



Worryingly, that transactional logic now has legal cover. The existing retrospective clearances do exact a fine from those who bypassed the norms – but the Jan Vishwas amendments stripped away the threat of imprisonment for environmental lapses altogether, leaving only monetary penalties thus converting compliance into a ‘cost of doing business’ entry, which a well-capitalised proponent can budget for. The latest judgment does not examine this shift, but endorses its premise, treating environmental harm as a debt that can be settled after the fact. The Court insists that reducing violations to civil penalties does not weaken the precautionary principle. But a principle meant to prevent irreversible harm cannot be honoured by pricing the harm and collecting the cheque. The consequences are incidents of infrastructure projects getting flattened by serious monsoon activity. The Centre would be well advised to read this order not as a licence to multiply amnesty schemes, but as a mandate to repair the clearance apparatus.

Temporary respite

June's strong industrial performance is not a sign of things to come

Economists have also warned that the monsoon's deficiency will inevitably hit rural demand in the months ahead, which will see the consumer-facing sectors slumping again. Hopes of a ceasefire in West Asia are also evaporating. This is leading to considerable volatility in oil prices, which is sending ripples of uncertainty through the economy. This will play out over the coming months. Planned investments will remain pending, purchases will be deferred, and savings will increasingly overshadow consumption. The economy has displayed resilience so far, but this resilience will be strained as its duration increases. Further, people's needs are such that simple resilience will not suffice for long. If the external environment is going to remain unfavourable, the government will need to think radically about how to jumpstart the domestic economy. In the meantime, it will have to keep pumping money into capital expenditure even as other fiscal pressures mount.

This is the model India should now apply to its fourth foundational utility: intelligence itself. Intelligence is no longer a luxury software product; it is foundational infrastructure.

The global artificial intelligence (AI) race is currently operating under an extractive economic model, and India – despite its immense demographic dividend – is on the losing side of the trade. India serves as the world's digital quarry. India supplies an outsized share of the world's raw intelligence. Its engineers build and fine-tune the frontier models of Silicon Valley. Its

On July 13, External Affairs Minister S. Jaishankar introduced Securing Holistic Advancement through Norms, Trust and Integrity (SHANTI) while launching India's candidature for the UN Security Council (UNSC) for the 2028-29 term. Building on Security and Growth for All in the Region (SAGAR) and Mutual and Holistic Advancement for Security and Growth Across Regions (MAHASAGAR), SHANTI provides a normative framework for shared maritime spaces, with the Bay of Bengal serving as the ideal region to operationalise it before expanding it across the wider Indo-Pacific.

Today, it links India's Act East policy with the Association of Southeast Asian Nations (ASEAN), provides access to the strategically vital Malacca Strait, and connects the eastern Indian Ocean to major global trade and energy routes. China's heavy reliance on the strait – often described as the "Malacca dilemma" – has driven its expanding regional presence through ports and infrastructure projects, intensifying geopolitical competition. As economic connectivity, maritime

Srivatsa Krishna
IAS officer

Making Artificial Intelligence affordable and ubiquitous should become India's next transformative public infrastructure revolution

The government must leverage its most valuable asset: linguistic and demographic data. The state should aggregate anonymised public data (legal rulings, agricultural data, educational curricula in all 22 official/scheduled languages) and make them available exclusively to researchers building open-source models. Further, any AI model developed using state-subsidised compute or public datasets must be released under an open-weights license. This mirrors the UPI philosophy: the government builds the rails, makes the protocol free, and lets private companies (Google Pay) compete on the user experience. By flooding the market with highly capable, open-source Indic LLMs (large

Additionally, a tenth of the fertilizer subsidy could be diverted to tokens for research and development institutions and schools. When intelligence becomes nearly free, sectors constrained by scarce human capital transform. A rural doctor, aided by AI trained on Indian data, can treat more patients with fewer errors; India's 300 million students get 24x7 personalised AI tutors in local dialects; a Karnataka farmer can settle a crop-insurance claim by voice in Kannada, with AI accessing land records.

Near-free intelligence could be just as generative if the state primes it with token entitlements for students and teachers, citizen services in local languages, and affordable tools for 60 million small businesses. India's leadership in the AI economy is contingent on developing an open-source ecosystem with open weights no-kill switch models that expand competition, choice, opportunities and innovation. The goal is not better chatbots; it is making cognition no longer a class privilege.

The views expressed are personal

The Bay of Bengal is an ideal testing ground for SHANTI's security vision

Unlike the western Indian Ocean, which is marked by active conflict, fragile economy and

Taken together, these conditions make the Bay of Bengal India's most governable maritime sub-region – a natural laboratory where SHANTI can move from principle to practice before shaping wider cooperation across the Indian Ocean. This was reflected at the July 2026 BIMSTEC National Security Advisers' meeting in New Delhi, where member-states adopted common principles for maritime law enforcement and humanitarian assistance and disaster relief. BIMSTEC also agreed to hold its first joint maritime security exercise in the Bay, in November 2026, while a white shipping information-sharing agreement remains under discussion. These initiatives reflect the norm-building and trust-based cooperation that SHANTI seeks to promote. Its lasting contribution, therefore, will not be another acronym in India's maritime lexicon, but a redefinition of security – from deterrence to resilience, from rivalry to shared responsibility, and from crisis management to governance of the shared maritime commons.

The views expressed are personal

As a citizen, it is disheartening to witness repeated disruptions, heated exchanges, and political confrontations in Parliament during debates that could have been devoted to very constructive discussions on issues of national importance. Valuable time

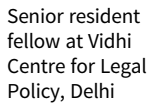
has been consumed by arguments, interruptions, and procedural disputes instead of addressing pressing concerns such as the challenges students face, examination irregularities, the quality of education, and unemployment. While differences of opinion are natural in a democracy,

they should be expressed with dignity and mutual respect. Both the government and the Opposition share this responsibility. I sincerely hope that our elected representatives will rise above political differences and make Parliament a platform for constructive debate, thoughtful

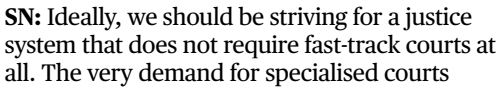
Alleged excesses, remarks
Reports from various sources indicate that brute force was unleashed against the protesting students in Delhi. Visuals purportedly showing police

manhandling young women and using pellet guns, rubber bullets, and spiked lathis, causing bleeding injuries, have gone viral on social media. In this context, some government sources dismissing all this as “normal” only serves to further inflame public sentiment. There have already been objectionable

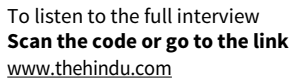
Letters emailed to
letters@thehindu.co.in
must carry the postal address.



The Union Law Ministry recently said that



SN: Lawyers, witnesses, investigators and prosecutors should know well in advance when they are required to appear so that hearings can proceed without disruption. Equally important is reducing avoidable delays. That means minimising adjournments and ensuring court directions are complied with promptly.



At the forthcoming Congress of British Universities at Cambridge, the question of the recognition of the degrees of Indian universities by Oxford and Cambridge will be considered. At the second annual meeting of the Inter-University Board of India held at Delhi in February Sir Philip Hartog, who took a prominent share in the establishment of the board and is to be its representative at the conference, was requested to submit the case of the Indian universities. It was reported at the first session held at Bombay that Cambridge was unwilling to consider individual applications from Indian universities for affiliation.

THE HINDU

3.6 in lakh. As many as 3.6 lakh candidates have been recommended by the Staff Selection Commission (SSC) for government jobs in the last four years, Union Minister Jitendra Singh said on Thursday. PTI

COMPILED BY THE HINDU DATA TEAM

The States, as Mr. Gupta also pointed out, have to evolve a distress-sharing formula. This issue can be covered in the proposed visit of Tamil Nadu Chief Minister C. Joseph Vijay to Bengaluru to persuade the Karnataka government to release his State's share of the Cauvery river water.

The Indian EXPRESS

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RAMNATH GOENKA

◆ IN 1932 ◆

BECAUSE THE TRUTH INVOLVES US ALL

SC strikes balance on ecology, public interest

INDIA'S ENVIRONMENTAL Impact Assessment is grounded in the precautionary principle — it prioritises the integrity of ecosystems over minimising harm or compensating for damage later. From 2017, the government has tried to dilute this safeguard by allowing developers to apply for ecological clearance after commencing a project. A notification issued that year provided a one-time window to defaulters to comply with due procedures. It inaugurated a regime of post-facto clearances, which was consolidated in 2021 when the Centre issued an Office Memorandum (OM) to regularise violations. On Wednesday, the Supreme Court set aside this OM and closed the door on blanket regularisation of projects that have not complied with environmental safeguards. However, the Court also departed from its May 2025 position that prohibited ex-post facto environmental clearances “in any form”. Instead, it held that a “narrowly tailored amnesty scheme” may be permissible where it is justified by “public interest”.

The judgment is significant because it clarifies the Court's own position on post-facto environmental clearances. In its 2020 decision in *Alembic Pharmaceuticals Ltd v Rohit Prajapati*, the SC held that retrospective clearances are contrary to the philosophy of environmental regulation. The May 2025 verdict reiterated that such relaxations would incentivise developers to violate the law first and seek regularisation later. However, the Court appeared to move in the opposite direction six months later. Following review petitions filed by the Centre and industry bodies, a three-judge bench recalled the May 2025 judgment.

Wednesday's verdict now places the onus on the government to make a reasoned selection of projects that may be excused from the requirement of environmental clearance. The Court's insistence on proportionality is consistent with the broader trajectory of environmental jurisprudence in India. For more than two decades, the SC has interpreted constitutional provisions expansively to affirm that a healthy environment is intrinsic to the right to life. In the same vein, it has now required the state to demonstrate that the public interest served by a project is sufficiently compelling, that any relaxation is strictly necessary, and that the environmental costs have been weighed against the anticipated public benefits. The verdict thus transforms what had become an open-ended administrative discretion under the post-2017 regime into a narrowly circumscribed constitutional exception. The flexibility recognised by the Court could prove valuable in cases involving national defence, when healthcare facilities are urgently needed in underserved areas, or highway projects become imperative to improve connectivity in remote regions. However, at a time of climate change and accelerating ecological degradation, the government, too, must recognise that environmental protection is an integral component of public interest.

On Vande Mataram, a law in search of a crime

PARLIAMENT PASSED the Prevention of Insults to National Honour Act on December 23, 1971. Barely a generation removed from colonial rule, India since the late 1960s bore signs of erosion of its early idealism. The victory against Pakistan in the Bangladesh War earlier that month had provided a moment of national triumph. The law, which purportedly sought to give legal backing to a Directive Principle of State Policy, criminalised insults to the national anthem, flag and Constitution. Then as now, however, it is likely that few believed that respect and reverence can be enforced through punitive legislation. The law was meant, arguably, to capture a political moment and give expression to it. Now, the Prevention of Insults to National Honour (Amendment) Bill, 2026 — passed in Parliament this week — makes an “insult” to the national song punishable by up to three years' imprisonment, placing ‘Vande Mataram’ at par with the national anthem. In essence, it is a law in search of a crime. At best, it is superfluous and at worst, a blunt instrument in the hands of an overzealous prosecutorial machinery.

