachers, Assam's identity, culture, language and collective self-respect faced near-collapse.

The Report of the Assam Sattra Land Review and Examination Commission revealed alarming realities: over 15,289 bighas of satra land across Assam were encroached. In Barpeta alone, 7,137 bighas had been taken over. The same pattern was seen in Bajali, Nagaon, Lakhimpur, Dibrugarh, Kamrup, Bongaigaon, Majuli and Dhubri. Many satras and naamghars were erased forever.

Our Government's Resolve

The BJP-led NDA government is fully committed to safeguarding our pride and the very soul of our culture. In the Assam Vision Document 2016-2025, released ahead of the 2016 Assembly elections, the BJP committed itself to freeing the lands of Assam's satras, along with other religious, cultural and allied institutions, from illegal encroachment. Reaffirming this resolve, our party reiterated in its 2021 Assembly Election Manifesto that the lands of satras and the sacred worship sites of indigenous communities would be restored by removing unlawful occupation. To further strengthen Assam's spiritual and cultural institutions, we also pledged financial assistance of ₹2.5 lakh to every naamghar and indigenous place of worship across the state.

Going beyond electoral assurances, our government has taken sustained and concrete measures to reclaim the lands of satras, naamghars and indigenous worship centres from encroachers. At the same time, with the objective of revitalising Assam's national and civilisational life, several visionary and transformative initiatives have been undertaken.

In the Budget for the financial year 2021-22, as Finance Minister, I had announced specific measures for the development of Batadrava Thaan. In that Budget Speech, I had stated: "Our Government proposes to develop Batadrava Thaan in Nagaon district into a centre of art, culture, research and spirituality. To transform the precincts of Batadrava Thaan and its surrounding areas into a unique cultural, religious and tourist attraction, the Public Works Department has prepared a comprehensive project report. The total estimated cost of this project is ₹188 crore. For the first phase of this project, I propose an allocation of ₹50 crore."

The Batadrava Cultural Project

Later, after taking oath as the Chief Minister of Assam, we oversaw a large eviction drive towards the end of December 2022 to clear the encroachers from the Batadrava area, the sacred birthplace of Srimanta Sankardeva. With the aim of transforming this cultural heartland into one of the foremost centres of culture and tourism, the Government of Assam undertook an ambitious project.

The Borduwa Cultural Project, developed at a cost of ₹227 crore, has been designed not only to make the historic site a major attraction for visitors but also to reflect the life, ideals and artistic heritage associated with Mahapurush Srimanta Sankardeva and the broader cultural traditions of Assam. The project has been implemented across 165 bighas of land in three phases.

The entire complex has been conceptualised in the form of a tree, with the Guru Asana of Mahapurush at the centre, from which all other buildings extend like interconnected branches. The project incorporates traditional Assamese architectural elements and cultural motifs, along with detailed visual representations of the life of Mahapurush Srimanta Sankardeva. The various buildings have been constructed in the likeness of traditional musical instruments, dance forms, performance styles and aspects of Assamese lifestyle.

In addition, the project includes an exhibition depicting the life of Lord Krishna, a theatre designed for dramas, bhaona performances and other cultural presentations, a centre for performing arts and other amenities. For tourists, the project provides guest houses, a tribal guest house, a health centre offering medical services for visitors and staff, and the Manikanchan Griha — a space designed to introduce tourists to the artistic dimensions of the naamghar culture intrinsic to Assamese national life. Other features at Batadrava Than, such as the Manikanchan Jalarashi, a viewing tower for security and surveillance, walkways, and designated parking areas for vehicles, have also been integrated into the project.

This project will elevate Batadrava into a national and international destination for cultural and spiritual tourism, taking Sankardeva's legacy to future generations. It is our privilege that the Hon'ble Union Home Minister, Shri Amit Shah, has inaugurated this iconic project. For his profound affection towards Assam, we remain deeply grateful. Assam's national existence cannot remain secure unless the sattras are protected from encroachment. People of Assam must stand united to resist any form of religious aggression. We reject any attempt to distort history by calling Sankardeva-Madhavdeva's sacred land "Sankar-Ajaan's Assam." Such malicious motives aimed at erasing Madhavdeva's name and diminishing Sankardeva's legacy will never be allowed to succeed.

On this historic day of the inauguration of the Batadrava Cultural Project, I reaffirm our unwavering commitment to safeguarding Assam's identity, culture and spiritual heritage.

From policy vision to institutional trust: Rethinking higher education reform in India

RAMA SHANKER DUBEY

India's higher education system is at a decisive juncture where long-articulated policy vision is now confronting the realities of governance and institutional capacity. The National Education Policy (NEP) 2020 laid out an ambitious roadmap to transform learning, research, and academic culture. The introduction of the Viksit Bharat Shiksha Adhishthan Bill, 2025, currently under examination by a Joint Parliamentary Committee, represents a decisive step towards aligning that vision with a coherent regulatory framework.

For decades, higher education governance in India has been shaped by regulatory multiplicity. Overlapping authorities, fragmented mandates, and compliance-driven oversight have constrained universities' ability to innovate. Within the university system, a persistent challenge has been the gap between academic intent and regulatory execution - where well-conceived programmes, interdisciplinary initiatives, and research collaborations are routinely delayed by procedural hurdles. The cost of this disconnect has been not merely administrative inefficiency, but a steady erosion of intellectual momentum.

The NEP 2020 addressed this structural problem by placing institutional autonomy at the centre of reform, supported by accountability. Its emphasis on multidisciplinary universities, flexible degree pathways, and research-led learning assumes a governance environment that enables academic decision-making rather than restrains it. Yet many universities - particularly public and regional institutions - have struggled to operationalise these reforms within regulatory frameworks designed for an earlier academic era.

The significance of the Viksit Bharat Shiksha Adhishthan Bill lies in its shift from micromanagement to outcome-based oversight. The proposed framework prioritises student learning outcomes, research impact, and societal engagement over procedural compliance. This marks a clear departure from input-driven regulation, where adherence to prescribed norms often outweighed academic results.

The implications for interdisciplinary education are immediate. Universities attempting to integrate technology, social sciences, ethics, and public policy have long encountered approval systems anchored in rigid disciplinary silos. A unified and streamlined regulatory structure enables institutions to design curricula aligned with contemporary societal and economic challenges rather than outdated classifications.

Research and innovation benefit in similar measure. NEP 2020 positions universities as centres of knowledge creation, yet excessive compliance obligations have diverted faculty time and institutional resources away from research activity. In public universities, this has led to missed funding cycles and delayed collaborations. A governance framework that evaluates outcomes rather than procedures restores academic focus on inquiry, innovation, and engagement with industry and society.

At the same time, autonomy demands responsibility. India's higher education ecosystem remains uneven. While some institutions possess strong faculty strength and research infrastructure, many universities continue to face shortages of academic staff, uneven facilities, and administrative overload. Regulatory reform must therefore proceed alongside sustained investment in faculty development, leadership continuity, and institutional capacity-building to prevent the widening of existing disparities.

The experience of institution-building reinforces this point. Academic excellence does not emerge from infrastructure alone. Universities that command intellectual credibility have evolved through decades of mentorship, academic freedom, stable governance, and shared institutional values. Rapid expansion without nurturing these foundations produces institutions that function administratively but lack academic depth.

Equity and access remain integral to the NEP's framework. Its emphasis on regional balance, inclusion, and support for first-generation learners affirms education as a public good. Regulatory reform must strengthen this commitment by enabling quality expansion in underserved regions and supporting diverse learning modes, including digital and blended education, without diluting academic standards.

Transparency and accountability are central to institutional trust. Public disclosure of academic, financial, and operational practices, along with effective grievance redressal mechanisms, strengthens confidence among students, parents, and society. Autonomy anchored in openness ensures credibility rather than insulation.

The Joint Parliamentary Committee's deliberations therefore assume critical importance. Incorporating the perspectives of universities, faculty members, students, and state governments will determine whether regulatory reform reinforces academic vitality or merely restructures oversight.

Together, NEP 2020 and the proposed regulatory framework reflect a national resolve to position education at the core of India's developmental journey. In an era shaped by rapid technological change and complex social challenges, universities must prepare citizens not only for employment, but for ethical reasoning, democratic participation, and lifelong learning.

It is the perfect moment for India to embrace educational reform, empowering its institutions to lead the way in driving transformative changes. The real test is not whether India can reform its education laws, but whether its institutions are trusted and empowered to lead this transformation. When policy vision is matched with governance rooted in confidence, responsibility, and sustained investment, Indian higher education moves from ambition to institutional reality.

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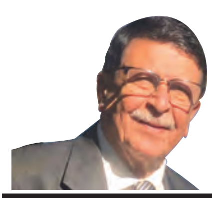
Why we need new Greenfield cities to breathe



MADHU THAKUR

A recent article highlighting India's focus on PM10 while PM2.5 remains the real killer struck a chord with many of us who wake up every winter to the familiar haze over our cities. It is disheartening to learn that the metrics we celebrate as 'improvement' often mask the finer, deadlier particles that lodge deep in our lungs, causing irreversible damage.

The piece rightly points out the shortage of trained pollution control engineers and the systemic gaps in monitoring and enforcement. Yet, amid the gloom, the example of Kraków offers a glimmer of hope: a city once among Europe's most polluted, transformed through persistent civil society engagement, public awareness campaigns, and bold policy shifts like banning solid fuels for heating. Kraków Smog Alert, a grassroots movement, mobilised citizens, pressured authorities, and collaborated on regional air quality plans, resulting in significant drops in harmful pollutants. If a European city could achieve this through collective will, why not India?

As someone who has spent years grappling with Delhi's perennial smog, I see parallels and possibilities. Like Kraków, India has a vibrant civil society ready to demand change. But unlike Kraków, where the primary culprit was household heating, our pollution is multifaceted: vehicular emissions, construction dust, industrial outflows, and biomass burning, amplified by unchecked urban congestion. We cannot fix this by tinkering at the edges — smog towers, odd-even schemes, or even cloud seeding, which the article implicitly critiques through the lens of misplaced priorities. These are symptomatic treatments for a structural disease: our megacities have grown beyond sustainable limits, trapping pollutants in inversion layers and overwhelming enforcement capacity.

The real threat, as the article underscores, is PM2.5 — the invisible assassin from combustion and dust. India's National Clean Air Programme (NCAP) targets a 40 per cent reduction by 2026, yet progress remains uneven, partly because we chase PM10 reductions (easier from visible dust control) while PM2.5 sources persist. Kraków succeeded by addressing root causes through community-driven bans and subsidies for cleaner alternatives. India needs a similar paradigm shift: not just controlling pollution in existing cities, but preventing its concentration altogether through deliberate decongestion and dispersal.

Imagine decongesting our overburdened metros by systematically relocating central government offices, public sector undertakings, and even judicial functions to new locations. Delhi alone hosts thousands of ministries and PSUs, drawing millions in commuting traffic and necessitating endless construction. Shifting these — perhaps to satellite hubs in Uttar Pradesh, Rajasthan, or Haryana — would slash daily vehicle kilometres travelled by 20-30 per cent, per IIT Kanpur modelling. This isn't fantasy; Brazil moved its capital to Brasília in 1960, Nigeria to Abuja in 1991, both reducing pressure on old hubs. India did it once, shifting from Calcutta to Delhi in 1911. Why not again, phased over a decade?

Complement this with the creation of greenfield cities, towns, and upgraded villages, designed from the ground up for low pollution. Picture 200-250 new cities of 0.5-2 million people each by 2047, strategically placed along coasts, rivers, and mountains — harnessing natural ventilation, mandating 40-50 per cent green cover, EV-only mobility, and autonomous local pollution boards with real-time monitoring and enforcement powers. These wouldn't be elite enclaves but mixed-income settlements with land-pooling models like Magarpatta in Pune or Amaravati's farmer-inclusive approach, ensuring equity.

These visions are achievable with AI-optimised planning, modular construction, and value-capture financing — total cost 2-3 per cent of GDP over two decades, offset by health savings (₹2 lakh crore annually from cleaner air) and productivity gains. Autonomous pollution mechanisms — local boards with citizen oversight, real-time sensors, and strict no-ICE zones — would prevent the failures plaguing current setups, where engineer shortages dilute enforcement.

Civil society can drive this, just as in Kraków. Petitions, awareness campaigns, and collaborations with urban planners could pressure the government to pilot 10-20 greenfields by 2030. The NCAP and Smart Cities Mission provide frameworks; we need the will to expand them boldly. India's focus on the wrong metrics saddens, but Kraków's story inspires. By decongesting, dispersing, and building anew — with community at the helm — we can ensure PM2.5, not just PM10, becomes yesterday's problem. It is doable, equitable, and urgent. Let civil society lead the charge.

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By inserting tiny imperfections into synthetic diamonds, scientists are transforming the precious stones into extraordinarily sensitive detectors that can be used in computing, encryption and sensors.

By Leslie Hook and Michael Peel

The new quantum revolution

As sales in jewellery diamonds fall, some in the industry see laboratory-made 'technology diamonds' as a potential pathway to growth

Charlie Bibby/FT

The mining company De Beers declared almost 80 years ago that "a diamond is forever" — and now the marketing slogan has a twist for the quantum age.