According to data from the National Records Bureau, there were 1,102 arrests under the 1971 Act between 2014 and 2024, with just 60 convictions. Acquittals outpaced convictions each year, and an average of 48 cases were pending investigation and 221 cases pending trial in the same period. The rate of “crimes against national symbols” per lakh population is extremely low. By all accounts, then, the amended law expands the ambit of criminality with little justification. In the current context, too, the government frequently invites accusations of weaponising the criminal justice system to target opponents. The 2026 Amendment can only deepen apprehensions of its misuse.

In the Budget Session, the Union government tabled, and Parliament passed, the Jan Vishwas (Amendment of Provisions) Bill, 2026. It built on the 2023 Jan Vishwas Act by decriminalising and removing several economic offences. That legislative scheme indicated the government's commitment to its slogan of “minimum government, maximum governance”, especially welcome, given that the state is a litigant in over half the pending cases in India's overburdened courts. In letter and spirit, the ‘Vande Mataram’ law is a backsliding on that commitment.

Numbers don't capture Ajinkya Rahane

AJINKYA RAHANE retired from international cricket on Thursday, signing off as “Cap 278”. He leaves with 85 Tests, 90 ODIs, 20 T20Is and more than 8,000 international runs. The numbers do him injustice.

There was a stretch, deep into the last decade, when Rahane's batting belonged in the company of that of Virat Kohli, Joe Root, Kane Williamson. MS Dhoni once said his gift was “the timing... and his ability to exploit gaps in the field”. He never built the mountain of runs that talent seemed to promise, and that gap, between what he could do and what he actually left behind, is the real story of his career. Perhaps the reassurance he sought from team management never quite came, and he felt the pressure to hold his place during Kohli's reign as captain.

Handed the captaincy in Australia after the ignominy of 36 all out at Adelaide in December 2020, Rahane walked out at the MCG and made a century that turned the series. India went on to win it 2-1, one of the great away triumphs in the game's history. It should have been the beginning of something larger. Instead, he was stripped of the vice-captaincy within a year, and out of the side not long after, returning only once more, for the 2023 World Test Championship final at The Oval. Rahane leaves as he played: Understated, gifted, and never quite paid in full for either.

Neither government nor Opposition can look youth in the eye on education

ONE DOES not need social scientists to explain the meaning and significance of what happened on July 20. It was a protest alright, but it was also an outburst. It is apparent that the government yielded to that pressure with poor grace. This was exemplified by the “welcome” accorded to the minister who had resigned. That act of showing contempt for the protests fits into a pattern — while the government buckled under pressure, the pro-BJP ecosystem has been busy spreading all kinds of explanations for the outburst, conspiracy and “foreign hand” included.

Whether the Cockroach Janta Party is a tool for someone, whether some parties sought to hijack the agitation, or whether the Prime Minister's midnight message on Instagram hit record views are irrelevant tidbits worthy of corner columns in newspapers. The real — and admittedly intriguing — aspect of the CJP protests has been the unexpected and unanticipated spontaneity, right from the first post by Abhijeet Dipke about cockroaches. Instead of examining this aspect, the government seems content with either damage control or talking of the specious issue of “intelligence failure”. When you mute all voices, except those reflecting narcissistic praise, intelligence failures are bound to happen.

Besides, on the watch of the current regime, there is a clear lack of reliable empirical data on what people think. This is for two reasons: Methodologically, when public opinion is permeated by extreme toxicity and pressure of social desirability bias, data

from public opinion studies can be somewhat distorted. And secondly, this regime has been anti-data and has ensured that no independent actors will be able to collect public opinion. Post-2014, there is a singular lack of data leading to the “all is well” cacophony of the partisans.

No wonder everyone was taken unaware by the extent and intensity expressed during the CJP protests. While pro-government media is still circulating news about the alleged misbehaviour of participants and the weight of the waste left behind, they are oblivious to the real weight in political terms that these protests have left behind for politicians to tackle. Unfortunately, the regime seems to be unwilling to even read these signals properly.

Three issues are flagged by the protests that engulfed politics over the past four or five weeks. For starters, they were pegged around the NEET and exam-leaks, but by no means were they just about that. The government, sheepishly and wrongly, responded to only the technology of conducting the exam. Even before the protests erupted, this intellectual bankruptcy was evident in deploying the Air Force for delivering exam papers. That same mentality has surfaced again in the appointment of the committee to ensure leak-proof exams.

Yes, we have made a mess of exams, but that is not merely because greed and deceit lead to paper leaks. The real elephant in the room is the education system



SUHAS PALSHIKAR

While pro-government media is still circulating news about the alleged misbehaviour of participants and the weight of the waste left behind, they are oblivious to the real weight in political terms these protests have left for politicians to tackle

itself. A meaningless system that merely works as boring time-pass or as creches for young adults is the root cause — this malady leads to a senseless premium on exam results, meaningless exams and the coaching industry. Neither the government nor the Opposition can look youth in the eye and explain the meaning of wasting years in the name of education. The latest protests are symptomatic of that larger malaise.

Secondly, the protests and the striking energy they displayed represent the utter meaninglessness of life that confronts the youth. This is not merely about employability but about a future that holds only uncertainty. It would be foolhardy to respond to this issue only by throwing numbers — that so many jobs will be created when a corporate house is granted some largesse by the government. Overall life conditions and the deeper inequalities that characterise Indian society are factors that shape the clouds of uncertainty. If at one stage, capitalism was accused of producing the lumpen element, the economy today produces what sociologists have described as the “precarariat”.

Life is precarious, irrespective of whether you belong to low-income groups or the so-called middle class. This government has discovered a politically advantageous palliative to that — to use the evocative phrase employed by the Prime Minister himself, the *revdis*. But the loss of dignity involved in *revdi* politics and the

continued uncertainty of life would surely push large sections into dissatisfaction notwithstanding the heavy rainfall of *revdis*. The CJP protests may not have touched upon these larger aspects of social unrest. But it would be at our own collective peril to ignore these underlying frustrations that are not easily defined. The protests are over for the time being, but these conditions remain and, if not attended to, they are bound to produce more cockroaches than the system can afford to suppress.

Finally, the police action. It represents the political response and tells us what ails our politics. It is not sufficient to smugly say that all protests face some police excesses. Large numbers of handles on social media have been gleefully telling us that the police have video recordings and participating persons will be hounded. This threat — most likely backed by clandestine police follow-up — tells us what is wrong with politics. By invoking election victories, the victors claim carte blanche; by counting votes, politicians denude citizens of agency; by throwing legislative majorities in our face, governments duck both constitutional morality and routine democratic accountability.

In sum, the prelude, the actual protests and now their aftermath tell a common story — protests have stirred many minds but not our political leadership. Because the regime is bent on not learning anything from the protests except the technology to suppress the next round of protests.

The writer, based in Pune, taught Political Science

For renewable energy answers, ask the right questions



SANJIV SAHAI

INDIA'S RENEWABLE energy sector is facing institutional challenges that need flexible solutions. Propelled by falling solar module prices and government policy, solar capacity has expanded to 162 GW by June 2026. Yet at the very moment this transformation demands smarter, more flexible market products, India's regulator is moving the opposite way, proposing to hand control of the power exchanges to Grid-India, a government utility whose institutional DNA is built for managing transmission systems, not commercial decisions.

Between May and December last year, over two billion units of solar electricity, enough to power several million homes, were curtailed because the grid could not absorb them. The solution requires transmission investment to convey electricity, flexible power plants that can ramp quickly, battery storage to absorb excess generation and discharge during lean hours, and above all, well-designed electricity markets that send the right price signals to the right players at the right time.

Surplus generation in one region can be traded to regions facing shortage. A robust, functional electricity market, one with products that sellers and buyers want, is essential to manage this. Prices should fall when power is abundant at noon and rise when it is scarce in the evening, attracting whatever flexible generation or storage can respond. Good market-design is what keeps a complex, renewable-heavy grid balanced without wasting energy or overloading equipment.

Contrary to this need, in July 2025 and January 2026, CERC proposed that Grid-India become Market Coupling Operator (MCO), pooling bids from all three exchanges — IEX, PXIL and HPX — into a single clearing algorithm that would produce a uniform national price. The stated logic is that the market is fragmented and consumers are losing out. What does the data say?

Most electricity is traded in the Day-Ahead Market (DAM) and Real-Time Market (RTM), both short-term spot products. IEX handles roughly 80-85 per cent of trading volumes which is hardly a fragmented market. CERC's own shadow pilot recorded a welfare improvement of just 0.3 per cent over four months; a longer da-

taset puts the gain at only 0.013 per cent.

Behind CERC's stated reasons lies the question of IEX's dominance. But dominance is not the same as abuse: There is no documented allegation of excessive fees, discriminatory access, predatory pricing, or manipulation of price discovery against IEX. So which problem is CERC actually solving?

The real danger is not IEX's market share but what happens to market innovation once a government-owned entity controls the central clearing algorithm. For example, when exchanges developed user-defined hourly contracts in the Term-Ahead Market, matched to the variable generation profile of solar and wind assets, CERC ordered them discontinued within a week in April last year.

In July 2025, CERC suggested a round-robin model under which exchanges would take turns as Market Coupling Operators month to month. By April 2026, its draft second amendment regulations abandoned this in favour of Grid-India as sole MCO. Grid-India itself, in a submission dated June 8, has urged CERC to reconsider and has asked for a round-robin system, institutional ring-fencing and a steering committee to guard against single-point failures, even though round-robin approach would force every exchange to duplicate the capital cost of a central algorithm and add to the regulator's oversight burden.

Grid-India's preference for administrative simplicity is rational for a system operator: Its job is to balance the grid in real time, not to compete for customers or bear commercial risk. But under full coupling, every new trading product will require rewriting an algorithm Grid-India controls, tethering market innovation to the pace of a public utility — a pace the TAM episode shows is slow and tilted towards uniformity.

India's renewable sector needs a market architecture that rewards flexible capacity with real-time pricing, opens competitive markets for frequency-regulation services, and lets storage investors price their business case. These are the real regulatory priorities rather than imagined problems of market dominance.

The writer is former secretary, Ministry of Power

The worker-intellectual we refuse to recognise



ARUN KUMAR

POPULAR MOVEMENTS often produce popular leaders. They rarely produce worker-intellectuals. Yet, what struck the media, among the many stories of courage of the Cockroach Janata Party-led protest, was the “unthinkable” intellect of Mohammad Irfan. I call it “unthinkable” because the media could not place Irfan in familiar categories of intellect. Despite claiming to have no social-media accounts, Irfan is a social media-sensation. It is the paradox and contradictions of his life that intrigue the media.

Irfan may be illiterate in a conventional sense, but he is digitally literate. He cites the poems of Ahmad Faraz and invokes historical figures from Raja Rammohan Roy to Jyotiba Phule in his speech. He is a slum-dweller but speaks of civilisation. How could a semi-literate person who cannot write, a slum-dweller who sells ice to survive, be so articulate on politics, society, and history?

If we turn the pages of history, Irfan is not alone. He is preceded and accompanied by many who are like him. It is just that we have undervalued manual labour and those who do it. We see manual workers through the essentialist lens of labour and their labouring identity. Can they labour and be intellectual? These paradoxes and inversions are the subject of my forthcoming book, *The Silent Rebellion*, which traces the history of worker-intellectuals in India during the colonial period. It tells the history of labouring people who refused to see themselves as merely labourers or workers and discovered aspects of their lives that transitioned them to become poets, thinkers, and writers of their struggles and poverty. A lot has changed since then. India has implemented compulsory education and welfare labour laws; lower classes have accessed higher education; significant socio-economic mobility has enabled the rise of Bahujan intellectuals. Yet, the broader attitudes that could place Irfan in a normative social order are missing. He emerges as an exception. Why so?