The durability that made the stone sought-after in jewellery for millennia is being exploited to turn it one day into a state-of-the-art sensor allowing us to read brainwaves, navigate without satellites and diagnose diseases faster and more effectively.

This dawning era for diamonds relies on an inversion of the qualities of regularity that have long made it prized for its beauty. By introducing tiny imperfections into its highly ordered crystalline structure, scientists can make it an extraordinarily sensitive detector of subatomic quantum phenomena.

Dazzling new uses for diamonds are part of a wider leap forward in high-specification sensing capabilities based on the curious realm of quantum mechanics. Exactly a century after German scientist Werner Heisenberg built a mathematical framework for explaining quantum physics, the world is launching into what scientists call a "second quantum revolution".

The first revolution was in the understanding of quantum behaviour, underpinning the industrial age of electronics, lasers and superconductors. The second is about accurately controlling those quantum processes, to open up profound new applications in areas such as computing, encryption and sensing.

For diamonds, their own quantum revolution is arriving at a time when the wider industry is in crisis. Sales of natural diamond jewellery have been plummeting since the Covid-19 pandemic, largely due to competition from cheap synthetic stones made in China. Against this dire backdrop, some in the industry see "technology diamonds", such as the quantum diamonds made in a laboratory, as a potential vehicle for growth.

Much excitement over quantum technologies has focused on the pursuit of computers that promise attributes beyond even the most advanced existing machines. But while quantum computers that are useful over a broad range of tasks remain a way off, quantum sensors are closer at hand. They are already being applied in areas from medical imaging to ultra-accurate clocks and navigation.

"Lasers, semiconductors and superconductors are all part of that first quantum revolution and it's been pretty transformative," says Sir Peter Knight, a quantum physicist and chair of the strategic advisory board to the UK National Quantum Technologies Programme.

"The second revolution is the ability to gain information at the quantum level from atomic matter to process it — and it will give us new sensors, new timing and new abilities to communicate data," adds Knight, who is also chair of the Quantum Metrology Institute at the UK National Physical Laboratory.

The idea of the "quantum leap" has long been used as a cliché to describe an extraordinary jump in technological capabilities. But the power of quantum technologies in sensing lies in their ability to measure very tiny changes, rather than very large ones.

'To produce this quantum diamond requires you to change one molecule in every million'

The concept of quanta in physics initially referred to the specific amounts — or discrete "packets" — of energy transferred by shining light or other forms of radiation on objects. Depending on the size of the energy quantum, this input can change measurable properties in atoms, such as their rotations, vibrations and the behaviour of their electrons.

In this submicroscopic realm, we see quantum effects that at times seem bizarre compared with the behaviour of objects in the world as we experience it.

The Nobel Prizes awarded on December 10 are a case in point. This year's physics honour relates to a quantum mechanical effect known as "tunnelling". It refers to how quantum particles seem sometimes not to be blocked by physical barriers, but can appear on the other side of them. The analogy in human experience would be if a tennis ball thrown against a wall went straight through it — without leaving a hole.

"Quantum mechanics is counterintuitive," Michel Devoret, one of the physics Nobel co-winners, observed wryly in Stockholm a couple of days before receiving his award. "Its logic is very different from the logic we experience in our everyday life."

These processes are fragile and quickly break down under interference from external environmental factors such as vibrations or magnetic fields. This means they need a sturdy host material that can protect them — and contributes minimal noise itself.

This is where the diamond — the hardest naturally occurring substance on Earth — comes in. It is resistant to vibration because of its rigid crystal lattice of carbon atoms, linked by strong chemical bonds. Most of the carbon atoms have properties intrinsic to their nuclei that make for a magnetically "quiet" environment for quantum effects to take place.

The quantum properties of diamonds were uncovered in part by a chance discovery 20 years ago. A natural pink stone mined in Siberia, dubbed the "magic Russian", was carved up and sent to laboratories around the world. It sparked a flurry of scientific papers on its unusual ability to maintain a quantum state at room temperature.

Efforts to find another "magic diamond" through mining led nowhere, but eventually scientists gained the ability to build quantum diamonds in laboratories.

One such stone can be found in the Harwell science campus in Oxfordshire, in a laboratory run by industrial diamond maker Element Six. It is a tiny pink cube, smaller than a fingertip, embedded in a black plastic sensor.

Inside this synthetic diamond is a so-called nitrogen-vacancy centre. This means that adjacent locations in the crystal normally occupied by two carbon atoms instead host a nitrogen atom and an empty space where neither element is present.

The quantum action takes place in the nitrogen-vacancy centre and relates to electrons there and a variable property they possess known as quantum spin. This spin takes on different states depending on externally applied electromagnetic or magnetic fields, a bit like the way bar magnets in school physics experiments move in response to each other.

"Think of the nitrogen-vacancy centre like a compass; effectively that compass is a sensor of magnetic force," says scientist Daniel Twitchen, chief technologist at Element Six.

Changes are detectable because they cause the nitrogen-vacancy centre to emit brighter or darker light, depending on the electron spin states. This makes quantum diamonds well suited to detecting minute changes. It is so sensitive to changes in magnetic field that it can detect a car driving down the street outside the building a hundred metres away, Twitchen says.

These quantum diamonds have been nano-engineered by adding nitrogen during the growing process, creating the nitrogen-vacancy centres. "To produce this quantum diamond requires you to change one molecule in every million," Twitchen says.

Element Six, so named because carbon is the sixth element in the periodic table, is among a handful of commercial companies that are at the forefront of the revolution in quantum sensing.

Although it made its first quantum diamond more than 15 years ago, it is only recently that the process has improved enough to produce them reliably and affordably (a quantum diamond can be purchased today for a few thousand pounds). And the technology needed to embed the quantum diamond inside an electronic "reader" has also come a long way. "Up until now a lot of it has been about the diamond science," says Twitchen. "The key thing now is, how do I get that diamond into the system, and the electronics around it?"

The company makes about $300mn in revenue a year from selling industrial diamonds, which are primarily used for grinding, polishing and drill bits. And it is betting that "technology diamonds", including quantum diamonds as well as those used in lasers and semiconductors, will be its future.

"We are coming into a new synthetic diamond era," says Siobhán Duffy, chief executive of Element Six. "We see huge opportunities going forward."

Big questions remain over whether quantum sensing will be as useful in real life as it is in the laboratory — and how soon the technology will become commercially viable. Other materials can produce useful measurable quantum effects, too. These include graphene — which is a form of carbon — as well as silicon-containing materials.

But a great advantage of the diamond is that it can be used at room temperature and atmospheric pressure with off-the-shelf equipment, says the physicist Knight. "Being a solid-state device with no moving parts makes for the ruggedness necessary for scalable products," he says.

"Diamonds are difficult to make, but once made, [are] stable and resilient," says Louis Barson, director of science, business and education at the UK's Institute of Physics. "The downside is they are hard to interconnect with silicon electronics . . . This makes them inherently better suited for sensing applications than for large-scale quantum computing, but there is promising research addressing these barriers."

Element Six is mostly owned by De Beers, which is part of mining company Anglo American (Belgian group Umicore has a 40 per cent stake in its abrasives unit) and is the most advanced western company making quantum diamonds, according to researchers. Other companies in the field include Australia-based Quantum Brilliance, which opened a quantum diamond foundry last month, and German start-up QuantumDiamonds, which makes testing tools for the semiconductor industry.

As with other areas of frontier science, it's not quite clear yet where the first commercial breakthrough for quantum diamonds will be. Katrin Kobe, chief executive of Bosch Quantum Sensing, a subsidiary of the German engineering group Robert Bosch, says her team came up with more than 100 possible applications when the quantum group was launched three years ago.

She recalls how in 2022 the quantum diamond sensors took up "half a room and cost as much as one family home". Today they are just the size of a smartphone, and costs have come down.

'Our vision is that we will have a sensor that is so small and so sensitive that it can measure brain signals'

One potential market is aeroplane navigation, where quantum sensors could one day replace the reliance on Global Positioning System satellites, which can be easily spoofed or jammed.

"We have started a pilot project in the area of aeroplane navigation, to navigate using the Earth's magnetic field," says Kobe, adding that this can complement today's satellite-based navigation.

Doing so will require drawing up a magnetic map of the Earth, as well as getting approval from aviation authorities, she notes. But the application could be a game-changer, particularly at a time of rising global concern about the reliability and vulnerability of GPS.

Geologic exploration of the Earth's crust is another early use case for the technology: quantum sensors will be able to read tiny changes in the magnetic field, which indicate mineral deposits.

In the longer term, Kobe believes quantum diamond sensors will be valuable for the brain-computer interface, which she estimates could be a $5bn market one day. "Our vision is that we have a sensor that is so small and so sensitive that it can measure brain signals, and convert it into action," she says. "That you can control a machine by your thoughts."

But the main focus of early applications of the technology is medicine. One of the first potential uses, currently in testing, could replace the electrocardiogram (ECG), a routine procedure performed by sticking multiple sensors to a patient's chest to measure their heart's output. A quantum sensing medical device could get the same information just from being placed near the patient's heart, with no sticky electrodes involved.

Another promising area is using nitrogen-vacancy diamonds to spot the viruses that cause diseases such as Covid-19 and HIV/Aids at an earlier stage than existing tests do.

Scientists have found that quantum nanodiamonds work better than materials such as the gold nanoparticles used in so-called rapid antigen tests. The best known of these are the lateral flow kits familiar from the Covid pandemic.

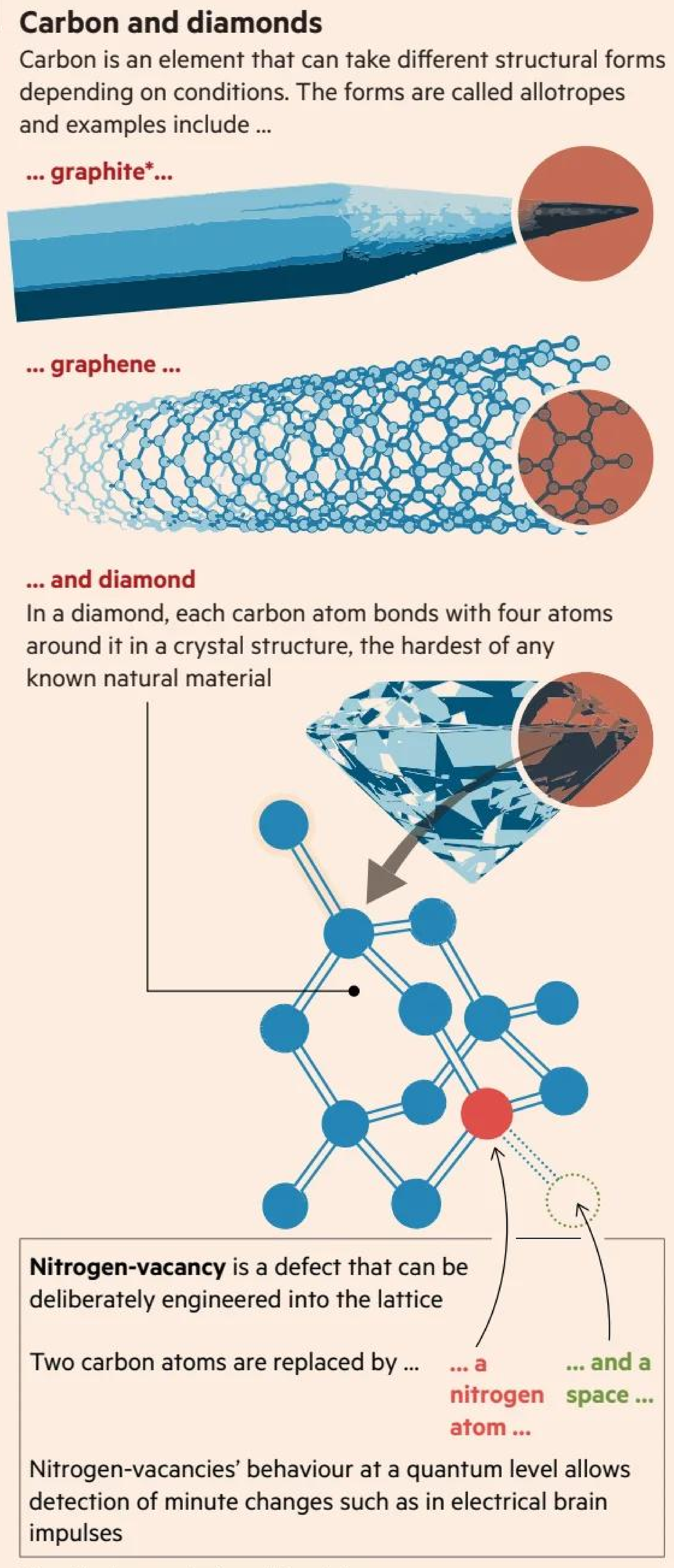
A nanodiamond-based test showed about 1,000 times greater analytic sensitivity than existing kits, according to research published in Nature Communications in October. That meant it could detect much lower viral concentrations, allowing earlier diagnosis.

Researchers are busy examining other potential use cases. The UK's Nottingham university has a Diamond Quantum Sensing Research Hub exploring applications including tracking hazardous chemical reactions and monitoring carbon capture and storage. It says the technology could be useful for many crucial sectors.

All these efforts are at the forefront of extraordinary advances in the field of sensing. The aesthetic delight of a diamond may still be forever — but a quantum diamond can work its own magic in a tiny fraction of a second. "The last 70 years have been about diamonds shaping things" by cutting and drilling, says Twitchen. But over the next 70 years, he says, diamond will be the "component" as the next quantum revolution unfolds.

Graphic illustration by Ian Bott

Carbon and diamonds



* Pencil leads are a mix of graphite and clay
Source: FT research

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

Santa's good and bad economies list

It has been a very mixed year for reforms and sensible governance

From the very first Christmas, the holiday has been associated with gift-giving. But this seasonal generosity never shed an old moralistic streak of sorting people into the more or less deserving. In many traditions, Santa Claus is a keeper of ledgers, designating children as good or bad. But what if St Nicholas did the same for economic governance? Which nations — and leaders — would receive gifts, or lumps of coal?

The US president might find himself on the naughty list. Although the global economy has weathered Donald Trump's chaotic policymaking, most analysts are pretty confident economic activity and markets would have done even better without it. After all, he has upended the global trading system, created enormous legal uncertainty, undermined confidence in the US dollar, and neglected America's shaky public finances and the affordability crisis confronting most of the population.

A lump of coal for Britain, too, perhaps. Coming up to a year and a half in office, the Labour government has pushed up taxes, reversed efforts to streamline benefit spending, and raised uncertainty with its lacklustre communication ahead of budgets. Hiring and investment have been downbeat. It promised to drive growth and bring stability. So far, it has delivered neither.

China is a tough one. Santa might admire its manufacturing prowess and its innovative power, if not the methods it took to get there. But as its record $1tn trade surplus in the first 11 months of 2025 showed, Beijing has not done enough to reduce dependence on external demand. It has dragged its feet on efforts to boost domestic consumption via welfare reforms, seems unable to shift from its huge subsidy-led industrial model and has not cleared up the fallout from the burst housing bubble.

It is harder to identify the nice than the naughty. But Trump's America First agenda has forced many nations into rapid and impressive reforms. Take India. After the US president slapped punitive duties on the country, it enacted reforms to simplify its system of internal state taxes. Last month it also passed a long called-for reform package that promises to ease compliance burdens for businesses, improve flexibility and raise security for workers.

Honourable mentions go to several countries on the Eurozone's southern rim. Spain, Portugal and Greece have been racking up respectable growth rates after the pandemic, in part due to painful public finance reform efforts over the previous decade. Spain's welcome of immigrants and ability to integrate them into the jobs market has made it Europe's standout economy this year. Its next challenge is to drive up productivity growth. With a few exceptions, prior fiscal and monetary reforms in several emerging markets meant they were resilient amid Trump's trade war.

> Sound policymaking is often low on immediate reward, warrants tough choices and rarely pleases everyone

Then there is the tricky case of Germany. The welcome reform of its debt brake, which had restrained domestic demand, was overdue. It has made budgetary choices to deliver a promised defence spending boost. A number of recent reforms including faster infrastructure planning and more sustainable pensions are helpful. But this still falls short of the nation's challenge. And on the EU stage, Berlin has been unhelpful, in particular by causing the 2035 phaseout of internal combustion engines to be reversed. It is tempting to ask Santa if a name can be on both lists.

Of course, everyone stops believing in Santa; and political leaders should not govern for gold stars. In fact, sound policymaking is often low on immediate reward, warrants tough choices and rarely pleases everyone. The hope then for this Christmas is that leaders choose reform next year because it works, not because it wins them gifts.

Opinion Society

Wellness culture is empty without service to others

Ben Hickey

We are living in a self-service world. At the supermarket (if you still physically go to one), you can use an automated checkout and not have to bother asking the person at the till how their day is going. If you need cheering up, don't worry about calling a friend, just open your favourite social media platform and let the algorithm lull you into numbness. If you need relationship advice — actually scrap that, you don't, because now you're in a relationship with an AI chatbot and, unlike the yoomans, they don't cause you any drama. Idyllic isn't it?

Well maybe not. While we have been so busy making everything so convenient and becoming so self-sufficient, we seem to have also made ourselves lonely and miserable. The World Health Organization estimates that 4.4 per cent of the global population is suffering from an "anxiety disorder" and that loneliness is linked to around 100 deaths per hour.

> Many religions express devotion not just by belief and prayer but via actions too

At the same time, the self-help and wellness industries are booming. According to Grand View Research, a market research company, the global "self-improvement industry" has grown to about $50bn and will swell to over $67bn in 2030. McKinsey reckons the broader "wellness market" — which includes physical and mental health — is worth $2tn, reporting that more than two-fifths of Gen Z and millennial Americans now see "mindfulness" as a "very high" priority. About a fifth of the 50 most-listened-to podcasts on Spotify are focused on self-help and improving your mindset. Almost a third of Britons have had therapy during the past year.

What gives? How can we all be trying so hard to make ourselves better and yet also finding it hard to cope? Are we working on ourselves *too* much? Or perhaps we pathologise every little niggle and make it worse by turning it into a full-blown "mental health problem". A recent study led by a psychologist at Oxford university suggested as much, concluding that in some cases "this has become a self-fulfilling prophecy: interpreting difficulties as a mental health problem can lead to changes in self-concept and behaviour that ultimately exacerbate symptoms and distress".

There is a delicate balance to be struck between raising awareness and destigmatising mental health issues, versus psychiatrising ourselves into oblivion. And I should say that I don't wish to diminish the value of self-improvement. Indeed, I spend a lot of time on these things myself (sometimes in slightly "woo woo" ways). But maybe there is something else going on, too. While we have become so very good at — or at least so fixated on — helping ourselves, we seem to have forgotten about the importance, the value and the joy of helping others.

On the left breast pocket of the dowdy navy blue school blazer I had to wear at my south-east London Catholic secondary school was sewn a crest, with its Latin motto underneath: *Serviam*, or "I will serve". I remember finding it slightly bemusing. Who would I serve? God? What if he didn't exist? And even if he did, what was the point in serving him — surely God didn't need my help?

The idea, my teachers explained, was to serve God by serving others. Indeed, this is central to Christian teaching, as to other religions: devotion is expressed not just by belief and prayer but via actions, too. God is encountered not through divine abstraction but in ordinary and often rather inconvenient acts of service.

So it is perhaps not surprising that as religion has declined and our societies have become more and more geared towards serving ourselves, so has the idea of the importance of service to others. The number of people who volunteer regularly has declined significantly in recent years: in 2023-24, 16 per cent of British adults said they had volunteered formally at least once in the previous year, down from 27 per cent just a decade earlier.

I get the sense that many people do want to contribute to society but they are not sure how. Some worry that it will make them feel worse. I have been volunteering once a fortnight for 18 months at a suicide charity, and I can tell you that it's quite the opposite. As one of my fellow volunteers on a recent shift put it (unprompted), "it's a bit like mindfulness. You battle the Tube to get here and then you step in here and you focus on something that's really important. Everything that's outside of this place disappears for four hours."

As the saying goes, "if you want self-esteem, do something estimable". Perhaps McKinsey might think of adding "acts of service" to its "wellness market" surveys. Or perhaps we don't need to think of it that way at all; there is life outside the markets.

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Climate leadership requires a realistic approach to transition

The debate surrounding Canadian Prime Minister Mark Carney's recent positioning on fossil fuels ("Carney's fossil fuels pivot undoes climate legacy", Report, December 15) reveals a recurring flaw in how climate leadership is assessed.

From the standpoint of industrial systems, including fashion and textiles, climate transition failures rarely stem from insufficient ambition. They arise from misaligned sequencing. Energy policy, material innovation, labour systems and capital flows move at different speeds, yet are often treated as if they can be transformed simultaneously.

In fashion, one of the most energy- and resource-intensive global industries, this misalignment is already visible. Brands are urged to decarbonise faster than clean energy access expands. Recycling mandates advance ahead of viable infrastructure. Capital is redirected without ensuring that low-carbon materials and skilled labour are available at scale. When this happens, companies do not transform. They substitute, offshore or relabel.

This is not an argument for preserving fossil fuel dependence, nor a defence of delay. It is an argument for realism. Abrupt withdrawal of incumbent systems without credible alternatives in place does not accelerate decarbonisation. It displaces emissions, weakens regulatory trust and fuels public scepticism.

Climate leadership should therefore be judged less by symbolic positioning and more by whether policies are designed to carry industries through transition without fracture. Finance plays a central role here, not only through divestment, but through disciplined sequencing. Capital must build the bridge before burning it.

If sustainability is to retain economic and political credibility, it must be governed as a design problem, not a moral contest. Markets respond to coherence. They punish confusion swiftly.

Nirbhay Rana
Professor of Design & Sustainable Systems, IILM University, Gurugram, India; and Programme Coordinator, Fashion, Regional Editor (Asia), Bloomsbury Fashion Business Cases, Bloomsbury Publishing

US Greenland envoy pick augurs badly for the Arctic

Richard Milne's reporting on Donald Trump's appointment of Louisiana governor Jeff Landry as special envoy for Greenland is thorough in its recounting of events, reactions and diplomatic fallout (Report, December 24). Yet it misses a deeper, and far more troubling, symbolism embedded in the choice of envoy itself.

The Louisiana Purchase of 1803, under which the US acquired the territory from France, extending its sovereignty across the Mississippi River, was not merely a real estate transaction. It was the beginning of American continental dominance, an assertion of hemispheric ambition, a doctrine of expansion justified through security, commerce and manifest destiny. It doubled the size of the US overnight, treating territory — and the peoples within it — as strategic assets rather than political subjects.

To appoint the sitting governor of Louisiana to pursue US control over Greenland is not accidental optics. It is a deliberate historical echo. That logic, transposed on to Greenland in the 21st century, is precisely what makes the symbolism of this appointment so alarming.

The message is unmistakable: Greenland is being framed not as a partner, but as a territory to be acquired. Landry's own statement that it would be an "honour" to help "make Greenland part of the US" reinforces this message, placing the effort squarely in a lineage of territorial acquisition rather than the last centuries' alliance-building.

This matters because how the Arctic is governed may become one of the most consequential, and combustible, national security challenges of this century. The Arctic is not an empty frontier. It is a lived homeland, a fragile ecosystem, and an increasingly strategic theatre shaped by climate change, resource competition, militarisation and great power rivalry.

Treating it through the lens of 19th-century expansionism risks turning a zone of necessary co-operation into a tinderbox.

Emil Verhulst
Saint-Gilles, Brussels, Belgium

Historical echo: US and Greenland and 'The Louisiana Purchase' of 1803

Trump trade tsar's 'protectionist nostalgia'

The case made by Jamieson Greer, the US trade representative, for tariffs rests on a series of economic misunderstandings ("This has been the year of the tariff", Opinion, December 23).

US trade deficits are not "devastating"; they are the mirror image of capital inflows that finance foreign investment in US equities, bonds, real estate and factories. One cannot lament the deficit while applauding the investment it enables.

Nor are American autoworkers chiefly threatened by foreign competition. Ford's recent $19.5bn write-off reflects domestic policy errors and regulatory uncertainty, not an absence of tariffs. Washington has done more damage to Detroit than imports have.

Recent US growth also owes far more to artificial intelligence than to trade barriers. Excluding AI-related investment and productivity gains, underlying growth has been barely positive. Tariffs reshuffle supply chains; they do not generate growth.

Finally, the employment promise of re-industrialisation is overstated. New foundries and pharmaceutical plants are being built around automation and robotics to minimise labour needs, not expand them.

Industrial strength comes from innovation and coherent policy, not protectionist nostalgia.

Steven Williams
Cape Cod, MA, US

Biathlon quiz question

The second question in "A Round On The Links" (Spectrum, FT Weekend, December 20) directed readers to a photograph of "The Biathlon", which your quizmaster correctly identified as a sport that involves cross-country skiing and rifle shooting. The pictured skier however was not carrying a rifle and he was using the classic cross-country ski technique, rather than the much faster "skate" technique which all Biathlon competitors prefer.

Please do all you can to ensure an accurate presentation of the noble sport of Biathlon, in which Great Britain has never won an Olympic or World Championship medal, though it did win its first ever Para Nordic World Championship medal in 2023.

James Priestman
Captain of the 2nd Battalion, The Light Infantry, Cross-Country Ski Team (1992-93), London W7, UK

The economist's blind spot

In "How liberalism can win back the working class" (The Weekend Essay, Life & Arts, FT Weekend, November 29) Daron Acemoglu, the Nobel-winning Turkish-American economist, rightly links the crisis of liberal democracy and the rise of the far right to changes in economic conditions.

But in casting digital technologies as the root cause — and better national management of them as the solution — he overlooks the global forces that shape the economy.

Missing from his account is the decline in profit rates that triggered the upheavals of the 1970s and ended the postwar so-called "golden age" of capitalism.

This pressure did not simply steer companies towards labour-saving technologies; it helped redraw the entire map of production. While governments liberalised markets, weakened unions and deregulated finance, companies reorganised production across borders and invested in technologies that would allow them to manage increasingly complex global value chains.