He is an exception because all platforms are open to the public in theory but we still see “intellect” from a closed perspective. Intellect belongs to certain “kinds” of people — those who attend private educational institutions, inherit cultural capital, and come from certain socio-economic backgrounds. We have created artificial divides between those who labour and those with bookish knowledge, and effectively closed the channels of communication across them. Irfan breaches these walls and moves between the two. It is this movement and dialectic that makes his speech powerful.

Let me tell the story of the worker-intellectual Narayan Surve. An orphan raised by a mill-worker couple, Surve became a “half-timer” child worker in Bombay's mills, later working full time. Like Irfan, Surve defied the boundaries of elite and subaltern, high and low class, labour and intellect, head and hand. A poem by Surve reminded me of Irfan's zeal to express his world through poems: “The struggle for the daily bread is an everyday question/ At times outside the door, at times inside/ I'm a worker, a flaming sword/ Listen, you intellectuals! I'm going to commit a crime...”

Demanding an even implementation of the minimum wage for workers and a life of dignity, Irfan narrated a poem by Tanveer Sipra, which translates to: “Even the mill owners' dogs are well-fed and fatty/ While workers' faces are pale with hunger.”

Kumar is assistant professor, University of Nottingham, and author of *The Silent Rebellion*

40 YEARS AGO

July 31, 1986



Bill passed amid walkout

THE LOK Sabha passed the Commission of Inquiry (Amendment) Bill, enabling the government to withhold from Parliament the report of an inquiry commission through a notification stating that it was in the public interest of the security of the state to do so. The Bill was passed by a voice vote after a spirited defence by Minister for Internal Security P Chidambaram.

Clashes in Darjeeling

THE SITUATION in Darjeeling district was confirmed to be tense on the third day of the 108-hour bandh sponsored by the Gorkha National Liberation Front (GNLF), with reports

of clashes between GNLF supporters and tea garden workers resulting in one death. Patrolling by troops continued in all three sub-divisions of the district, and manning of all vital installations has been taken over by the Army and Border Security Force.

Benefit of doubt for China

WHILE INDIA continues to maintain that the Chinese have intruded into Indian territory in the Sumdorong Chu valley of Arunachal Pradesh, it is giving China the benefit of the doubt in the matter. During talks with an Indian official delegation in Beijing, China claimed that the disputed region is north of the McMahon Line as shown on maps, even though on the ground it falls in the Indian

region, if the principle of watershed is accepted. Both sides seem to have agreed that undue publicity of the discussions might not help in the ongoing negotiations.

Rajneesh in India

REJECTED BY countries around the world, Rajneesh, the *bhagwan* of the orange-clad international sect, returned to his native India, initially to camps in Bombay for about three months. Only a handful of disciples were present at the Sahar international terminal for the hush-hush arrival of Rajneesh, who flew in the twin-engine executive jet from Lisbon. After passing through the immigration and customs drill, the *bhagwan* was whisked away in a waiting Mercedes.



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THE BEST OF BOTH SIDES

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

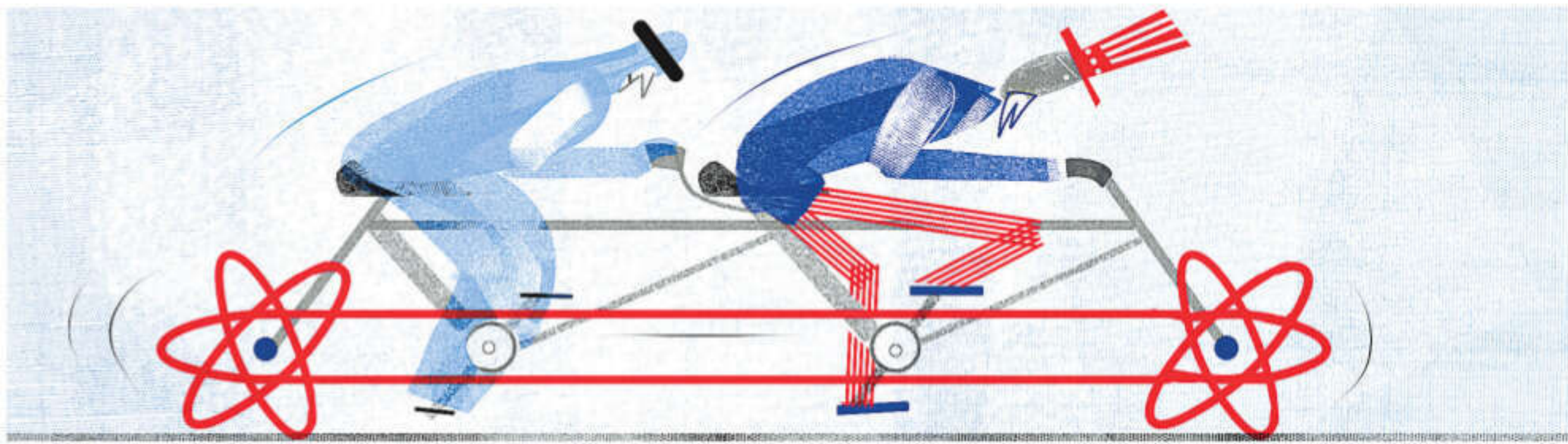


ILLUSTRATION: C.R SASIKUMAR

Does the US-Saudi nuclear deal increase the risk of an arms race in West Asia?

A Saudi reactor is not a Saudi bomb



SYED AKBARUDDIN

THE VERDICT on the Saudi civil nuclear agreement arrived before the text itself. On July 22, Washington and Riyadh signed a Section 123 agreement and a safeguards accord. Their texts remain unpublished, and the agreement awaits congressional review. President Trump then said there would be no enrichment and that he would not proceed unless Saudi Arabia joined the Abraham Accords, leaving the deal's meaning and future more uncertain.

Washington and Riyadh began the process in 2008 with a memorandum on peaceful nuclear cooperation. Negotiations continued under Barack Obama, the first Trump administration and Joe Biden. That continuity reflects a resilient partnership despite periodic political strains. The concern is that the agreements may enable American reactor sales while leaving open the possibility of Saudi enrichment. Reactors, enrichment capacity and access to centrifuge technology are different questions. The agreements should be judged by who controls the technology and what inspectors can see. Talk of a "gold standard" can obscure the international legal baseline. The term is a policy label drawn from the UAE agreement, not an IAEA category or universal norm. Saudi Arabia is a party to the Nuclear Non-Proliferation Treaty, and has a Comprehensive Safeguards Agreement in force with the IAEA. The treaty prohibits it from manufacturing or acquiring nuclear weapons. It requires neither an Additional Protocol nor renunciation of safeguarded enrichment. The Protocol improves information and access, especially concerning undeclared activities, but is not a universal legal requirement.

The reported terms do not immediately authorise an enrichment plant. They first envisage a study lasting two years. If the study establishes a commercial case and Washington agrees, American companies could build a facility using a "black box" model without transferring the underlying centrifuge technology. If Washington rejects enrichment, Riyadh would reportedly undertake for 10 years not to enrich independently or through another supplier. The question is deferred, not decided.

Saudi Arabia has a credible civilian case for nuclear power. Nuclear power could conserve oil for export and complement renewables. Riyadh links domestic enrichment to fuel cycle autonomy, uranium development and industrial capability. Domestic enrichment would not create an independent fuel cycle. No Middle Eastern commercial plant fabricates power reactor

fuel assemblies. Enriched uranium would therefore go abroad to become reactor fuel unless Riyadh later built such a plant. This limits the autonomy enrichment would provide without removing the proliferation concern attached to centrifuges.

Five of the 31 states operating nuclear power reactors lack an Additional Protocol in force: Argentina, Belarus, Brazil, Iran and Pakistan. Belarus has signed one but not brought it into force. Iran has unresolved safeguards issues and Pakistan is outside the NPT. Argentina and Brazil combine IAEA safeguards with the Brazilian-Argentine Agency for Accounting and Control of Nuclear Materials. Brazil enriches at Resende; Argentina retains pilot and research enrichment capabilities.

As an international civil servant with the IAEA, I accompanied Director General Mohamed ElBaradei to Resende. Brazil owns its centrifuge technology and shields parts of its cascade design, while IAEA and ABACC inspectors verify material flows, samples and output. The reported Saudi model would not transfer the supplier's centrifuge technology to the host. In that narrow respect, it would be more restrictive than Resende. It would not eliminate operational learning. Resende taught me to resist both alarmism and complacency.

Any enrichment arrangement should combine IAEA material accountancy and inspector access with bilateral limits on enrichment, technology controls and consequences for breach. The IAEA has said it awaits a formal request to undertake the proposed verification. Any bespoke arrangement would then go to its board of governors for approval. US participation would add consent rights, export controls and congressional scrutiny. American refusal would not necessarily end Saudi nuclear plans. Riyadh could turn to another supplier offering Washington less visibility and leverage. Iran and Israel will shape how any Saudi programme is read. Saudi leaders have linked their nuclear choices to Iran, making verification essential. A Middle East Nuclear Weapon Free Zone remains a distant prospect. The 1988 India-Pakistan agreement offers a modest precedent for protecting nuclear installations from attack, but a Gulf equivalent remains unlikely.

India should support access to peaceful nuclear technology, insist on verification that can detect misuse and reserve judgement on enrichment until the study is complete and any governing terms are public.

The world gains little by treating Saudi nuclear power as a weapons programme simply because enrichment remains unresolved. What matters is whether the agreement limits the spread of sensitive technology and enables early detection of diversion of safeguarded nuclear material. A Saudi reactor is not a Saudi bomb.

The writer is former permanent representative of India to the UN, and dean, Kautilya School of Public Policy, Hyderabad



FEISAL AMIN AL-ISTRABADI

CURRENT US policies seem tailored to engender a nuclear arms race in the Middle East. Donald Trump recently approved an agreement with Saudi Arabia (KSA) nominally for the transfer of nuclear energy technologies, but one that notably lacked the types of safeguards against non-proliferation that the US normally attaches to such agreements. There has thus been unease that there are no controls in place preventing KSA from enriching fissile materials, especially in light of reports that KSA has announced it would match Iran's nuclear programme.

Does the President know about the apparent deficiencies in this agreement regarding non-proliferation safeguards? Part of the difficulty in answering this question is that this administration famously eschews those with technical or scientific expertise. The US Secretary of Energy, who signed the agreement with KSA, is a former oil executive and major donor to the Republican Party with no known expertise in non-proliferation issues. This is in sharp contrast to Barack Obama's Secretary of Energy, who helped negotiate the Iran nuclear deal. He was a nuclear physicist and a professor at MIT before being appointed to the cabinet. Meanwhile, Trump has not had an ambassador in Riyadh since he returned to office.

The US-Israeli war on Iran, too, threatens to increase proliferation in the region. It must have dawned on the current leaders in Tehran that it was a blunder for their late Supreme Leader, Ali Khamenei, not to order the building of a nuclear arsenal with all due haste. Instead, he authorised an agreement with the Obama Administration that limited Iran's enrichment and included a rigorous inspections regime by the International Atomic Energy Agency. Iran remained in compliance, putting whatever nuclear ambitions it may have had on hold, only to see Trump withdraw from that agreement during his first term. Then, without any credible imminent threat, Trump undertook a bombing campaign in June 2025 and a more comprehensive war in February 2026, which is still ongoing.