Technology in this context is not only machinery or software. It includes the organisational innovations that enable companies to co-ordinate far-flung operations and arbitrage global differences in labour costs and skills.

These globalised production systems both shape the technologies companies develop, and constrain what any one country can do to make technological change more worker-friendly, given that the technologies were designed to support competition on a global scale.

As I argued elsewhere, even this year's Nobel laureates in economics — the American economic historian Joel Mokyr, Philippe Aghion, a professor at the Collège de France and Insead business school in France, and Peter Howitt, a Canadian economist and professor at Brown University — treat technological change as if it were largely a national phenomenon ("Economics: Nobel rewards work on innovation-driven growth", Report, October 14).

This is a wider blind spot within the discipline, and it has policy consequences.

A domestic focus on productivity-enhancing or "pro-worker" AI misses the reality that multinationals secure profits through managing a global division of labour and that the technologies reshaping our societies are themselves products of a global economic order.

If the problems we face are global and structural in origin, the politics required to address them must also reflect this.

Dr Ingrid Harvold Kvangraven
Senior Lecturer & Undergraduate Programme Director
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Don't forget nuclear's role in powering Chinese AI

There is a crucial word missing from Ian Harnett's guest opinion piece "America is betting the farm on hydrocarbon-fuelled AI and perhaps gambling with food security too" (Markets Insight, December 24) — and it's "nuclear".

Why is China building data centres in coastal regions? Artificial intelligence needs energy after sunset, which makes solar power useless, even with "large" batteries. I put the word "large" in quotes because even the largest of batteries are too small to cover a 1 gigawatt data centre's *Dunkelflaute* (multi-day low-wind periods) requirements.

And yes, AI also needs energy when it isn't windy. So again, being close to renewable energy isn't high on anybody's priority list. Do the maths. Where are Chinese nuclear reactors? Along the coast, in the most populous provinces. That's two reasons to build AI compute centres in coastal provinces. So yes, in the short run, AI will be powered by hydrocarbons in China, but China's nuclear rollout will also be critical.

Geoff Russell
St Morris, SA, Australia

Takaichi's escalator antics I'll leave to 'Japan hands'

Having just returned from Japan, I was struck by the observation in Leo Lewis's Person in the News article on Sanae Takaichi, the new Japanese prime minister ("Japan's iron lady aims to revive national fortunes", Person in the News, FT Weekend, October 25) that in video footage from the 1990s "she strides determinedly up escalators, while others stand passively".

Every escalator I encountered in that country bore a warning not to walk on the escalator and to take the stairs if you are in a hurry.

As this was my first visit to Japan I will leave it to more experienced "Japan hands" to opine on what that behaviour means for the conduct of her premiership.

Henry D Fetter
Washington, DC, US

A solution to the cost of sending Christmas cards

Further to Jonathan Osborne's letter on the cost of sending a Christmas card from the UK to Europe ("Post Office Scrooge", December 16), may I suggest that it is cheaper — and quicker — to bulk send all your Christmas cards to Japan using Royal Express delivery service, and then have them sent individually back to the UK and elsewhere, as the cost from Japan is only ¥140 (66p) per Christmas card.

Peter Devlin
Krailling, Germany

Opinion

Why your digital companion is not your friend

TECHNOLOGY
Martin Sandbu

In our busy societies, holidays can be rare oases: sources of plentiful free time that is so elusive the rest of the year. Time, that is to say, available for what we truly want to do and not just what we have to do.

How someone stewards their free time is as good a window into a human soul as anything. And what most people seek when not constrained by duties is companionship, whether they realise this or not (in both senses of that word). Companionship — not just company — is what Christmas and other holidays should replenish us with. But if the talk of a loneliness epidemic is anything to go by, we are becoming strikingly bad at achieving it.

The emotional struggle for companionship — a struggle of the heart that we increasingly seem to be losing — could well be rooted in a struggle of the mind, an ever weaker ability to grasp what companionship even means. If that's the case, one need not look far for a culprit.

Those who remember the world before Facebook may also remember how the social network subtly usurped the meaning of the word "friend". The arrival of "friending" infected what the word had used to mean, and not for the better. And when you don't have a word for the real thing you want, no wonder it becomes harder to find.

Lexical degradation was quickly matched by the erosion of actual social ties. There is good reason to blame social media in particular and screen-based digital contact in general for undermining social competence. "Friending" crowding out friendship, "connections" isolating all of us even more. And now technology has come for "companionship" itself.

In 2025, "AI companions" went mainstream (including one called, yes, "Friend") as the answer to our apparently unfulfilled desire for companionship. None other than Mark Zuckerberg (him again) identified the gap between people's reported number of actual and desired friends as the new business case for AI. The same industry whose previous products deprived us of companionship is proposing a new one to fill the void. As an antidote, try to take seriously what friendship, connection and companionship really require.

> They have been designed, after all, to be useful and to please. Why would anyone pay for them otherwise?

There are innocuous enough uses of AI "companions": role-playing, keeping alive memories of lost loved ones, even therapy and advice. In other words: games, ghosts and God — these are just contemporary versions of humanity's eternal displacement activities.

They do not, however, bring companionship. And one reason is the "companions'" very usefulness. Michel de Montaigne had it right: companionship's only value is itself. Seek out company because of its usefulness to you, and it is not companionship you will be getting. When asked what makes a true friendship, Montaigne said: "because it was he; because it was me". To conceive of friends as something to seek an optimal number of is to ignore what a friend is.

Can one even say "it was he" (or she) about an AI companion? The allure is the opposite: of being so closely attuned to its users that it "gets" them in a way nobody else can (no one can match an always-listening surveillance device). A mirror, then, not an other. The ideal, perhaps, is something like a daemon in Philip Pullman's literary fantasy world: a separately embodied part of a human's soul. But daemons are not *companions*: mirroring a soul brings nothing that wasn't already there. "Because it was me; because it was me" doesn't work.

If AI companions do bring something of their own, it is because they are engineered to do so by their makers. They have been designed, after all, to be useful and to please. Why would anyone pay for them otherwise?

The point of AI companions is to take away bad feelings — of alienation, inadequacy, doubt and all the things that make us fear actual company. They promise the pleasures of society without the risk of being with others. AI "friends" are to companionship what pornography is to sexual intimacy. Both are solipsism masquerading as interaction. That, surely, is the root of AI companions' creepiness.

It is also why they must fail. Companions without internal lives of their own — "happy slaves" — and friendship without friction cannot address solipsism, only flatter us into believing our self-absorption is something else. There are paradoxes we cannot engineer our way out of: that solipsism can only end with your recognition and embrace of your aloneness. Being appreciated by those who were not purpose-made to appreciate you is a start.

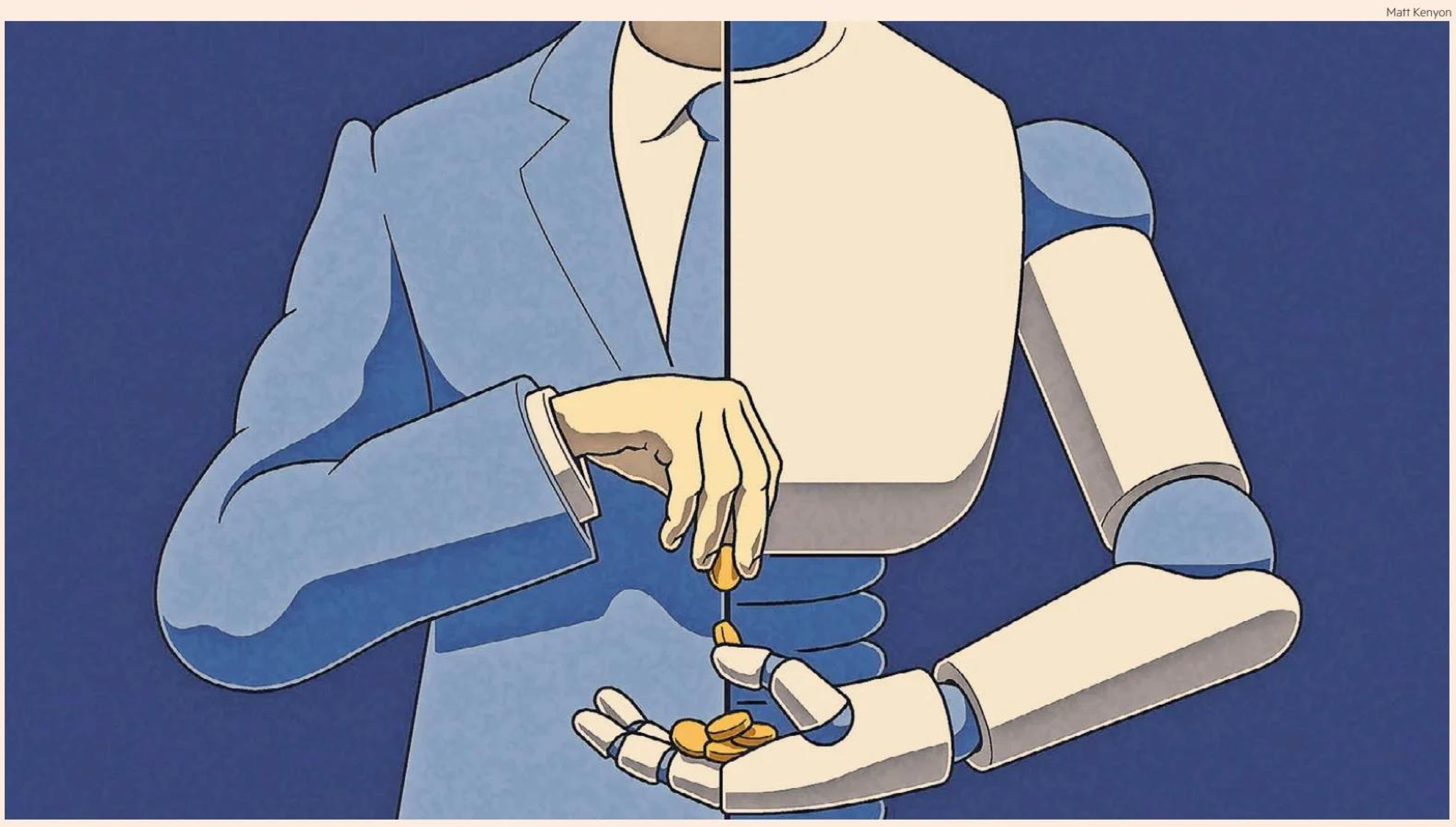
So this holiday season, see people, but aim at nothing. Be kind to yourself, and be kind to others. And try to leave your phone at home.

martin.sandbu@ft.com

The AI boom is not a bubble

MARKETS
Robin Harding

Matt Kenyon



Bubble, in the context of financial markets, is a word with a specific meaning. It signifies that the price of certain assets exceeds their intrinsic value — some rational estimate of future returns — and by definition, therefore, it implies some mania, euphoria or irrationality.

Despite widespread talk of bubbles, such irrationality is still hard to diagnose in the current wave of market enthusiasm for artificial intelligence. That does not mean all the capital going into the sector must earn good returns — far from it. But for now at least, AI is best thought of as a boom — one that may turn into a bust — rather than as a bubble.

Those who fear a bubble have plenty of exuberance to point towards. There is the spectacular performance of AI stocks, with Nvidia briefly becoming the first company worth more than $5tn; the huge share of US output going into tech investment; the AI start-ups instantly valued in the billions of dollars; the increasing use of debt to fund data centres; and the dubious, circular deals such as OpenAI's partnerships with Nvidia and AMD, whereby tech suppliers invest in AI companies that immediately use the money to buy the supplier's product.

Exuberance, however, need not imply irrationality. It is important to distinguish two situations that resemble a bubble, but are not.

One is over-optimism. Whenever a radical new technology such as AI comes along, there is considerable uncertainty about its value. Does it even work? What are the applications? Will it keep improving exponentially?

Investors have to make judgments with extremely limited information, and as the utility of the technology becomes more apparent, it may turn out that their initial assessments were wrong. That will manifest as an investment boom that turns to bust — not a bubble that deflates. An overestimate of intrinsic value is not a departure from it.

Three years after the launch of ChatGPT heralded the arrival of generative AI, its ultimate utility is still unclear. Many companies have found that chatbots do not take them very far, but during 2025 AI has found some serious applications, such as in computer programming, and the technology continues to evolve fast. There are still grounds for optimism about its value.

A second, closely related situation is a different kind of error, where investors correctly assess the value of a new technology but mistake the winners. One of the most remarkable things about the 1990s dotcom boom, in retrospect, is how rational it was.

> Valuations of leading tech companies look optimistic, but not euphoric

The investors of the time were correct about the huge value of the internet. They quite naturally placed early bets, buying up the leading companies of the day — Yahoo and Lycos, Amazon and AOL — but Google was then based in a garage and Mark Zuckerberg was still at school. It may be that the winners of the AI era have not yet been founded, but again, error does not imply irrationality.

The biggest reason to call this a boom rather than a bubble, however, is the driving force behind it: a small group of established technology giants with coldly rational reasons to spend hundreds of billions on AI.