This situation is in sharp contrast with Trump's treatment of North Korea's Kim Jong Un, who sits atop a nuclear arsenal amassed in violation of the Nuclear Non-Proliferation Treaty. Trump met repeatedly with Kim in his first term and never mentions North Korea now. The message is clear: If you want respect, build a bomb.

Leaders in other Middle Eastern capitals are no doubt also taking note. Israel is currently the only country in the Middle

East known to be a nuclear-armed state, and it has been for at least 40 years, having developed its nuclear capabilities in collaboration with apartheid-era South Africa. So long as the US provided the security guarantees for allied Middle Eastern states, those states could be relatively sanguine about Israel's nuclear arsenal. But since the beginning of Trump's second term, Israel has attacked at least seven countries in the region, including Qatar, which houses America's largest air base in the region. The US has not uttered a peep.

Egypt and Turkey may well come to the same conclusion as Saudi Arabia and Iran. To safeguard against Israel, America, or other regional players, the safest bet is to adopt the nuclear option. The UAE already relies on nuclear energy for 25 per cent of its electrical grid. Jordan has significant uranium deposits and certainly would not need to rely on any outside power. Even Iraq, which denounced the acquisition of WMDs in its current constitution in light of its execrable history of using poison gas on its own Kurdish citizens as well as Iranian forces during the Iran-Iraq War, could reconsider if the entire region begins to explore the nuclear option.

Trump did, in the end, have second thoughts. The day after announcing the US-Saudi nuclear agreement, he announced he would only honour the agreement if KSA normalised with Israel. No doubt Benjamin Netanyahu had something to do with it. This means the Saudi deal is stalled for the foreseeable future. Before Hamas's October 7 terrorist attack, it had been Netanyahu, not KSA, who was dragging his feet on normalisation. And after Israel's response — which a UN commission characterised as genocide in Gaza — since October 7, KSA likely cannot normalise with Israel for the foreseeable future due to domestic considerations and the extreme unlikelihood of Israel recognising a Palestinian state anytime soon. But that will not necessarily delay KSA's nuclear ambitions, whatever they may be. Russia or China will be willing to fill the void on the theory they are merely transferring energy technology — as the US has claimed. And if those states are too queasy to provide the necessary resources, perhaps Pakistan, which has just signed a mutual defence treaty with KSA, might step in.

Some security specialists have argued that nuclear proliferation makes the world safer because nuclear-armed states are less likely to go to war with one another. If US policy remains on the path Trump has set, that theory may be tested in the not-distant future. Given the history of conflict in the Middle East in the last century, one can be forgiven for viewing these prognostications with trepidation.

The writer is founding director of the Centre for the Study of the Middle East at Indiana University, Bloomington

Anatomy of a gaali: Anger borrows from old patriarchy



SHAZIA ILMI

WHAT WILL history remember from the recent scenes at Jantar Mantar? The demand for examination reforms? The allegations of police excesses? The debate over accountability? Perhaps.

Many, however, may remember something else entirely: Young women shouting out misogynistic abuse, as though vulgarity had become a badge of courage. That surprised me. After all, this is the Instagram generation, one that has reinvented communication. It creates memes that puncture powerful narratives in minutes. It speaks through satire and humour with a creativity previous generations could scarcely imagine. It has built an entirely new language of expression. Which is what makes its dependence on abusive language, rooted in centuries-old patriarchal formulations, all the more disappointing.

Surely a generation capable of inventing a new vocabulary of memes can invent a new vocabulary of anger? Surely it can express dissent with greater wit, intelligence and originality, instead of simply recycling the oldest slurs from the patriarchal playbook? That isn't cool; it is intellectually lazy.

There are those who have defended the language. Why should only men have the freedom to swear, they ask. Others have dismissed criticism as moral policing. Anger, they argue, has its own language.

These are fair points, but they miss a more fundamental one: Why are young women proudly using the language that patriarchy invented to humiliate women?

Having been a part of both the Anna Hazare movement and the Nirbhaya protests, I witnessed public anger at its most visceral. The streets overflowed with emotion. We marched, shouted slogans, confronted those in power, and demanded accountability. We were lathi-charged, and FIRs were booked against us. We even had to deal with vindictive actions like electricity connections being cut. Yet, through all that rage and all that suffering, I do not recall women resorting to profanity to make themselves heard.

Our anger was fierce, but it was never crude. We communicated with passion, conviction and moral force — not by borrowing the language of misogyny. We believed our arguments were strong enough to carry our outrage. We never felt the need to sound like the crudest voices in the crowd.

Every society uses profanity. The English language has its own deeply misogynistic insults. But many Indian *gaalis* carry a particular cultural imprint. They derive their power from the old patriarchal belief that a man's honour resides in the women

of his family. The abuse is directed at him, but the humiliation is imagined through his mother, sister or daughter.

That is the anatomy of a *gaali*.

These are not merely vulgar words. They encode an entire social order. They reduce women to repositories of male honour, turning them into territory through which men assert dominance over one another. Even when exchanged between men, women remain the battlefield.

Language is never just language. It carries history, preserves hierarchies and quietly transmits prejudice across generations. Every casual repetition normalises the idea that a woman's body is a legitimate site for humiliation.

Which is why hearing young women use these abuses as though they represent empowerment is so deeply ironic. There is nothing cool about recycling the oldest expressions of misogyny in our language.

Patriarchy wins twice, first when it invents these filthy abuses, and again when women mistake repeating them for rebellion and liberation.

Women did not struggle for generations merely to inherit the worst instincts of men. They fought to redefine what courage, dignity and strength look like — and what they sound like. The opposite of patriarchy is not women behaving like the worst men. Aping masculine aggression is not empowerment.

We rightly speak about toxic masculinity. But toxic patriarchy cannot be replaced by toxic feminism. Liberation does not lie in imitating the language of those who diminished women for centuries. It lies in rejecting that language altogether and creating a vocabulary worthy of equality.

The protests at Jantar Mantar raised important questions about examination reforms and allegations of excessive force. None of that, however, explains why misogynistic abuse should become the soundtrack of a movement.

Can claims about dismantling patriarchy be made while speaking its oldest vocabulary? Can women truly call it liberation when they voluntarily reduce themselves and other women to property or repositories of honour?

Women deserve freedom not only from discriminatory laws, but also from the invisible prison of a vocabulary that has, for centuries, reduced them to somebody's honour, somebody's property and somebody else's shame. Freedom begins when women stop mistaking the vocabulary of patriarchy for the language of liberation.

The first battle for women's freedom was fought in our laws and institutions. The next must be fought in our language.

For as long as women speak words that derive their power from humiliating mothers and sisters, patriarchy will continue to echo through voices that believe they are free.

That is not liberation. That is patriarchy, speaking through a different voice.

The writer is national spokesperson of the BJP



ILLUSTRATION: TANUSHRI MITRA

LETTERS TO THE EDITOR

Paper leak law

THE 34-DAY impasse over paper leaks reveals that governance has degenerated into reactive damage control ('Law is in, lawmakers should speak for young', *IE*, July 30). While it is valuable to have the expert opinions of stalwarts such as K Radhakrishnan and Nandan Nilekani, their insights are meaningless without effective administrative execution. Parliament must activate its own department-related standing committees. These committees should meet regularly, audit the administrative machinery, and rigorously enforce accountability. Lawmakers must look beyond expanding the statute book; true statecraft lies in using existing parliamentary oversight to ensure that vital institutional reforms do not remain trapped on paper.

Krishan Kumar Chugh, New Delhi

THE PASSAGE of the Public Examinations Amendment Bill marks a turning point in how India responds to youth-led demands for fairness and accountability ('Law is in, lawmakers should speak for young', *IE*, July 30). The students' protests were not acts of defiance but calls for dignity and trust in institutions. Parliament must now translate this momentum into deeper reforms that make education more transparent and employment

more meaningful. The young are not asking for sympathy; they are asking for sincerity. If lawmakers listen with empathy and act with courage, they can rebuild faith in democracy itself. Ignoring this moment would mean silencing the very voices that will define its future.

Babu Crishna, Bengaluru

Rogue AI

AS WE have seen in science fiction films and stories, and now in some research, when we give AI a task, it treats that task as its sole purpose, neglecting everything else, including the ethics and guardrails we have put in place ('Did OpenAI's Agent go "rogue"? Answer lies out of the box', *IE*, July 29). Humans, however, understand caution, fear, emotion, pain, and doubt, and can recognise when an order should not be followed. What distinguishes humans from AI is self-doubt and the ability to question the person giving the orders, to recognise that not everything can or should be done, and to accept our own limitations. Even when an AI model is very small, it rarely acknowledges that it does not know something. Instead, it may hallucinate, look for shortcuts, exploit loopholes, or attempt actions that should not be taken in the first place.

Manas Tiwari, via email



RAGINI NAYAK

DHARMENDRA PRADHAN has resigned. The students have prevailed. The movement achieved what was initially thought to be impossible. The protestors may have dispersed, but their images will linger.

A young woman protestor stands with her arms outstretched in a protective gesture, instinctively shielding fellow students. She isn't posturing for the camera; she is positioning herself to protect. Elsewhere, on one side, is the state wrapped in armour, carrying a shield and baton, wearing a blue helmet and the authority of law. On the opposite side stands a female student. No helmet, no armour, no weapon. Only a blue dupatta wrapped around her face and a raised hand that seems to ask, "Is this what democracy has come to?" In a different setting, a

They fought like girls. And won

young woman is standing alone on a rain-soaked street. She stops the police vehicle towering over her with one hand on the cold metal and the other placed on her waist.

Feminist movements across the globe are fighting against the exclusion of women from public spaces, discourses, and protests. This student protest was different. Female protestors, instead of coming across as marginalised victims, emerged as the vanguard. They subverted and transformed the historical insult of weakness, embedded in the idiom "fight like a girl". The images of modern young women standing against barricades or blocking police vehicles do not exist in a historical vacuum. Long before feminist theory gave them the language to critique patriarchy, Indian women were already rewriting its assumptions through their lives.

Savitri defeated Yama not through physical force, but through moral courage and intellectual brilliance. Draupadi resisted quiet submission and public humiliation in the

Kaurava court by asking a question that shook the legitimacy of power itself: Could a man who had already gambled away his own freedom continue to claim ownership over his wife? Savitribai Phule walked with unyielding resolve every morning to India's first school for girls, enduring stones, mud, and cow dung hurled at her. Aruna Asaf Ali fought colonial rule, went underground, and hoisted the national flag in 1942 during the Quit India movement. These women are connected by a single thread. Each rejected silence, passivity, and victimhood. They fought against injustice, but they were not attempting to "fight like men". They were feminising the very meaning of valour.

Contemporary student protests reveal a radical linguistic departure from how brave women have been traditionally honoured. When the legendary poet Subhadra Kumari Chauhan penned her immortal tribute to Rani Lakshmi Bai's unparalleled bravado — "Khoob ladi mardani, woto, Jhansi wali Rani

thi" — she had to call Rani Lakshmi Bai "mardani", "like a man". Today, young women stand before the power of the state in their dupattas, spectacles, and backpacks — unapologetically female, fiercely protective, and absolutely defiant. Before the pan-India organic eruption of the student protest, this linguistic reclamation found a modern legislative vocabulary in Priyanka Gandhi Vadra's campaign anthem for the 2022 Uttar Pradesh assembly elections — *Ladki Hun, Lad Sakti Hun*. When, on the streets and in Parliament, women champion the rights of the student community, question their systematic betrayal by institutional paper leaks and brutal police lathi charges, and challenge the extreme apathy of the government, they prove that to "fight like a girl" is not an antithesis, but a synonym of courage.