One of the sacred texts of Silicon Valley is *Only the Paranoid Survive*, a 1996 book by the late Intel chief executive Andy Grove, and when generative AI arrived, the tech giants — sitting on top of some of the most valuable quasi-monopolies in human history — had plenty to be paranoid about.

The ChatGPT interface was an immediate and obvious threat to internet search (Alphabet: $3.8tn market cap). Algorithms, filtering and content creation with generative AI affect social media (Meta: $1.7tn). With a little imagination around AI agents and voice interfaces — and the executives who run these companies have highly developed imaginations when it comes to competition — the technology could also disrupt the smartphone (Apple: $4.05tn and ecommerce (Amazon: $2.5tn) even before you get to Microsoft and the rest of the computing industry.

Protecting these enormously valuable businesses is easily worth spending a fortune just as an insurance policy, even if AI does not, in the end, create much new value. "If we end up misspending a couple of hundred billion dollars, I think that is going to be very unfortunate, obviously, but . . . I actually think the risk is higher on the other side," Zuckerberg said in September. He may be wrong. He does not sound delusional.

OpenAI, the biggest new company to emerge in this area, demonstrates the point rather than contradicts it. The most plausible reason for it to be worth hundreds of billions is the potential to monetise its more than 800mn weekly users at the expense of the existing tech giants. Meanwhile, if someone is spending hundreds of billions a year on AI, that supports a lot of investment in data centres, and buys a lot of Nvidia semiconductors, regardless of how well the technology ultimately works out.

With Meta and Alphabet trading on 25-30 times earnings, their valuations look optimistic, but not euphoric. To repeat, this is not a claim that AI will triumph, that market expectations are correct or that boom will not turn to bust. Given the uncertainty, it would be more surprising if the market's current beliefs were right than if they were wrong, but investors need to wrestle with the actual potential of this technology rather than dismiss it as a bubble.

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2025 A year in a word / *n.*

Taco
(noun) acronym encapsulating notion that Donald Trump does not follow through on his policy threats

New words and slogans are invented all the time. Why does one catch on, and another not? Having thrown one at the wall and watched, astonished, as it stuck, I have a theory.

The winners are short and humorous, and label something everyone was already aware of. Taco — for Trump Always Chickens Out — is only four letters, is funny for having a hard "k" sound (an intrinsically comic noise, somehow) and refers to something Mexican, which is somewhat ironic given the US president's obsession with the southern border. It also sounds like just the kind of mean joke he would enjoy, were it told about anyone else.

As for the substance: when I coined it in May, I meant it to signify the plain fact that the president has a low tolerance for political or economic pain. Trump and his team had already proved skittish about following through on the "liberation day" tariffs announced in April — delaying, amending and carving out exemptions. The pattern has persisted throughout the year, with the administration proving positively eager to accommodate China and Brazil when they pushed back. And the chickening out is hardly restricted to tariffs.

One might object that the tendency to turn tail at the first sign of popular resistance is hardly unique to Trump: most politicians conform to the same pattern. Fair enough. The main thing that distinguishes Trump is the virulence and volume of his policy pronouncements, not the alacrity with which he gives them up. But that's the beauty of Taco: it's an antidote to the wrong-headed view that Trump is a monster of authoritarian ideology, rather than a gifted reality TV star without any political commitments worthy of the name.

Robert Armstrong

Ugly memes are driving crypto sales

Adam Aleksic

This year, a dark new underside has emerged on Instagram Reels. Offensive memes are being manufactured in order to push cryptocurrency scams — and no one seems interested in removing them.

Since January, a grotesque set of characters has emerged on the social media app, uniquely enabled by the widespread availability of AI tools and decreased hate speech regulations on Meta platforms.

There's "George Droyd," an android reincarnation of George Floyd, created in April to promote the $FLOYDAI cryptocurrency. The "Kirkinator" was made in September following the death of political commentator Charlie Kirk in order to promote the $KIRKINATOR coin. There's also a recurring cast of minor stock characters, including "Epstron" and "Diddytron" — parodies of Jeffrey Epstein and the rapper Sean Combs — also known as Diddy.

These accounts, which occupy the same narrative universe, have garnered millions of views, often by playing into racist and antisemitic tropes. The short videos include frequent use of bigoted language and recurring plot lines about race purification.

The shocking content is meant to generate engagement. The end goal is to draw attention to new "memecoins" — cryptocurrencies that ostensibly increase in value when a meme spreads. While early memecoins like $DOGE capitalised on existing memes, the George Droyd derivative and its ilk were created by crypto speculators.

The wheeze begins with pump.fun, a platform that enables users to register and trade digital coins with ease. Once a developer sets up a coin, they share it to trusted Telegram groups or X communities, where investors think of ways to manufacture attention, or so-called "mindshare", for the meme connected to it. Next, they use AI to generate provocative videos, hoping to make their meme go viral and make their coin popular with *normies* — unsuspecting crypto investors less steeped in memecoin culture. After the value goes up, the original cabal "rug pulls", abandoning the coin and selling out at a profit.

> Online trends are being manufactured for the sole purpose of manipulating us

Realistically, only a few thousand people will ever buy these coins. And yet, because of the ease of creating cryptocurrency and posting AI slop, coin creators are able to play the game with ease by manufacturing cultural phenomena.

Meanwhile, the memes take on a life of their own. Once other creators see that they have viral potential, they replicate them for their own profit or internet clout. Both the "Kirkinator" and "George Droyd" characters have been used by other influencers who are unaffiliated with the original coin creators.

Yet with each reiteration, the crypto hustlers also continue to benefit. After one tweet about the Kirkinator reached 8mn views in October, for example, the $KIRKINATOR coin shot up five times in value before falling a few days later. For the investors who sold at the top, this increase in profit came as a result of millions of X users seeing a video that portrayed "George Droyd" being killed after stealing the Epstein files from the Kirkinator.

Unfortunately, the more shocking the videos, the more likely they are to go viral. Violent, offensive imagery generates more comments and higher viewing times, both of which are rewarded by the algorithm. Coin creators have learnt to use this pattern to enrich themselves. Even the people on Instagram or X who are not aware of the crypto coins may still have to endure seeing deeply disturbing clickbait.

We are caught in a maelstrom between deregulated cryptocurrency websites, accessible AI tools and social media platforms that allow offensive memes to be published.

As an internet etymologist, I find it alarming that online trends are being manufactured for the sole purpose of manipulating us. We can no longer trust that memes are genuine — there is now the risk that someone is attempting to profit on the other end.

Even when a meme isn't directly created by crypto hustlers, it can be immediately co-opted by them. Every new reference is almost immediately registered on pump.fun and then artificially propped up for someone to make a profit.

The result is that this leaves us all less tethered to reality. More memes are going to be invented or amplified, leaving online viewers to question what they can believe. And greater exposure to a deeply unpleasant kind of discourse risks making it seem more acceptable. The only solution is to fight to reclaim the internet from those who are attempting to poison it.

The writer, known online as Etymology Nerd, is the author of 'Algospeak: How Social Media Is Transforming the Future of Language'

OPINION

Venezuela and Cuba: What's Next?

AMERICAS
By Mary Anastasia O'Grady

With all eyes on the U.S. Navy's buildup in the southern Caribbean, less attention is going to the spike in repression inside Venezuela. Dictator Nicolás Maduro is behaving like a wounded king.

Things aren't much different in Cuba, where dissidents are battered, as they have always been, and the 67-year-old regime in Havana sits atop a social and economic time bomb.

President Trump's challenge to Venezuela—and by extension Cuba—means democracies of the Western Hemisphere have a rare opportunity to be rid of the region's two greatest threats to peace and freedom. To let the moment pass without taking action would be a travesty.

Yet to believe a transition in either country can happen without U.S. leadership and help from the international community is fantasy. Removing the tyrants may turn out to be the easy part. It's the morning after when things are likely to get complicated.

On Dec. 2, Caracas sentenced the son-in-law of President-elect Edmundo González to 30 years in prison for terrorism. With Mr. González in exile in Spain, the regime has turned to targeting his family as part of Mr. Maduro's effort to crush the opposition. Some 900 political prisoners were held by Mr. Maduro as of Dec.15, according to the nongovernmental organization Foro Penal. On Wednesday Nobel Peace Prize winner and opposition leader María Corina Machado posted on X that she has "received information about direct and systematic threats of extrajudicial execution against political prisoners" in Venezuela.

It's popular to blame Mr. Trump's Venezuelan oil blockade for Cuba's economic crisis, but the island meltdown is homemade. From its earliest days, the revolution stole wealth—from the capitalists it imprisoned, murdered or exiled—to sustain itself. Then the regime became a ward of Moscow for three decades.

To avoid collapse after the Soviet Union dissolved, Cuba opened to foreign investment and adopted tepid reforms. It backtracked in 1999 when Venezuela's Hugo Chávez, Mr. Maduro's predecessor, came to the rescue. The 2014 drop in the international price of crude marked the beginning of the gradual withdrawal of Venezuelan support and the acceleration of Cuba's economic and social decline.

Mr. Maduro's recent crackdown on opponents demonstrates that Mr. Trump's pressure campaign isn't cost-free. Backing down now would damage U.S. credibility and devastate those Venezuelans who have stood up to the despot. A U.S. retreat would also grant a new lease on life to the regime in Havana. China and Russia could continue to use Cuba for espionage and to extend their malevolent influence in the Americas.

In Venezuela, Mr. González and Ms. Machado have the legitimacy to take the reins on day one. Ms. Machado has built her career on a classical liberal vision for the country, and she's popular. She would inherit a dysfunctional government and a corrupt judiciary, but her commitment to a new republic founded on freedom, property rights and the rule of law would give her a good start.

The U.S. and its Latin American allies need a plan for the day after the dictators fall.

A liberated Venezuela would need assistance from abroad, even if key elements of the military get on board and swear an oath to the new government. Meeting the humanitarian needs of a nation caught in hyperinflation, joblessness and hunger would be a priority. Venezuela doesn't need a Marshall Plan. It sits on the world's largest oil reserves and, with political will, could rebuild a thriving economy. But it would require international financial aid to bridge the transition.

A lot can go wrong, and the U.S. needs to be ready for the unexpected. But those challenges pale next to what democrats face in Cuba—even if the regime's insiders run away, which isn't guaranteed. There is no memory of democracy on the island, and the totalitarians eliminated civil-society organizations like the Rotary Club and bar association. Cuba's economy doesn't produce enough hard currency to pay its bills. The electrical grid is held together with duct tape. Garbage piles high in the streets. The population is shrinking. Potable water, housing and medications are in short supply. Dengue fever, chikungunya and oropouche are running wild.

Cuba can't prosper without excising the cancerous dictatorship. After that Cubans would need outside help—a multilateral body to enforce law and set rules to transform the political economy. It's in the national-security interest of the U.S. to lead that effort.

The humanitarian crisis is urgent but the remedy isn't a U.S. occupation of Cuba. Latin American allies can help, as can Cuban churches. The lesson from July 11, 2021, when thousands of Cubans poured into the streets to protest the regime, is that when Cubans are free, they will emerge to help their country.

Does the Trump administration have a plan?

Write to O'Grady@wsj.com.

The Five Mules Pulling the 21st Century

INSIDE VIEW
By Andy Kessler

The 20th century was characterized by industrial might, lowering the cost of manufacturing, transportation and computing. The 21st century so far has seen spectacular growth by lowering the cost of information and maybe even knowledge. Here are five mules pulling this century along:

• *Asynchronous*. Face-to-face meetings. Phone calls. The "CBS Evening News" at 7. Beyond first-class mail, life used to be synchronous. Real time. Snap decisions. Then along came answering machines. Leave a message, I'll get back to you later. Life became asynchronous—with time to think and react.

Then email. A productivity punch. No one knew if you were at your desk, by the beach or on the throne. Then social media. Facebook. Instagram. Pass along news, gossip or boast away, and others respond on their own time.

But now social media is used almost synchronously. Instant feedback. "Why didn't you like my livestream?" (Because I took a five-minute break to enjoy reality?) Texting is asynchronous, but expectations are for immediate replies. Zoom meetings are a great commute killer, but are we going back to a synchronous lifestyle? Will our productivity wither? Nah, artificial intelligence promises to bridge sync and async. Our answers are already pre-trained. Don't ask me, ask ChatGPT. Back to the beach.

• *Asymmetric*. World War I was a symmetrical war, almost equal size forces dug into trenches. World War II was similar, with air forces and antiaircraft weapons neutralizing each other. Until strategic mistakes and then the Manhattan Project's big booms tilted the power. The Cold War was about missile throw-weights. Since 1989, the U.S. has been the sole superpower. Until China?

For now, wars are small and asymmetric. Sept. 11, 2001, introduced box cutters and 757s as weapons. The war in Ukraine sees drones defeat tanks. Israel repels thousands of incoming rockets and missiles. Hamas had to use hang gliders and hostages to gain short-term advantage against a vastly superior foe.

Yes, asymmetric weapons provide only a temporary advantage. Airport security ended air terror. Precision-guided bombs and tanks defeated Hamas. Patriot interceptors and Iron Dome limit missiles. The mouse can roar, but not for long.