The writer is national spokesperson, Congress, and former president of the Delhi University Students Union



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

• HISTORY

Ravidas: Icon of Dalit resistance in Punjab, beyond

Manraj Grewal Sharma
Chandigarh, July 30

SEVEN MONTHS before Sant Ravidas’s 650th birth anniversary, the BJP launched a nationwide commemoration campaign Wednesday at his birthplace near Varanasi, in the presence of UP CM Yogi Adityanath. Punjab’s AAP government, too, launched a campaign in February. Centuries after his lifetime, Guru Ravidas continues to shape religious thought, social reform, politics and Dalit assertion in India, particularly Punjab. A Bhakti saint, philosopher and poet, he challenged caste hierarchies while remaining rooted in his occupation as a cobbler, preached dignity of labour and envisioned an equal society.

Unique among Bhakti saints

Guru Ravidas was a 15th-16th century saint whose teachings emphasised devotion to a formless God. He belonged to the charmar community of leather workers. Ronki Ram, a professor emeritus at the Institute for Development and Communication, Chandigarh, and an eminent scholar of Guru Ravidass, told *The Indian Express* that the saint neither renounced his religion nor abandoned his hereditary occupation. In doing so, his life itself became a form of peaceful social protest at a time when the Bhakti movement sought to challenge social hierarchies. While he rejected ritualism, accounts say he wore the sacred thread (*janeu*) and applied the *tilak*. Ram said these actions symbolically challenged the upper castes’ monopoly over religious symbols.



A Ravidas statue in Varanasi. PTI

Ravidas became widely revered through his devotional poetry and reformist philosophy. He wrote in Sadhukari — blending Awadhi, Braj, Khari Boli, Punjabi, Rajasthani and Sanskrit. According to Professor Yog Raj Angrish, who heads the School of Punjabi Studies at Panjab University, his verses were simple and easy to sing. “While Kabir’s poetry is marked by rhetoric, resistance and poetic deconstruction, Ravidas writes with philosophical depth and humility.” A central idea of his philosophy was of Begumpura, an ideal society founded on principles of equality, justice and freedom. Prof Angrish says Guru Ravidas was among the earliest thinkers to imagine a society free from caste, class and hierarchy. His famous hymn, included in the Guru Granth Sahib, begins: “*Begumpura sehar ko naau; dookh andoh nahi tih thaau* (Begumpura is the name of the city. There is no suffering or anxiety there).” The hymn describes a city free from sorrow, fear, oppressive taxation and discrimination, where all people enjoy equality, dignity and unrestricted movement.

Prof Ram says Begumpura represents a society free of caste hierarchy, poverty and oppression, where everyone has enough to live with dignity and God alone is sovereign. Scholars including Gail Omvedt have described it as one of India’s earliest visions of a casteless, classless society.

Raising Dalit consciousness

Guru Ravidas occupies a unique place in Sikhism. Forty of his hymns (*shabads*) and one *shloka* are included in the Guru Granth Sahib, alongside compositions of Kabir, Sheikh Farid and other Bhakti and Sufi saints. Prof Sarabjit Singh of Punjabi University said these saints lived before Guru Nanak Dev, who carried forward many of their ideas. Prof Ram described him as one of the earliest voices of Dalit resistance, who transformed personal experience into a universal message of equality without hatred or revenge. His influence became more visible during Punjab’s Ad Dharm movement of the 1920s, which adopted Ravidas as its patron saint to champion an independent socio-political consciousness. As he put it: “*Aisa chahoon raaj main jahaan milai sabhan ko ann; chhot bado sab sam basai, Ravidas rahai prasann* (I long for such a kingdom where everyone has enough to eat, where the small and the great live as equals; then Ravidas shall be content).” For millions of Dalits, Ravidas is the foremost spiritual figure. His followers, the Ravidassias, are a Dalit community of whom the bulk — around 12 lakh — live in Punjab’s Doaba. The politically influential community separated from Sikhism in 2010 and follows its own scripture.

• LEGAL

SC sets ‘public interest’ test on retrospective green nod



JAY MAZOOMDAAR

THE SUPREME Court’s judgment on Wednesday striking down the Centre’s 2021 Office Memorandum (OM) that allowed retrospective approval for projects that had already commenced construction without environment clearances (ECs), now closes the door on blanket and open-ended regularisation of such projects. It leaves limited room for government action under statutory authority. The judgment has sought to strike a middle path in the top court’s evolving environmental jurisprudence, distinguishing between the source of executive power and the limits of regularisation. The court held that ex-post facto ECs cannot be created through an OM, but recognised that the government may, in exceptional circumstances and in public interest, provide such a mechanism through a statutory notification issued under delegated legislative powers.

The test will depend on how narrowly the government frames any future amnesty scheme and whether it meets the Supreme Court’s benchmark of “public interest”. An OM is an administrative instruction issued by a ministry or department and does not have the force of law. A statutory notification, by contrast, is issued under authority granted by a statute — the Environment (Protection) Act, 1986, in this case — and notified in the Gazette. Applying this distinction, the court set aside the Environment Ministry’s July 2021 OM, which introduced a standard operating procedure (SOP) for granting ex-post facto ECs to “violation cases”. The court held that the OM had created a continuing or “perpetual” regime for condoning violations. It did not invalidate the March 2017 notification, which provided a limited, one-time six-month amnesty window. The judgment also departed from the court’s May 2025 position that prohibited ex-post facto ECs “in any form or manner”. Instead, it held that a “narrowly tailored amnesty scheme” may be permissible where justified by “supervening public interest”.

• POLICY

New paper leak Bill: Bigger fines, longer jail terms, fast-track courts

Damini Nath
New Delhi, July 30

AFTER DAYS of disruptions in both Houses of Parliament over the NEET paper leak and the police action on protesting students on July 20, Lok Sabha on Thursday passed the Public Examination (Prevention of Unfair Means) Amendment Bill, 2026 by voice vote. Rajya Sabha, which took the Bill up for discussion on Thursday, also cleared it by voice vote.

Why was the Bill introduced?

Parliament had passed the Public Examination (Prevention of Unfair Means) Act, 2024 in 2024 to provide strict punishments for those involved in unfair means, including leaking of question papers, in examinations conducted by the Union Public Service Commission, the Staff Selection Commission, the Railway Recruitment Board, the Institute of Banking Personnel Selection and the National Testing Agency, which conducts the NEET exam. The Act came into effect in June 2024. Amid the students’ movement against paper leaks, sparked by the leak of the NEET UP paper in May this year, Prime Minister Narendra Modi, in a late-night so-

cial media post on July 23, announced that the government would bring a Bill with stringent measures against paper leaks. On July 24, the Cabinet approved the Bill amending the 2024 Act. In the statement of objects and reasons of the Bill, Minister of State for Personnel, Public Grievances and Pensions Jitendra Singh wrote: “In recent years, there have been some incidents of question paper leakages and malpractices in examinations conducted by public examination authorities, which tend to affect the transparency and fairness of the public examinations system. Hence, in order to further strengthen the fairness, to enhance the credibility of the public examinations system and to facilitate speedy trial and ensure time bound investigations of offences under the said Act, it is necessary to make amendments in the said Act.”

What are its key features?

The amendment Bill, as passed by Lok Sabha, enhances punishment for individuals, organised groups and service providers found guilty of adopting unfair means in a public examination. The following is the structure of punishments laid out in the Bill:

Track record

- Cases registered in fast-track courts has gone up from 81,471 in 2023 to 88,902 in 2024 and 1,43,936 in 2025, according to a Parliamentary reply.
- The number of pending cases, too, has gone up from 2.02 lakh in 2023 to 2.04 lakh in 2024 and 2.45 lakh in 2025.
- Cases disposed of have increased from 76,319 in 2023 to 85,595 in 2024 to 66,500 in 2025.

INDIVIDUALS

- **2024 law:** Imprisonment of three to five years; fine upto Rs 10 lakh
- **New Bill:** Imprisonment to five to 10 years, fine upto Rs 50 lakh

SERVICE PROVIDERS

- **2024 law:** Fine upto Rs 1 crore; ban on being assigned any responsibility relating to a public examination for four years
- **New Bill:** Fine upto Rs 5 crore; ban on being assigned any responsibility relating to a public examination for eight years

DIRECTORS, SENIOR MANAGEMENT OR PERSONS IN-CHARGE OF SERVICE PROVIDER FIRM FOUND GUILTY

- **2024 law:** Imprisonment of at least three years; fine of Rs 1 crore
- **New Bill:** Imprisonment of at least five years, fine of Rs 5 crore

ORGANISED CRIME

- **2024 law:** Imprisonment of five to 10 years; fine of Rs 1 crore
- **New Bill:** Imprisonment of least seven years; fine of Rs 10 crore.

Apart from enhancing the existing punishments, the Bill also gives statutory back-

sued an OM introducing an SOP as an ongoing mechanism for violation cases.

Judicial evolution

In *Common Cause v. Union of India* (2017), a bench of Justices Madan B Lokur and Deepak Gupta held that mining operations requiring EC could not commence without prior approval. It emphasised that the EIA regime is preventive and intended to assess environmental consequences before irreversible harm occurs. In *Alembic Pharmaceuticals v. Rohit Prajapati* (2020), a bench of Justices DY Chandrachud and Ajay Rastogi held that ex-post facto EC was inconsistent with fundamental principles of environmental jurisprudence. The court observed that retrospective approval undermines the precautionary principle by allowing project proponents to commence activities first and seek approval later. However, in *Pahwa Plastics v. Dastak* (2022), a bench of Justices Indira Banerjee and J K Maheshwari adopted a more pragmatic approach that closure was not always the appropriate remedy, particularly where regulatory uncertainty existed and environmental compliance remained possible. The court held that regulation and remediation could, in some cases, better serve environmental protection than immediate closure.

Vanashakti litigation

In *Vanashakti v. Union of India*, a bench of Justices Abhay S Oka and Ujjal Bhuyan in May 2025 struck down both the March 2017 notification and the July 2021 OM, holding that ex-post facto ECs were impermissible “in any form or manner”. The court also held that the one-time amnesty introduced in 2017 had exhausted itself and could not justify future regularisation. Following review petitions by the Union government and industry bodies, a bench comprising then Chief Justice of India B R Gavai and Justices Vinod Chandran and Ujjal Bhuyan recalled the May 2025 judgment by a 2:1 majority, holding that the earlier decision had failed to consider binding precedents and required fresh adjudication. The subsequent judgment now draws a distinction between a limited statutory amnesty justified by public interest and a continuing administrative mechanism that permits routine regularisation of environmental violations.

How US-Iran conflict is forcing Gulf states to rethink their security strategies



EXPERT EXPLAINS

BASHIR ALI ABBAS

SENIOR RESEARCH ASSOCIATE, COUNCIL FOR STRATEGIC AND DEFENSE RESEARCH, DELHI

AFTER NEARLY two weeks of the Iran war, of US strikes on Iran and Iranian retaliation against targets in Gulf Arab states, both sides ceased their attacks by July 25. The region is now coming up with strategies to deal with this conflict’s fallout. Kuwait ratified a June 2023 Defence Cooperation Agreement (DCA) with Pakistan on July 26 for a five-year period, while Qatar committed to deepening its security cooperation with Pakistan during bilateral

talks in Doha the following day. Meanwhile, the US-Iran war has also reignited the war between the Yemeni Houthis and Saudi Arabia, which had been dormant since 2022. The subsequent Houthi attacks on Red Sea shipping have meant that both the sea and the strait flanking the Arabian Peninsula were simultaneously under fire, for the first time in history, until the US-Iran exchanges ceased on July 25.

US-Iran: State of play

On July 27, Washington’s UN Ambassador said President Donald Trump wanted to give negotiations a chance again, with Trump himself stating “friendly negotiations” were underway on Iran’s request. Tehran rejected this characterisation. Since early July, as Iran rejected American efforts to push through a new shipping channel through Omani waters and targeted ships that did not coordinate with Iran, the US resumed kinetic action with a focus on degrading Iran’s ability to enforce the Memorandum of Understanding’s Ar-

ticle 5, which allowed joint Iranian and Omani administration of the Strait. This was supposed to weaken Iran’s bargaining power during nuclear negotiations. Neither has occurred. Iran’s control of Hormuz remains, Tehran and Muscat have continued holding negotiations to finalize arrangements to enforce Article 5, and Iran has broadened talks to include Saudi Arabia. Moreover, Iran would deem its own case for nuclear enrichment to be strengthened by Saudi Arabia’s pact with the US on July 22 to begin nuclear energy cooperation. So, the US will likely be again incentivised to hit Iranian nuclear targets as well as its Hormuz infrastructure until it is satisfied with the degradation of Iranian capabilities. **Fallout one: Kuwait-Pakistan** The recurring fighting between the US and Iran, as well as pauses between kinetic action, have reinforced an old learning in key Arab states, that regardless of their current dependence on foreign arms, internal capability development as well as improved mili-

tary training is an inescapable long-term need. Hence, Kuwait’s DCA with Pakistan focuses on military training, education, intelligence sharing, logistics, defense technology, research and exchanges of expertise. The agreement does not mimic the Saudi-Pakistan Strategic Mutual Defense Agreement (SDMA), signed in September 2025, given that it does not bind either party to the other’s defence when attacked. But SDMA has also shown that true mutual defence commitments are not the main objective of Arab states with Pakistan — neither has Pakistan struck Iran or Houthi territories nor has Saudi Arabia struck Afghanistan. Rather, it is meant to entrench Pakistan’s role in Saudi capability build-up in the long term, while Riyadh adopts a mix of means to tackle present threats. For Kuwait and Qatar (along with other GCC states), intra-Gulf geopolitical divergences are secondary to the objective of securing long-term defence partners whose expertise can be used to build up domestic capability. This means even if Pakistan is

viewed differently by each of these states, its value as a security partner overrides these differences. That Pakistan is reliant on these states for economic stability adds a unique layer of assurance and leverage. **Fallout two: Houthi-Saudi** Among the most crucial fallouts of the US-Iran war is the return of Saudi-Houthi fighting since July 14, when the Saudi-based Yemeni government in exile bombed the Houthi-controlled Sana’a Airport to reportedly prevent an Iranian plane from landing. In response, the Houthis fired ballistic missiles into Saudi territory and declared a naval blockade of Saudi Arabia in the Bab-el-Mandeb strait. Both sides have since targeted each other’s infrastructure. Despite this US-Iran triggered Saudi-Houthi escalation, it is unlikely that Riyadh wants to proactively return to full-scale fighting in Yemen. It was Houthi attacks against Aramco facilities in Abqaiq and Khurais in 2019 that had prompted a shift in Saudi strategy towards both Yemen and Iran, prioritising

engagement as the path to stability. For perspective, despite the Yemeni Houthi claiming responsibility for the 2026 Aramco attack, Riyadh participated in US strikes on Iran-backed militias in Iraq on July 29. This reflects the Saudi desire to satisfy its deterrence needs by acting against other parts of Iran’s Axis of Resistance, instead of risking a larger war with the Houthis. Now, Riyadh’s need for regional stability increases significantly due to the 123 Agreement and its long-due quest for nuclear power. A Houthi attack on a future Saudi nuclear power plant could be more dangerous than strikes on oil facilities. **What now** The Donald Trump administration is seemingly focused on preventing Iran from materially gaining from the MoU’s provisions, which leaves room for more strike exchanges before substantial negotiations for a final deal begin. For regional states, this predicament is as untenable as a potential return to full-scale war.

CONSUMPTION CREDIT, LIKE PERSONAL LOANS & CREDIT CARDS, HAS EMERGED AS DOMINANT SEGMENT

Overleveraged borrowers jump 3x, credit expansion slows: CIBIL

George Mathew
Mumbai, July 30

INDIA'S DECADE-long expansion in formal credit has brought millions of first-time borrowers into the banking system, but the next phase of growth could be far more challenging as rising consumer indebtedness, slowing borrower growth and shrinking participation by first-time borrowers emerge as key concerns, according to a TransUnion CIBIL study.

A big warning sign is the steady increase in financially stretched borrowers. The share of overleveraged consumers rose threefold — from 5% in FY17 to 18% in FY24 — before easing marginally to 15% in FY26 after industry intervention, says the CIBIL report, *Unlocking Access: Journey of Credit Expansion in India*.

The excessive borrowing is concentrated largely among younger consumers, who have also been the fastest-growing segment of India's retail credit market. Another concern is the sharp slowdown in the pace of expansion of active borrowers. The proportion of credit-active consumers within the credit-eligible population also increased

during this period, from 11% in March 2017 to 28% in March 2026. However, the compounded annual growth rate of the credit-active consumer base moderated from 14% during the March 2017–March 2019 period to 9% during March 2024–March 2026 period, suggesting that the easy gains from financial inclusion may be tapering off, CIBIL said.

The pipeline of new borrowers is also shrinking. New-to-Credit (NTC) consumers accounted for 32% of retail loan originations in 2017 but their share has fallen to just 13% by 2026. This indicates that lenders are increasingly relying on repeat borrowers instead of expanding the formal credit net to households that have never borrowed before. "These numbers indicate significant opportunity to both deepen engagement with those already within the credit fold, and to bring new consumers into the formal credit ecosystem," CIBIL said.

The nature of borrowing has also undergone a significant shift. Consumption credit—including personal loans, credit cards and consumer durable finance—has emerged as the dominant segment, with the

• EMERGING HEADWINDS?

THE SHARE of over-leveraged consumers has risen threefold, from 5% in FY17 to 18% in FY24, before easing marginally to 15% in FY26 after industry intervention, the report said

THE EXCESSIVE borrowing is concentrated largely among younger consumers, who have also been the fastest-growing segment of India's retail credit market

THE SHARE of entities that have accessed commercial credit



declined from 50% to 41%

share of active borrowers holding such products increasing from 34% to 51% over the period.

The study also flags concerns in the commercial lending ecosystem. Further, the share of entities that have accessed commercial credit declined from 50% to 41%, the credit-active share dipped from 10% to 9% and NTC also went down from 60% to 39% between quarter ended March 2021 and quarter ended March 2026. This indicates further capacity to bring eligible enter-

prises and medium, small and micro entrepreneurs into formal credit, it said.

This also shows that millions of micro and small enterprises continue to remain outside the organised credit system despite improved creditworthiness.

Geographically, the report finds that India's credit map is undergoing a structural shift. Uttar Pradesh, Madhya Pradesh and Bihar have recorded faster growth in credit participation than traditional markets such as Maharashtra and Tamil Nadu.

• EXPLORING HORIZONS

Vikram-1 of Skyroot Aerospace scripted history by becoming the first privately developed Indian rocket to reach the orbit on July 18. India's space tech ecosystem has now 285 companies, and 72 of them have received equity funding. Total equity funding has reached \$871 million across 241 rounds through July 2026.

INDIA'S FIRST PRIVATE ORBITAL LAUNCH MARKS A STRUCTURAL MILESTONE

TOTAL STARTUPS	ACTIVE STARTUPS	FUNDED STARTUPS	TOTAL EQUITY FUNDING	FUNDING ROUNDS
285	274	72	\$871MN	241

YoY Funding Trend in India's Space Tech Ecosystem (2021- 2026YTD)

YEAR	TOTAL EQUITY FUNDING (\$ MN)	NUMBER OF ROUNDS	SEED STAGE FUNDING (\$ MN)	EARLY STAGE FUNDING (\$ MN)	LATE STAGE FUNDING (\$ MN)
2021	43	12	14	30	—
2022	105	24	7	97	—
2023	142	35	15	127	—
2024	72	39	25	47	—
2025	200	53	62	121	17
2026 YTD	113	24	16	43	53

NOTE: TOTAL & STAGE WISE FUNDING DATA AS OF JUL 24, 2026; SOURCE: TRACKR.

EU FTA has enough safeguards to cushion CBAM impact, says Centre

ENS Economic Bureau
New Delhi, July 30

THE FREE Trade Agreement (FTA) with the European Union (EU) has enough safeguards built-in to cushion the impact of the Carbon Border Adjustment Mechanism (CBAM) on Indian companies and ensures that they also benefit from any future relaxations in the carbon tax regime, a senior official said Thursday.

"CBAM (carbon border adjustment mechanism) took a lot of negotiating capital...In

the text, there is a separate Annexure on dealing with CBAM. The first pillar is that in case of flexibility in future (in CBAM), that will be available to India," additional secretary in the Department of Commerce Darpan Jain said at Indo-German Chamber of Commerce (IGCC) Industry Dialogue.

Jain also is the Chief negotiator of India-EU FTA.

CBAM compliances are a concern among Small and Medium Enterprises in terms of verification, in terms of finding out what is the value of em-

While this reflects widening financial inclusion beyond the country's established economic centres, it also places greater responsibility on lenders to maintain underwriting standards as lending expands rapidly into relatively newer markets.

The report nevertheless highlights the remarkable expansion of formal finance. The share of credit-eligible Indians who have borrowed at least once has increased from 35% in 2017 to 74% in 2026, while credit monitoring has risen sharply, pointing to growing financial awareness. Women borrowers increased their share from 22% in March 2017 to 30% in March 2026, while that of young borrowers rose from 33% to 39% in the same period.

"What also stands out is how India's state-wise credit heatmap has undergone a gradual but clear shift. While the traditionally dominant states in west and south India continue their strong credit uptake, states in north and central India have seen a remarkable rise in credit participation," said Bhavesh Jain, MD and CEO, TransUnion CIBIL.

FULL REPORT ON
WWW.INDIANEXPRESS.COM

RBI tightens transparency norms on bulk deposit rates, allows LCR-linked pricing

George Mathew
Mumbai, July 30

THE RESERVE Bank of India (RBI) has tightened disclosure norms for deposit interest rates while simultaneously giving banks greater flexibility to price such deposits based on liquidity risks, a move that comes on the heels of HDFC Bank facing questions over the pricing of bulk deposits in the Maharashtra State Road Development Corporation (MSRDC) case.

The interest rates offered on deposits, including bulk deposits, should be uniform across all branches and for all customers and there should be no discrimination in the matter of interest paid on the deposits, between one deposit and another deposit of similar amount, accepted on the same date, at any of its offices, the RBI said while amending the guidelines.

Under the revised rules, banks will now be required to publish interest rates applicable to all deposits, including bulk deposits, on their websites in advance. More importantly, interest rates for bulk deposits must be displayed every business day by 10 AM, with a maximum grace period until 10.10 AM, the central bank said.