But defense against asymmetry comes at a cost. Interceptors that cost $100,000 pick off $500 drones. Still, ingenuity will always win. High-powered lasers can melt drones. The U.S. has deployed a BlueHalo Locust laser weapon system that can shoot down drones with $3 of electricity, also known as "directed energy." Asymmetric warfare may be neutralized, until something else comes along.

Don't forget that Google, Facebook and Amazon were once startups and asymmetric threats against big companies like Borders and Kmart.

• *Asymptotic*. New technology doesn't merely seep into the economy, eventually it grows into a Category 5 storm and starts tearing up trailer parks in its path. Investors provide boatloads of capital to fund growth. Shares grow like asymptotic curves—going up and up, seemingly toward infinity! Railroads. Radio. PCs. Dotcom. Client-server. GLP-1s. And now artificial intelligence.

Get ready to be astounded by how technology pushes forward in 75 years.

Inevitably, stock markets overshoot. I liken them to upside-down waterfalls, accelerating the descent until they hit rocks. It's a fun ride, but when do you jump off?

• *Assimilative*. A smart move is to sell all the way up, until the last investor figures out the greatness of new technology, and then eventually the technology disappears from thought. Electricity eventually assimilated into the economy and our consciousness, outlets everywhere. It simply worked. Water, natural gas, automobiles, the web, cellphone coverage.

Someday soon, AI will simply work. In September, Alexander Arnon, director of policy analysis at the Penn Wharton Budget Model, told the New York Times that AI is "maybe as big and significant as email." Wow, out on a limb. But you won't think of it as AI. Instead, like your smartphone, it will be a part of life. Then on to the next thing: quantum computing, longevity, Mars. (OK, maybe not.)

• *Asymptomatic*. Think about problems we don't see coming. There are no symptoms until it becomes a huge problem. Covid is a classic example. Years before 2020, on the back of SARS in China, the Bush administration took steps to prepare, including building an inventory of face masks. But the scare lapsed, and no one cared. Stored masks deteriorated. AI chatbots have caused suicides. Was that avoidable? Are there GLP-1 long-term side effects? There are plenty of false alarms, carbon footprints and all, and the future is unknowable, but watch for symptoms.

I could go on with more mules. Astute observers will be aspired and astonished by so many assurgent and assistive technologies to ascertain, with aspects that assault all known associated assumptions and assertions. I assure you, the next three quarters of this century will be astounding.

Write to kessler@wsj.com.

ObamaCare Is a Money Pit for Taxpayers

By Ge Bai And Elizabeth Plummer

Congress may yet extend ObamaCare "enhanced" premium subsidies. A new study shows why that would be a reckless act toward taxpayers.

Using health insurers' mandatory filings, our study, published Friday in JAMA Health Forum, shows that the ObamaCare individual market has become a money pit for taxpayers. In 2024 they paid nearly 80% of the premiums for subsidized plans—compared with only 30% in 2014.

Taxpayers paid more than $114 billion directly to insurers in 2024—one-third more after inflation than in 2023, more than double the amount in 2020 (before the enhanced subsidies), and more than six times as much as in 2014. According to the Congressional Budget Office, this acceleration continued in 2025.

Why? Through regulations, ObamaCare banned affordable insurance options and destroyed independent physician practices, damaging the insurance and provider markets. Consolidation, administrative bloat, high prices and soaring premiums followed. Our study shows the correlation between premium growth and subsidy growth is nearly perfect.

That's by design. Subsidies are calculated so that the premiums paid by subsidy-eligible enrollees for benchmark plans fall within a set percentage of their income, thereby transferring the financial exposure from rising premiums to taxpayers. In 2021 Congress expanded subsidy eligibility to higher-income households and lowered income caps for others, further burdening taxpayers. In August 2022, it extended these Covid-era subsidies through 2025.

A new study shows extending subsidies would be reckless.

Zero or near-zero premium plans proliferated as the subsidies approached or exceeded the premiums. In 2024, 90% of subsidy-eligible enrollees had access to plans with net premiums of $10 a month or less.

Higher enrollment brings more taxpayer dollars to insurers and brokers while providing political talking points for Democrats. It also creates incentives for fraud, as evidenced by findings from the Justice Department, the Paragon Health Institute and the Government Accountability Office. In a GAO report, 23 of 24 fictitious applications were approved for premium subsidies, and 18 were still covered a year later.

Reckless subsidies lured legitimate enrollees into ObamaCare plans who would otherwise have used employer-sponsored insurance, crowding out private funding with taxpayer dollars. We found that the market size for unsubsidized ObamaCare plans shrank by a quarter, from $23 billion in 2014 to $17 billion in 2024. ObamaCare is a poor value, a product few Americans would voluntarily purchase without subsidies.

Congress has thrown taxpayers under the bus—forcing them to pay for nearly the entire ballooning cost of subsidized ObamaCare plans, including fraudulent ones. Taxpayers in employer-sponsored plans are also saddled with higher premiums, higher prices and stagnant care delivery caused by ObamaCare's market distortions.

What Congress sold to the American people as targeted assistance for lower-income families has become a broad entitlement with no spending limit. ObamaCare's structural flaws and subsidy design are a direct attack on taxpayers' hard work, sacrifice and discipline. Taxpayers, who keep the economy running and sustain care for the most vulnerable, deserve empathy and justice.

Ms. Bai is a professor of health policy and management at Johns Hopkins University. Ms. Plummer is a professor of accounting and medical education at Texas Christian University.

BOOKSHELF | By Elliot Kaufman

Knesset Chronicles

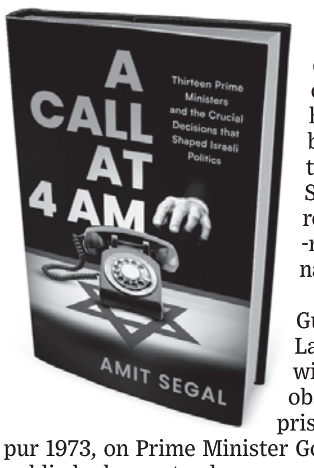
A Call at 4 a.m.

By Amit Segal
Wicked Son, 248 pages, $32

Americans are granted the political example of George Washington, who withdrew after two terms as president. Israelis have Prime Minister David Ben-Gurion (1948-53, 1955-63), a genius who nonetheless gave his country a cockamamie electoral system, undermined and came out of retirement to challenge his successors, and broke with his own labor movement to found two new political parties—one of which later helped form the Likud, led by Ben-Gurion's most hated enemy.

Israel's leaders have never known when to exit the stage. That's one conclusion from "A Call at 4 a.m.," Amit Segal's smart and often hilarious crash course in Israeli political history. Covering a prime minister or two at a time, each with a different theme, Mr. Segal mines the story of Israeli politics, as this book's 2021 Hebrew edition was titled, for the lessons and the humor.

In Hebrew, Mr. Segal is Israel's most plugged-in political journalist. In English, as a new entrant to the select group of Israelis who explain their country to the West, he is something almost as rare: not a leftist. Western news organizations don't lack for Israeli journalists explaining how their country has got it all wrong—how the bad Jews are ruining everything the good Jews once built. Mr. Segal is one of those bad Jews: religious, settlement-born and -raised, and not deranged by the name Benjamin Netanyahu.



In Israel's early days, Ben-Gurion's Mapai, the bastion of Labor Zionism, "was a party with its own state," Mr. Segal observes. Then came the surprise Arab invasion on Yom Kippur 1973, on Prime Minister Golda Meir's watch. "The Israeli public had gone to sleep peacefully, having entrusted the Alignment"—led by Labor—"with safeguarding their security, only to discover that the guards had fallen asleep on duty," Mr. Segal writes. "Forget about corruption and economic failures: This is the only sin for which there is no atonement in Israel."

The left's failure gave an opening to the "national camp" of the Likud, led by Menachem Begin. He changed Israeli politics by forging a lasting alliance with the traditional Jews chased out of Islamic lands. On his ninth try, in 1977, Begin wrested power from the Labor party. "The Jews defeated the Israelis," as Labor's Shimon Peres would later lament.

"A Call at 4 a.m." is for readers who have heard of the 1995 assassination of Yitzhak Rabin but not of the Bedouin parliamentarian killed by two Druze brothers in 1981 so that their father could take the Bedouin's seat. Both sides were members of the same party, called—what else?—the United Arab List. It is from this that Israel derives its bizarre rotation agreements, "a modern adaptation of the Judgment of Solomon," by which a single seat, including the prime minister's, can be split between two politicians.

About that Rabin assassination: Less-noted is that it backfired on the hard-right assassin. "The right-wing demonstrations against the Oslo Accords," Mr. Segal writes, "disappeared without a trace. The IDF pulled out of Nablus, Ramallah, and other Palestinian towns in Judea and Samaria with almost no public protest." Prime Minister Peres surged to a huge lead in the polls while pledging to carry forward Rabin's legacy. Only Palestinian suicide bombings would revive the Israeli right and lift Mr. Netanyahu to victory in 1996.

Rabin's political legacy, in Mr. Segal's telling, is not so much to have chosen peace. It's to have chosen peace over the Israeli left's other priority: secularism. This meant allying with the ultra-Orthodox Shas party, which would help Rabin launch the Oslo Accords, rather than with the secular right-wing Tzomet, which sought to slash subsidies for the ultra-Orthodox and recruit them to the army.

A history of modern Israeli politics tells the story of leaders who won't exit the stage and parties that split and split again.

As an Israeli politician complained in 1992, "all over the world, the left is judged by its distance from Che Guevara. Only in Israel is it judged by its distance from Yasser Arafat." When the leader of the Palestine Liberation Organization turned down Labor Prime Minister Ehud Barak's offer of a Palestinian state and instead launched the murderous Second Intifada (2000-05), it was all over for the Israeli left.

The spoils moved to the center, which was soon seized by Ariel Sharon, the "bulldozer" retired general who, Mr. Segal tells us, "wrote and erased the same words, built and dismantled the same settlements, opposed and supported the same policies, and never once looked back." While still prime minister, he quit the Likud and founded his own party, supposedly moving past ideology to withdraw Israel from Gaza.

Sharon would soon suffer a devastating stroke, but his Gaza policy survived and curdled. Will the same be said of the one-man centrist parties left in his wake? Yair Lapid appointed to his Yesh Atid party's central committee "his mother, sister, children and old school buddies," Mr. Segal writes. Benny Gantz *is* his Blue and White party. And when Mr. Gantz's junior partner became more popular, he left their alliance to found a party of his own. The next great centrist hope, Naftali Bennett (prime minister 2021-22), has dropped all pretense and called his new party Bennett 2026.

Why this shifting series of men in place of a movement? Perhaps because Israel's center has for years declined to choose peace or secularism or anything at all. Fixated on defeating "Bibi," the opposition has failed to develop itself. Since 2009, Mr. Netanyahu has consistently outwitted them, governing for all but one year.

How has he done it? For one, Mr. Segal recounts an exchange with a left-wing media colleague who had charged Mr. Netanyahu with hypocrisy, listing all the leftish things he has said and done over the years, including endorsing the idea of a Palestinian state. So, Mr. Segal asked puckishly, "why don't you vote for him?"

"Because I don't believe him," the colleague said. "Why don't you denounce him, as someone on the right?"

"Quite simple," Mr. Segal replied. "Because I don't believe him, either."

Mr. Kaufman is a member of the Journal's editorial board.

OPINION

REVIEW & OUTLOOK

Trump Unbreaks the Internet

Deregulation in broadband is saving billions for taxpayers.

Did economists underestimate the damage of the Biden regulatory barrage? One reason the U.S. economy is outperforming expectations may be that the Trump Administration's deregulation is offsetting tariff harm. Consider how it has uncorked broadband investment and saved taxpayers billions by slashing the Biden team's red tape.

Congress appropriated $42 billion in the 2021 infrastructure bill for states to expand broadband to "unserved" and rural communities. The spending was unnecessary since satellite services like SpaceX's Starlink and 5G fixed wireless services were rapidly closing the so-called digital divide. Upward of 99% of households already had high-speed internet.

But Democrats wanted the money, and the Biden team then used it in an attempt to micromanage broadband nationwide. States receiving funds had to consult with unions, native American tribes and "local community organizations" on their plans to expand broadband. This gave liberal special interests a veto and let them extort developers.

States also had to submit plans for Commerce Department review, explaining how they would make broadband "affordable" for middle-class consumers. Biden-era guidance suggested that states hand out subsidies to consumers or use "their regulatory authority to promote structural competition"—i.e., industrial policy.

Providers applying for funds were also advised to offer "low-cost" plans and provide "nondiscriminatory access to and use" of their networks on a "wholesale basis to other providers . . . at just and reasonable wholesale." This was a back-door way to impose utility-style rate regulation on internet providers.

The Biden crowd also stipulated that broadband providers give hiring preferences to "underrepresented" groups, including "aging individuals," prisoners, racial, religious and ethnic minorities, "Indigenous and Native American persons," "LGBTQI+ persons," and "persons otherwise adversely affected by persistent poverty or inequality."

Fiber projects were also given heavy preference over satellite and fixed wireless services, even though the latter could be installed faster and at a fraction of the cost. These requirements delayed projects, raised costs, and added uncertainty across the industry.