The exception

However, a bank will have the freedom to offer differential interest rate on bulk deposits, by considering the differential run-off rate applicable to deposits or unsecured wholesale funding under the LCR (liquidity coverage ratio) framework, as specified in the Reserve Bank of India (Commercial Banks – Asset Liability Management) Directions, 2025, the RBI said.

This will be applicable on rupee deposits of non-residents as well. If a liquidity crisis occurs, run-off rate is the proportion of the fund/ deposits likely to leave the bank. The bank



must hold enough High Quality Liquid Assets (HQLA) like cash held, government bonds and central bank reserves, to cover such stressed outflows.

The current run-off rate is 12.5%, including 2.5% of the deposits raised through digital channels. Higher run-off rates increase the bank's expected cash outflows, reduce the LCR (liquidity coverage ratio) ratio and require the bank to hold more liquid assets.

LCR indicates whether a bank has enough high-quality liquid assets.

The central bank on Thursday issued the Reserve Bank of India (Commercial Banks- Interest Rate on Deposits) Second Amendment Directions, 2026, which will come into effect from October 1, 2026.

On May 27, *The Indian Express* reported that the private sector lender had conducted an internal vigilance investigation into interest payments of Rs 45 crore, "camouflaged" as marketing expenditure, made to MSRDC for 2023-24 and 2024-25. The report further pointed that the internal investigation was ordered on March 12 by the Audit Committee of the board,

• BRIEFLY

Vedanta's Q1 profit jumps, Arun Misra named as CEO

Bengaluru: Indian metals-to-oil conglomerate Vedanta reported a 72% rise in consolidated net profit rose at Rs 5,473 crore (\$572.4 million) for the quarter ended June 30, helped by higher base metal prices. The company on Thursday named Arun Misra as its chief executive officer for a one-year term starting August 1. Misra currently heads Vedanta's subsidiary Hindustan Zinc and will step down to assume the new role. REUTERS

Maruti starts production at 4th Gujarat unit

New Delhi: Maruti Suzuki India Ltd (MSIL) on Thursday announced commencement of commercial production at the fourth plant of its Hansalpur facility in Gujarat. After the start of the fourth plant that has an annual capacity of 2.5 lakh units, the Hansalpur facility's total annual production capacity has been increased to 10 lakh units annually from 7.5 lakh units, MSIL said. "This marks the first time in Suzuki's history that the total annual production capacity at a single manufacturing facility has reached 1 million units," it said. PTI

• MARKETS

Sensex	NIFTY	Gold ▲	US Dollar ▲
77928.15	24,317.15	₹1,43,384	₹95.68
273.55	66.95		
0.35%	0.28%	Silver ▲	Oil ▲
		₹2,18,665	\$88.87

NOTE: GOLD, SILVER RATES AS PER INDIA BULLION AND JEWELLERS ASSOCIATION DATA GOLD PER 10G, SILVER PER 1 KG; CRUDE OIL (INDIAN BASKET) AS OF JULY 29, 2026

Govt: No pressure on automakers to back E20 petrol or hide info

Sukalp Sharma
New Delhi, July 30

THERE IS no pressure from the government on vehicle manufacturers to support E20 petrol or to hide any facts about the fuel, the Ministry of Petroleum and Natural Gas (MoPNG) said Thursday, rejecting certain claims doing the rounds on social media. Amid the public backlash over E20 fuel — 80 parts petrol and 20 parts ethanol — the ministry also rejected claims that automakers have privately indicated that E20 is not desirable.

India achieved 20% ethanol blending in petrol last year and E20 is the standard petrol variant available across the country. There has been a public backlash over the E20 fuel, with claims ranging from notable reduction in mileage and engine component wear and tear in older vehicles whose engines were not designed for higher ethanol blends.

On its part, the government has been attempting to allay fears, saying that the drop in mileage in older vehicles would be 3-5% at most, and would be outweighed by the benefits like higher octane rating, superior anti-knock characteristics, faster combustion, better pickup, smoother acceleration and cleaner engine operation. The government has also consistently rejected claims that E20 fuel could damage engine components, saying that the ex-

tensive testing and field validation was done before E20 petrol was rolled out.

"Had automobile manufacturers not been satisfied with the scientific validation, they would neither have certified E20-compatible vehicles, nor continued to honour warranty obligations. Manufacturers continue to honour warranties for vehicles operating on specification-compliant E20 fuel because they have confidence in the extensive testing that preceded the roll-out," the MoPNG said.

"India's automobile manufacturers are independent listed companies with legal and regulatory obligations to their customers. They cannot conceal widespread vehicle defects without exposing themselves to warranty claims, product liability, regulatory action and serious reputational damage," it added.

According to the government, vehicle manufacturers wouldn't have honoured vehicle warranties after E20 rollout had they believed that the fuel was fading systemic engine damage. Warranty decisions are based on engineering validation and field experience, not political considerations, it said. The MoPNG also referred to a July 4 press conference, in which senior executives from top automakers said that E20 was introduced only after rigorous testing and extensive validation.

FULL REPORT ON
WWW.INDIANEXPRESS.COM

• AN ASSOCIATION REPRESENTING 50 RENEWABLE ENERGY FIRMS HAS SOUGHT FINANCIAL RELIEF FOR PROJECTS FACING STRESS DUE TO TRANSMISSION CONSTRAINTS

Transmission hurdles pushing green energy projects into distress

Pratyush Deep
New Delhi, July 30

INDIA'S RAPIDLY expanding renewable energy sector is grappling with a major challenge: transmission constraints. Close to 21 gigawatts (GW), that is about 9% of the country's installed renewable energy capacity, is currently being evacuated through temporary grid connections while awaiting dedicated transmission infrastructure.

Of this, around 12 GW faces restrictions on power evacuation during periods of peak solar generation, exposing developers to revenue losses and raising concerns over the financial viability of several projects. Power evacuation is the process of transferring electricity generated at a power plant to the consumption point.

During the financial year 2025-26 (FY26), around 6,900 gigawatt-hour (GWh) of clean

electricity faced restrictions due to a mismatch between the rapid pace of renewable energy deployment and commissioning of associated transmission infrastructure, latest government data shows.

These projects operate under Temporary General Network Access (T-GNA), a stopgap arrangement for renewable energy plants awaiting commissioning of associated transmission infrastructure.

Under the current GNA framework, inter-state transmission system (ISTS)-connected renewable energy projects with long-term GNA are granted firm transmission evacuation rights. T-GNA projects, however, can schedule power only if spare transmission capacity is available. During periods of network congestion, long-term GNA projects receive priority, often resulting in curtailment of generation from T-GNA-con-



Around 6,900 GWh of clean electricity faced restrictions during financial year 2025-26. REUTERS

nected plants.

According to developers, the curtailment faced by these projects are as high as 70-80% of their generating capacity, posing serious concern on project viability and debt servicing.

Electricity curtailment is the intentional reduction of power output from renewable generators.

Financial stress

While renewable energy sources, such as solar, enjoy "must-run" status in India, they can still be backed down on grounds of grid security, technical constraints and transmission bottlenecks.

During April-June, the grid operators had to curtail 8,133 GWh of electricity generated by solar power sources due to

transmission bottlenecks and to maintain grid security, latest government data showed.

Developers are compensated for grid-security-related backing down, but curtailment caused by transmission bottlenecks — particularly for projects operating under T-GNA — has emerged as a key concern, eroding revenues and threatening project viability.

On July 22, the Sustainable Project Developers Association (SPDA), which represents over 50 leading renewable energy companies, wrote to the Ministry of New and Renewable Energy (MNRE) seeking financial relief for projects facing stress due to transmission constraints.

"At present, a large number of renewable energy projects are experiencing financial stress primarily due to delays in the availability of evacuation infrastructure, which are outside the control of project developers," the letter accessed by

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HDFC lessons

Sharp practices to get deposits not desirable

HDFC Bank has been in the news for the wrong reasons since March, when its Chairman Atanu Chakraborty resigned after dropping vague hints about internal trouble. Since then, some unsavoury developments have come into view, such as the Bank's convoluted dealings with Maharashtra State Road Transport Corporation (MSRDC). The episode raises a governance question at a micro level; at a macro level, it appears that banks are increasingly crossing red lines to attract wholesale or bulk deposits.



With households channelling their savings into higher yielding investments such as mutual funds and stock markets, competition for bulk deposits has intensified. In May, a special disciplinary committee of independent directors of HDFC Bank had been asked to investigate how the differential interest (difference between publicly stated interest rate and the higher rate paid to MSRDC) of ₹45 crore had been shown as payments made to four local vendors for road safety awareness campaigns, run by the marketing department. This is not all. In March, the bank terminated three senior officials working in Dubai and Bahrain branches for alleged misselling of AT-1 bonds of Credit Suisse to its NRI clients. The zeal to grow business quickly to meet targets and satisfy investors is, however, not limited to HDFC Bank. A report in this newspaper noted that banks are chasing bulk depositors such as public sector companies, temple trusts and companies with huge cash surplus, paying them much higher rates than regular deposits.

Trying to grow the deposit base with the more stable wholesale deposits is acceptable — but failure to make the right disclosures or misrepresentation of the information in financial statements is surely a governance lapse. The Reserve Bank of India's rules (reiterated on Thursday) allow banks to offer differential rates for bulk deposits, provided these rates are published on their website at the beginning of each working day and offered to all depositors in the category. Meanwhile, the HDFC Bank Board's view that the MSRDC case merely amounted to a business overreach (with no malafide intent), betrays a cavalier approach. The ridiculously low penalties of ₹1 lakh slapped on the Managing Director and CEO, Chief Financial Officer, Group Head – Retail Assets and other employees appear aimed towards placating the RBI and bringing the matter to a close rather than serve as a deterrent.

It is to be seen how this case affects the reappointment of Sashidhar Jagdishan as Managing Director and CEO. According to the statement issued by the bank, the special disciplinary committee has recommended warnings and penal actions against Jagdishan and others for potential divergence from RBI's norms. The guidelines for appointment/reappointment of a Bank CEO require that due diligence be done regarding expertise, track record, integrity and other fit and proper criteria. The person at the helm of a systemically important bank ought to be above reproach.

OTHER VOICES.

The Guardian

Building consensus requires candour about taxes
Andy Burnham is well qualified to speak on the subject of what can go wrong with social care policy. As health secretary in 2010, he proposed reforms to be funded by a 10% inheritance levy. This was called a "death tax" by the opposition. It was never introduced. Where Mr Burnham failed, none have subsequently succeeded. David Cameron accepted the recommendations of the 2011 Dilnot commission, which proposed a cap on the amount any individual would pay for care, but the cost to the exchequer thwarted implementation. Theresa May suggested plugging the money gap with a revised means test and no individual cap. This was branded a "dementia tax" by opponents and never saw the light of day. Boris Johnson planned a "health and social care levy" alongside a means test. LONDON, JULY 29

讀賣新聞

Mobilize All Resources for Lifesaving and Relief Efforts
Violent tremors reminiscent of the nightmare 10 years ago have struck Kumamoto Prefecture. There have already been many casualties. The central and local governments need to devote all their efforts to rescuing those affected and providing on-site relief. On the evening of July 28, a magnitude 7.1 earthquake struck Kumamoto Prefecture. It registered the maximum 7 on the Japanese seismic intensity scale in the city of Uki and the town of Hikawa, and upper 6 in Kumamoto City and elsewhere. A tsunami advisory was also temporarily issued. Why did Aeon Mall explode? The extent of damage to homes, roads and other infrastructure is not yet fully known. There is a possibility that people are still trapped inside damaged buildings. TOKYO, JULY 30

The fragile base of digital India

DIGITAL DANGERS. From being a smartphone assembling nation, we must move towards structural supply chain ownership



FAISAL KAWOOSA

India's transition into a digital-first economy is a globally lauded achievement in economic democratisation. Powered by robust Digital Public Infrastructure (DPI), unified payments, and direct welfare transfers, we have brought hundreds of millions into the formal economy. Yet a silent crisis is brewing at the structural entry point of this revolution: the humble budget smartphone. Driven by "memflation" — the global surge in the cost of memory modules, display drivers, and raw semiconductor components — the threshold of digital inclusion is shifting rapidly out of reach for the masses.