Enter the Trump team, led by assistant Commerce secretary Arielle Roth, which removed nearly all of the Biden mandates and prioritized projects in which private operators put up more capital so they would have more skin in the game. Ms. Roth said this month the Administration's deregulation is on track to save taxpayers $21 billion.

The average cost for each new household or business connected in Louisiana fell to $3,943 from $5,245. Louisiana's most expensive project had run at $120,000 per connection under the Biden rules—almost as much as a starter home—but the Trump team brought the cost down to $7,547 per connection. Similar savings have occurred in other states.

The broadband program illustrates how the Biden combination of spending and regulation created market distortions and raised costs. It would be better if Congress let markets allocate capital, but the Trump Administration is ensuring taxpayer funds are spent in a more cost-effective way that does less economic harm.

Oregon Punishes the Freedom Foundation

The nonprofit alerts workers of their *Janus* right. Unions hate that.

Public-worker unions and their progressive allies go to great lengths to protect union power, and now they're trying to censor critics. A new Oregon law is targeting a think tank that informs workers of their First Amendment right not to pay union fees.

The censorship is masked in the good-government language of fighting fraud, but don't be fooled. The Workers Fraud Protection Act, which takes effect Jan. 1, makes it "unlawful to falsely impersonate a union representative" and imposes punitive fines. The law cites a definition of fraud that includes merely giving a "false impression" of union matters.

The bill was written specifically to give unions a cudgel against the Freedom Foundation. The nonprofit sends mailers informing workers of their right to decline union representation. Unions say the Freedom Foundation misleads workers by using union colors and logos to make the mail seem as if it is coming from the union itself.

But a look at the sample mailings show the Freedom Foundation or its Opt Out Today slogan is clearly visible on the mailings. It's often part of the return address on the letter. The mailings alert workers that under their "Janus rights" they can save $700 a year in "maximum annual dues deduction savings."

The unions are upset because the mailings provide a ready-made response letter. "I authorize the Freedom Foundation to transmit this notice to the OSEA [Oregon Schools Education Association] and/or my employer on my behalf," one mailing says. All the worker has to do is fill out name, address, employer, date, email, phone and signature.

The mailing is a shrewd way to make it easy for workers to exercise their right under the Supreme Court's landmark 2018 *Janus v. Afscme* ruling. Public unions with the help of Democrats in many states make it harder for workers to learn about that right with such limits as a narrow period for opting out each year.

The Oregon law escalates this campaign by trying to silence the Freedom Foundation. Under the bill, a union representative alleging a violation can bring a civil action to "obtain damages." The bill says a plaintiff "shall receive statutory damages in an amount of $6,250 per incident in any action in which the plaintiff establishes that the defendant falsely impersonated a union representative."

A mere accusation under the law will entail significant legal defense costs. A $6,250 fine per incident adds up quickly, and the law is intended to coerce the Freedom Foundation to stop its Janus-rights mailings. This looks like a First Amendment violation.

The collusion between governments and public unions is a scandal in plain sight that robs taxpayers and workers. The Oregon law deserves a legal challenge.

MAGA's Latest Stolen 2020 Election Theory

This blunder by Fulton County, Ga., isn't what Trump's allies claim.

The 2026 midterms are coming, and Republicans have work to do if they want to hold Congress. Yet the nation's MAGA minds are still looking back at 2020 and stretching to justify President Trump's delusion of a stolen election. The latest involves the embarrassing news that Fulton County, Ga., failed to have its poll workers sign many of the tabulator tapes for early voting.

"I have not seen the tapes myself, but we do not dispute that the tapes were not signed," an attorney for Fulton County told the Georgia State Election Board during a December hearing. "It was a violation of the rule. Since 2020, again, we have new leadership, and a new building, and a new board, and new standard operating procedures, and since then the training has been enhanced."

The admission rocketed around the MAGA-sphere as a claim that Georgia's results in 2020 included 315,000 illegally counted votes. Mr. Trump lost the state by 11,779 overall, and Fulton County, which includes much of Atlanta, is a Democratic stronghold, where Joe Biden carried 73%. The refrain on the right is that the unsigned tapes somehow prove Mr. Trump has been correct about the election all along.

Yet Georgia's ballots in 2020 were counted three times, twice by scanner and once by hand, five million of them. "In 73% of Georgia's 159 counties, the margin of the hand count varied from the original by 10 voters or fewer," these pages reported at the time. "In a quarter of counties, the two numbers exactly matched." In other words, the hand tally validated the machine count.

Unsigned tabulator tapes are a problem, and that this mistake was so apparently widespread during early voting in Fulton County is an indicator that its election office deserved an overhaul. Yet an error by poll workers isn't a reason to throw out tens or hundreds of thousands of ballots cast by Georgians who did nothing wrong. "A clerical error at the end of the day does not erase valid, legal votes," Georgia Secretary of State Brad Raffensperger said.

Robert Sinners, a spokesman for Mr. Raffensperger's office, provided further explanation to the Center Square news site. The signature requirement "wasn't even part of the election code—it was a procedural rule," according to Mr. Sinners. "Based on the reports from appointed monitors who were on site in Fulton County reviewing the conduct of the election—there was sloppiness that needed improvement, but outright fraud was not a concern."

This is all getting more attention than it deserves because Mr. Raffensperger is running for Governor, and his GOP primary opponents are using the Fulton County mistake against him. But his opponents offer no evidence that the error produced fraudulent ballots.

Elections are supposed to run by the book, and Fulton County's blunder is bad for public confidence. Yet so are Mr. Trump's constantly shifting claims that the 2020 election was stolen, with every irregularity claimed as supposedly proving history's biggest fraud. The reality is that the U.S. has thousands of election jurisdictions, with different rules, counting millions of votes. It's always possible to find screw-ups.

The important question for people who want the truth is what any particular goof says about the underlying ballots, and whether it involves enough votes to be decisive. For 2020 the evidence says no. Even if Mr. Trump had won Georgia, he'd have lost the Electoral College to Mr. Biden by two states.

Mr. Trump will never admit his 2020 claims were partisan nonsense. But Republicans who care about the future could do their man a favor by refusing to keep indulging them.

LETTERS TO THE EDITOR

The GOP's Plan Isn't Much Better Than Mitt's

The fiscal system is under pressure, which will only rise in the coming years. In January the Congressional Budget Office projected total federal deficits of nearly $22 trillion through the end of 2035. At the Tax Foundation, we've found that the One Big Beautiful Bill Act will add $3 trillion, even after accounting for the potential economic boost.

Can Mitt Romney's ideas to hike taxes address the $25 trillion gap? As you note in your editorial "By All Means Raise Mitt Romney's Taxes" (Dec. 22): no. Yet Washington should take steps on both sides of the ledger.

Means-testing entitlement spending, as Mr. Romney writes, is a must. Our system provides recipients with benefits much larger than the taxes they contributed to the programs. Even if Congress eliminates the cap on the payroll tax, Social Security would be running deficits again within five years. The 62% marginal tax rates that many workers would face are reason enough not to lean too heavily on that lever to fund the program.

But in a fiscal negotiation, tax reforms should be on the table. Unfortunately, Republicans' political trades on the state and local tax deduction and the president's suite of temporary exemptions inflated the cost of the OBBBA by more than $340 billion through 2035. Meanwhile, such provisions as the exclusion for employer-sponsored insurance were left untouched. The latter alone accounts for more than $5 trillion in reduced revenue over 10 years.

Higher taxes on investment and work would raise revenue but reduce output. The president only seems interested in raising new revenues via tariffs. We estimate $2 trillion in new revenue if the current tariffs remain in place over the next 10 years. A federal value-added tax of 1.5% could achieve a similar amount with far less destruction to our trade relationships.

Real fiscal reform requires major trade-offs and policy changes that meet the scale of the problem. The options exist—and we should aim to hold investment and economic growth harmless in the process.

Daniel Bunn
President, Tax Foundation
Washington

Estrangement Isn't Always an Act of Rebellion

As a licensed psychologist and mother of three adult children, I took particular interest in your report on familial estrangement ("These Moms Are Done Being 'Doormats'," Personal Journal, Dec. 17). The key to understanding these developments involves insight on both sides, but especially on the parent whose child has cut ties.

Many of the subjects in your piece and within my office say they have no idea why their children cut them off. Yet it's rare that anyone at any time completely blocks someone from his life. Too often parents hide under the umbrella of "I just did my best"—which, while possibly true at the time, doesn't serve as an excuse for where they may have erred. Estrangement isn't only for abusive parents or addicts; it also includes parents who haven't looked into their history of childrearing to figure out where they may have failed their children.

There are excellent parents who work hard to mend their relationships but who can't because their child is immature or suffering from addiction or mental illness. Yet one thing is for sure: Referring to one's children publicly as "ungrateful little bastards" suggests a remarkable lack of emotional insight and maturity, which will prolong any estrangement.

Joan Munson
Boulder, Colo.

As a daughter who stepped away to protect her well-being, I'd like to offer another perspective: adult children whose distance was shaped by a parent's quiet manipulation. Some of us grew up in families in which a parent rewrote events, pitted siblings against each other or assigned blame to whichever child was most convenient. By adulthood, the relationship was already fractured—by distortion, not neglect.

When these parents later cast themselves as long suffering, it erases the years their children spent absorbing confusion, criticism or emotional instability. Estrangement wasn't rebellion. We must acknowledge that sometimes the parent is the architect, not the abandoned party.

Michelle A. Pecsenye
Austin, Texas

The Medical Case for Rescheduling Cannabis

Your editorial "Trump Goes for the Stoner Vote" (Dec. 20) misses some important aspects of cannabis use in the U.S. Among them: There is no evidence that teenage use has risen with legalization. Dispensaries are extremely careful in checking identification, and smoking simply isn't as cool when grandma is a taking a puff or two for her arthritis.

The medical review you cite, which claims "no medical benefit" to use, is one study among thousands. It was performed by researchers who, to my understanding, haven't treated a single medical cannabis patient to alleviate symptoms. The doctors who directly help patients use cannabis have a different vantage. There is abundant evidence for the efficacy of medical cannabis for most, if not all, of the claims patients make. The 2017 report by the National Academies of Science, Engineering and Medicine concluded there was "conclusive" evidence of effectiveness in treating chronic pain and other conditions.

Cannabis doubtless has several potential harms, and certain people should stay away from it—e.g., teens, pregnant women, those with a history of psychosis. We don't want an unregulated industry running amok, either, as we experienced with tobacco and alcohol. Yet cannabis is less dangerous than both substances—both of which are excluded from the Controlled Substance Act and contribute to hundreds of thousands of deaths per year. We shouldn't treat cannabis any different.

As a physician, I suggest we primarily look at how we can reduce patients' suffering. With education and careful regulation we can avoid or minimize many of the harms associated with cannabis use, which is already helping Americans with intractable chronic pain, nausea, anxiety and insomnia. A majority of Americans support legal access to medical cannabis—so a baby step in this direction, rescheduling cannabis into a less restrictive category, is a step in the right direction.

Dr. Peter Grinspoon
Harvard Medical School
Auburndale, Mass.

Delighting in Doppelgangers

Thank you, Jason Riley, for not making your column "Identity Politics: My Professional Look-Alikes" (Upward Mobility, Dec. 24) a diatribe about racist white people who mistake black people for each other.

Sitting at a restaurant bar in Sacramento years ago, I looked at the man next to me and did a double take, saying aloud that he was the spitting image of Steve Baskerville, the CBS Morning News meteorologist. He replied that actually he was Spencer Christian, the weather forecaster for the competing ABC "Good Morning America" show. Seeing my distress, he chuckled and said I wasn't the first to mix them up. I've never forgotten his kindness.

Benj Pollock
Seattle

Mr. Riley's column was delightful, but I felt sad when he revealed that his doppelganger is someone named "Robert George." In contrast, when I flew to New York in 2014 for a TV game show, three people at the airport asked for my autograph. Later that day, a lady from Tahiti ran up to me in Central Park and exclaimed: "I didn't realize Harrison Ford was so young!"

William D. Johnson
Asheville, N.C.

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

The U.S. Sleepwalks Into '26

In your editorial "Europe Wakes Itself Up on Defense" (Dec. 17) you write: "Some European leaders finally see the dangers clearly, but do voters?"

How about Americans? We spend approximately 3% of GDP on defense. To rebuild our military to meet modern challenges—nuclear submarines, aircraft carriers, F-35 Lightning jets, Golden Dome protection—we need annual spending in the 5% to 6% range. Yet we debate extending Covid-era ObamaCare subsidies, and entitlement reform remains a nonstarter. Where can we buy a European alarm clock?

Douglas P. Wiley
Ft. Lauderdale, Fla.

Pepper ... And Salt

THE WALL STREET JOURNAL

"En garde!"

OPINION

House Republicans Had a Great Year

By Mike Johnson

In the final days of this year, 211 House Democrats voted against House Republicans' bill to address the rising cost of healthcare. That wouldn't be remarkable except that in 2017, 196 Democrats, including the current minority leader, urged President Trump to adopt almost identical reforms.

The Lower Health Care Premiums for All Americans Act does exactly what it suggests. The bill would expand healthcare access and reduce health-insurance premiums by an estimated 11%, while saving taxpayers tens of billions of dollars. These are bipartisan policies by definition.

So what gives? The answer has less to do with policy than with politics. As their record-breaking shutdown made clear, today's Democratic leadership is interested not in finding solutions but in preserving issues for November.

In 2025 we passed tax cuts, helped businesses expand, and repealed harmful regulations.

For all we hear of "affordability," it was the Biden-Democrat tax-and-spend agenda that made American life significantly less affordable. Take healthcare. Premiums have soared, quality has plummeted, and fraud has become rampant ever since ObamaCare took effect 12 years ago.

Today's Democrats offer nothing new: more government, higher taxes and costly bailouts for insurance companies—paid for, as always, by the taxpayer. Has any national Democrat offered any policy solution that involves anything else?

House Republicans have a different approach. We start by asking the right question: What's driving the problem?

In one of the most productive first years of any Congress in our lifetimes, we've gone to work answering that question. House Republicans passed 441 bills. We voted to codify 70 of President Trump's America First executive orders, clawed back billions in wasteful spending through rescissions, and repealed 23 harmful Biden-era regulations with the Congressional Review Act.

Close observers of Congress may also note something that *didn't* happen. For the third consecutive year, House Republicans avoided the dreaded Christmas omnibus, sparing American taxpayers another pork-filled funding bill rushed through at the 11th hour. Remember Nancy Pelosi's approach of "pass the bill to find out what's in it"? No longer.

Chief among our accomplishments was the Working Families Tax Cuts package, signed into law on July 4, which delivered the bulk of the Republican agenda in one bill, and, crucially, early enough in the year that its effects can be felt quickly.

This included the largest middle- and working-class tax cut in American history. This spring, the average American family can expect to see a $10,000 increase in take-home pay and a tax refund of $1,000 to $2,000 per household.

Families will also benefit from tax exclusions for tips and overtime, real tax relief for seniors, an expanded child tax credit and tax-free savings accounts for every newborn American.

We also made permanent incentives that help small businesses provide child care and paid family and medical leave, giving Main Street a leg up in recruiting and retaining talent. These job creators will also see a massive boost from reforms that reward innovation, including a now-permanent small business deduction, 100% expensing for research and development, and a permanent bonus depreciation provision, so business owners can immediately write off capital investments.

These reforms are paired with our generational investment in border security, a rollback of Democrats' harmful green-energy agenda, and landmark reforms to Medicaid and the Supplemental Nutrition Assistance Program that restore integrity to taxpayer-funded programs by removing illegal aliens and establishing common-sense work requirements for able-bodied adults.

All this comes against the backdrop of costs that have been rising for years. Consider this: When President Biden took office, the median age of a first-time home buyer was 33. Following his term, it reached an all-time high of 40.

President Biden inherited near-record-low inflation of 1.4%. Four years of Democrat control added $8.5 trillion to the national debt, quadrupling average inflation year over year. But hitting most Americans today is the cumulative 21.5% increase in prices over Mr. Biden's four-year term.

Does anyone seriously believe the same party leaders who championed the ruinous policies of Bidenomics are prepared to fix the destruction they themselves created?

Any party serious about governing must recognize the economic challenge before us is twofold. First, we must put out existing fires and continue tackling inflation, strengthening a labor market in recovery, and putting more money back into Americans' wallets.

DAVID GOTHARD

Second, we must look for sources of enduring prosperity: deregulating and reshoring American industry, securing our economic dominance over competitors like China, and finally getting our nation's debt under control.

This work takes time. The good news is the course correction is under way.

March brought the first drop in consumer prices since 2020, while this month Americans saw core inflation cool to 2.7%, a near five-year low. After losing $2,900 in purchasing power under President Biden, workers' real wages are on track to increase by nearly $1,200. Gasoline prices have hit a four-year low. A total of $9.6 trillion in domestic and foreign investment is surging into our economy. And a powerful combination of spending cuts, interest savings and continued economic growth is expected to reduce the deficit by trillions of dollars, resulting in higher take-home pay, lower interest rates and a stronger economy.

Even with the slimmest of congressional majorities and historic obstruction from Democrats, President Trump and Republicans have kept our promises, restored order and laid the groundwork for an extraordinary new year—from containing the border crisis and stabilizing inflation to securing historic tax, trade and peace deals.

Next year, we'll celebrate the 250th anniversary of our nation's independence, as Americans experience the tangible results of commonsense governance: refunds reaching bank accounts, factories breaking ground, and the fruits of all this work coming to bear. The best is yet to come.

Mr. Johnson is speaker of the House.

Smartphones and the Childhood Epidemic of Myopia

LIFE SCIENCE
By Allysia Finley

Parents and politicians are waking up to how social media and smartphones can harm young people's mental health. How many realize that staring at screens all day can make kids literally shortsighted?

Ophthalmologists are raising alarms about an epidemic of childhood myopia. Nearsightedness typically develops between ages 3 and 10, when the eyeballs are rapidly growing, though it can progress during adolescence and young adulthood.

While genetics plays a role, spending more time focusing on things up close—whether reading books or watching YouTube videos—significantly increases the risk. It causes the eyeball to grow longer from front to back, making it harder to focus farther away. Ever wonder why children who buried their heads in books were more likely to wear glasses? Now you know.

Studies have found that the more time kids spend outdoors, the less likely they are to become nearsighted. Sunlight stimulates the release of dopamine in the eye, which slows lengthening. Alas, children these days spend many of their waking hours indoors, fixated on screens.

The incidence of myopia is highest in Southeast Asia—maybe not surprising given the heavy cultural emphasis on academics—where an estimated 80% of students who complete 12 years of school are myopic. Rates are somewhat lower in the U.S.—41% in urban areas and 16% in rural areas—but have increased following the Covid school shutdowns.

For most people, having to wear glasses is merely an annoyance. But myopia also increases the risk of cataracts, glaucoma, retinal detachment and other eye diseases later in life.

A surge in pediatric myopia prompted governments in China, Taiwan and Singapore to limit screen time for kids and recommend that schools increase time students spend outdoors. In 2018 Chinese President Xi Jinping declared that increasing myopia posed a threat to the country's future that required comprehensive social and government responses.

Severe myopia can be a disqualifier for Chinese air force pilots, which made recruitment a challenge. The Chinese Communist Party proposed a five-year plan to reduce the prevalence of myopia among children by at least 0.5% annually by 2023. Its goal is to keep prevalence of myopia at less than 38% among primary-school pupils and 70% in high school.

Time indoors looking at screens can cause eyeballs to elongate, leaving kids nearsighted for life.

The government recommended that schools limit electronic-device use to 30% of instruction time and provide two hours of outdoor activity a day. This month Beijing proposed a ban on smartphones, computers and other screens for children up to 3 and required schools to conduct vision tests twice a semester.

Early diagnosis is critical since medical relief is possible. Atropine eye drops are typically used to dilate the pupil before eye exams. Studies from Singapore and Hong Kong in the early 2000s showed a low dose of atropine administered before bedtime could also reduce myopic progression.

The Food and Drug Administration hasn't approved atropine for this use, but ophthalmologists sometimes prescribe a very low dose off label. Some pharmacies can produce the drug in-house, known as compounding, but the consistency varies and the acidity causes eyes to sting. The FDA has documented quality-control problems at multiple compounding pharmacies that make atropine products.

Enter U.S. biotech firm Sydnexis, which developed a safer atropine formulation with fewer side effects. In a four-year trial, the Sydnexis drug dramatically slowed progression—by more than 50% in children who exhibited the fastest disease progression and were at the highest risk of severe myopia. Yet even though the drug met all the FDA's previously agreed-on benchmarks, the agency rejected it this fall.

The FDA claimed it wasn't persuaded by the data, though the European Union and U.K. approved Sydnexis' drug this year. The U.S. is a global outlier, as there are approved versions of low-dose atropine in all other major markets. China approved a home-grown pharmaceutical company's low-dose atropine drops last year.

This Sydnexis rejection fits an FDA pattern this year of blindsiding companies by arbitrarily changing standards for approval. Chief Medical Officer Vinay Prasad has taken the shortsighted view that many medications that slow disease progression aren't worth their cost to the healthcare system.

Given the large potential market for Sydnexis' eye drops, might cost considerations have influenced the FDA's decision? Just asking, as FDA Commissioner Marty Makary and his boss, Robert F. Kennedy Jr., like to say. Pediatric ophthalmologists are urging the FDA to reconsider and look at the big picture.

Children would be better off if they spent more time running around outside. But some would still become nearsighted, and treating the condition early can prevent major eye problems in the future. China hasn't lost sight of that.

Fusion Power Has a Bright Future, but It's a Ways Off

By Steven E. Koonin

Will fusion reactors soon deliver emissions-free power? New investment momentum—underscored by TAE Technologies' merger with Trump Media & Technology Group—has bolstered optimism. But a clear-eyed look at the science shows there are major hurdles between today's excitement and practical fusion energy.

Fusion would work by heating hydrogen to form a plasma where nuclei combine and release energy. In principle, such a plasma can act as an energy amplifier, producing far more energy than it takes to create and sustain it. But in practice, the plasma in a commercial reactor would need to multiply energy between 20 and 60 times, a threshold no system has approached.

The first challenge is confining the plasma. Magnetic confinement devices—whether the doughnut-shaped tokamaks used in the International Thermonuclear Experimental Reactor project or the linear configuration pursued by TAE—rely on intricate magnetic fields to hold the plasma together. Despite decades of effort, no magnetic confinement system has achieved a plasma energy gain greater than 1—that is, break-even. China has invested heavily in its own tokamak program, achieving record plasma temperatures and confinement times. Its rapid progress underscores the global stakes and the need for sustained U.S. leadership.

A second approach, inertial confinement, uses the plasma's own inertia to slow its dispersal. The National Ignition Facility at Lawrence Livermore National Laboratory creates such plasmas by directing 192 powerful laser beams onto hydrogen-containing targets. NIF first demonstrated net fusion energy release in December 2022, with more recent experiments achieving a "target gain" of 4.1. But once the inefficiency of the laser system is accounted for, the overall gain relevant to power plant feasibility drops far below 1.

Increasing gain is only the first hurdle. Another major challenge is the "first wall problem." Particles emitted from a fusion plasma will erode the reactor wall, contaminating the plasma and rendering most known materials brittle and porous within months. Identifying materials that can survive such extreme conditions remains a formidable task, and they can't be fully tested without the plasma that future reactors aim to produce. Inertial confinement faces a less severe version of this issue, since its chamber walls can be placed farther from the target.

A third challenge is securing enough fusion fuel. First-generation reactors will almost certainly be fueled by the hydrogen isotopes deuterium and tritium. Deuterium is abundant, but tritium is scarce because it is radioactive, with a half-life of only 12.3 years. A fusion plant powering a single gigawatt data center would consume several times the world's current tritium inventory each year. Any viable reactor must "breed" its own tritium by exposing a lithium blanket to the fusion-produced neutrons—a process not yet demonstrated at scale.

The necessary technical advances are likely 15 to 20 years away, but research yields quick dividends.

Sufficient gain, a durable first wall and effective tritium breeding are the essential technical advances on the path to practical fusion energy. Most knowledgeable observers believe these are 15 to 20 years away—although today's surge of interest could accelerate the progress. Even then, fusion will need to compete on cost and reliability with other energy sources.

Fusion research merits sustained government and private investment, because practical fusion energy would transform the world and because the research produces technologies of immediate value. TAE's work has already yielded advanced power electronics for the grid and electric vehicles, while the Energy Department's inertial fusion program has produced advanced high-power lasers, microfabrication techniques and ultrafast electronics, including those used in modern automotive radar.

Fusion energy remains a worthy pursuit—not because it is imminent, but because it is hard. Its promise is real, but so are its challenges. Only by acknowledging both can we make the disciplined, long-term investments needed to turn scientific milestones into practical energy.

Mr. Koonin, a physicist, is a senior fellow at the Hoover Institution. He is an independent governor of Livermore Laboratory and has been a paid adviser to TAE.

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Notable & Quotable: DEI and the Democrats

New York Times reporter Peter Baker and host Jeffrey Goldberg on PBS's "Washington Week With the Atlantic," Dec. 26:

Baker: I saw a tracker online. It said that [President Trump and his administration] have achieved or are in progress about 50% of the things that are in Project 2025. There's lots therefore left still to do.

One of the things that they've been very successful at, and I would expect to see more of, is their war on DEI, on the notion of diversity, equity and inclusion, the notion that diversity is an admirable goal, even if you don't necessarily want quotas. They have managed in just a very short amount of time to create a new culture in the country—not just in the government, across the board—where private employers feel the need to retreat from DEI. And you're going to see, I think, an acceleration of that in the second year. . . . I think the question, though, is in a multicultural country, at some point does that begin to go too far for people and by the midterms? We'll see. . . .

Goldberg: To be fair, the Democrats, according to polls at least, have gone too far in the identity-politics area.

Baker: There's a backlash by people who feel like things got crazy.

Goldberg: The opening was created.

Baker: I talked to a young pollster, a college pollster, who asked people in New York at a focus group: What word do you associate with the Democratic Party? He says, "HR department."