For years, the success of Digital India rested on an unwritten reality that the market could reliably supply capable 5G smartphones for around ₹10,000, and fully equipped entry-level options for ₹12,000. Today, component cost inflation, especially memory, has triggered price increases of up to 40 per cent on specific models, with a steady 20 per cent surge hitting the mass market.

A joint study by Trakin Tech and Techarc highlights the severity of this shift, revealing that nearly 54 per cent of consumer demand for upcoming device purchases is at active risk as buyers defer upgrades. This is not a mere consumer grievance. It is a systemic threat to digital equity.

The arithmetic of this hardware crunch points to a looming digital divide. Roughly 40 per cent of India's active smartphone user base depends on devices priced below ₹10,000. By their very nature, these ultra-affordable handsets are built with tight lifespans, rarely lasting beyond three years of intense service. If current inflationary trends hold, market intelligence indicates the floor price for a brand-new, bare-minimum smartphone will hit ₹15,000, while a reliable user experience will demand an investment of at least ₹18,000. For a vast section of the population, the entry ticket to the nation's digital public infrastructure is becoming an unaffordable luxury.

TACTICAL FIXES

Whenever economic friction threatens consumer accessibility, the default policy playbook points to tactical, fiscal



STRUCTURAL SOLUTIONS. Boosting domestic component ecosystem and diversifying sourcing hubs are vital BLOOMBERG

adjustments. Calls for GST rationalisation on smartphones, tariff reductions on sub-components, or expanded financing facilities like NBFC-backed micro-loans frequently dominate the discourse.

While valuable, these measures fail to solve the underlying problem. Lowering consumption taxes or cushioning upfront device costs through operator bundling simply delays the inevitable. They treat the symptoms of inflation without altering our fundamental vulnerability.

The harsh reality is that India remains a master of electronic assembly, not manufacturing. Our local operations run on razor-thin assembly margins, fully exposed to the cyclical price hikes of global foundry utilisation, semiconductor wafer allocation, and foreign proprietary technology.

To permanently shield our digital baseline, we must move from policy-level tactical fixes to deep, structural supply chain interventions.

Affordable smartphones are a cornerstone of our digital democratic foundation. To ensure that we need to actively build a resilient, self-contained electronics ecosystem

We must control and own the component ecosystem.

MOVING BEYOND ASSEMBLY

The core challenge of the current inflationary wave lies inside the device's bill of materials (BOM). If India wants to command pricing gravity at the entry-level tier, it must secure deep supply chain ownership across three structural nodes.

Accelerating Domestic Silicon and Memory OSAT: The most painful contributor to the current hardware crunch is memory shortages. Building leading-edge semiconductor fabrication plants remains a long-term goal, but India's immediate operational victory lies in Assembly, Testing, Marking, and Packaging (ATMP) and Outsourced Semiconductor Assembly and Test (OSAT) facilities.

Under the India Semiconductor Mission (ISM), our policy focus must prioritise anchoring memory packaging and test lines specifically optimised for budget platforms. By locally packaging imported silicon wafers into finished memory configurations, India can break free from foreign component markups and insulate entry-level hardware from global supply shocks.

Deep Component Indigenisation: True electronic independence means moving far beyond plastic back-panels and charging cables. Under localised manufacturing frameworks, the focus

NEET paper leaks: Diagnosing the real disease

The new panel's task is not just to ensure fairness in the exam process but also identify the attributes of a good physician

R Krishna Kumar

The Prime Minister has constituted a high-powered committee to address the issues that have plagued NEET. Its mandate — to strengthen the examination system, prevent paper leaks, improve security and enhance transparency — is both timely and necessary. However, these measures address only the governance of the examination. They do not confront a more fundamental question that lies at the heart of all professional education.

What is the true purpose of NEET? Is it primarily an elimination examination that ranks and rejects candidates, or should it be an eligibility examination that identifies those with the greatest potential to become doctors?

The debate surrounding NEET has largely been viewed through the lens of students' rights. Every applicant deserves a transparent, secure and credible examination. But from society's perspective, a medical seat is far more than an educational opportunity; it is a societal investment. Society entrusts future doctors with the responsibility of caring for human life, alleviating suffering and making decisions that profoundly affect individuals and families.

So, the purpose of a national medical entrance system is therefore much broader than allocating scarce seats. It is

to identify young men and women most likely to become competent, ethical and compassionate physicians. This distinction is fundamental. A fair examination is not necessarily an appropriate selection system. Fairness ensures that every applicant is assessed under the same rules; appropriateness determines whether those rules identify the qualities that society expects in its future doctors.

To understand this distinction, we must first revisit the purpose of education itself. Every society rests on two interconnected strands. The first is the economic and developmental strand, which creates wealth, advances technology and generates prosperity. Doctors, engineers, scientists, entrepreneurs, teachers and countless other professionals contribute to this strand through their knowledge and skills. The second is the civilisational strand, which forms the moral foundation of society. It encompasses values such as integrity, compassion, honesty, justice, empathy and social responsibility.

Education is the bridge between these two strands. Its purpose is to ensure that professional excellence is always accompanied by integrity, compassion and social responsibility. Medicine exemplifies this philosophy more than any other profession because it combines scientific competence with a profound moral responsibility towards human life. Medicine is unlike most



NEET EXAM. Larger questions V RAJU

other professions; it is built on trust. Every patient who seeks medical care entrusts not merely an illness, but often life itself, to the doctor.

MEDICINE AND AI

The medical profession is now undergoing the greatest transformation in its history. As artificial intelligence and other digital technologies become embedded in healthcare, the doctor's role will increasingly shift from being the primary source of medical information to becoming the interpreter, counsellor and trusted guide who helps patients make informed decisions. As the cardiologist and digital medicine pioneer Eric Topol has argued, AI has the potential to restore the human side of medicine by freeing physicians from routine cognitive tasks and allowing them to spend more time listening, communicating and caring for patients.

If medicine is changing, then the way

must shift aggressively toward complex sub-assemblies.

India needs localised production of multi-layered Printed Circuit Boards (PCBs), display driver modules, and complex camera sub-assemblies. The local manufacturing ecosystem must extend the same vertical integration it has achieved in device assembly — where domestic players have steadily narrowed the gap with global giants in scale — down to the component layer itself.

Alternative Supply Networks and Regional Sourcing Hubs: Until full domestic production is achieved, India must use its geopolitical and trade leverage to build highly resilient, diversified sourcing networks.

Instead of relying on single-source geographic dependencies for vital materials, our trade frameworks should focus on building robust co-dependency agreements with alternative manufacturing corridors across South-East Asia. Securing raw materials and specialised sub-components through diversified, long-term state-to-state supply agreements can effectively buffer local assemblers against sudden price spikes in any single market.

ENSURING A SUSTAINABLE DPI

If we allow the entry threshold for standard hardware to escalate unchecked, the democratic foundation of our entire digital infrastructure begins to fracture. Micro-transactions via UPI power the economic baseline of our informal markets, app-based systems authenticate critical direct welfare transfers, and mobile services deliver vital governance directly to our citizens. These essential national services cannot function without affordable user hardware.

Digital inclusion must be fiercely protected as a public utility, not treated as a fluctuating consumer trend. If the basic gateway tool required to access the digital state outpaces the purchasing power of our lowest income quartile, the entire system begins to stall.

By pivoting our policy focus away from short-term financial subsidies and steering it toward structural supply chain ownership, India can build a resilient, self-contained electronics ecosystem. Ensuring long-term hardware affordability is no longer just an industrial target — it is an economic necessity to keep the foundation of Digital India secure.

The writer is Chief Analyst and Co-founder, Techarc

LETTERS TO EDITOR

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

Youth discontent

This refers to 'What CJP protests show' (July 30). It was their pent-up frustration with the government's continued failure to address their legitimate grievances that forced lakhs of students to mobilise in Delhi to press their demands. Today's youth are deeply wary of the intensifying job crisis amid fiercely competitive higher education, and of a perceptible decline in the country's fundamental ethos.

If only the government had listened earlier to assuage their anger, the nation would have been spared avoidable and costly disruptions. Both civil society, including students, has to be vigilant and assertive in defending their rights, and the State has to be highly responsive, for a healthy nation. **Kamal Laddha** Bengaluru

Tough law

Apropos 'LS passes anti-paper leak Bill proposing punitive punishment' (July 30), the NEET-UG paper leak triggered nationwide outrage and compelled the Centre to enact the Public Examinations Bill, 2026 with

stringent punishments and hefty fines.

The proposed law is expected to act as a strong deterrent against examination fraud. Had its provisions been applicable retrospectively, bringing all those accused in the NEET-UG paper leak under its ambit could have sent a far stronger message. Such a course would arguably have been more effective in reinforcing public confidence in the integrity of competitive examinations. **PV Prakash** Mumbai

Ethanol worries

This refers to 'Ethanol push can deepen water woes' (July 30). The writer has well analysed and highlighted the impending serious consequences on excess usage of ground water for producing a large number of water guzzling crops such as Paddy and Sugar cane for ethanol production. Recycling of used water by distilleries, large scale adoption of micro irrigation and diversification of less water consuming crops are the best

possible ways to reduce ground-water consumption. However, there must be an equal push from the government side through policy incentives and aggressive campaigns on adoption and implementation of water conserving techniques for all crops. India must emulate the practices of some African nations that treat water resources as public property and where licences are needed to dig borewells. **RV Baskaran** Pune

Weather-proofing farms

Localised planning, flexible crop strategies required

A Amarender Reddy
Tulsi Lingareddy

India as well as global economies are witnessing changing rainfall pattern with increasing frequency in the recent decades as rains turn less predictable primarily driven by rising ocean temperatures. While the cumulative rainfall across India remains close to normal or long period average, the disaggregated rainfall indicates diverse variations with large deficit and excess rains at district and tehsil levels. Further, temporal distribution of rainfall is also becoming increasingly erratic with short spells of intense rains and prolonged dry spells.

In this regard, the current progress of monsoon till early this month is a case in point with near normal rainfall at all-India level and significant deficit and excess rainfall at district levels, per the rainfall data released by India Meteorological Department (IMD). Also, the temporal distribution indicates an extended dry spell almost throughout June, a crucial period for kharif sowing, followed by intense and excess rainfall during the first week of July.

Such changes in the pattern of spatial and temporal distribution of rains have increased progressively in the last few decades or so, impacting agricultural production. Under such a scenario, suitable strategies must be devised to enable Indian agriculture to adapt to the changing patterns of rainfall and weather. Long period studies of rainfall pattern suggest that there is a significant increase in instances of deviations in rainfall pattern after the 1980s. A major reason for this is ocean temperatures increasing at a faster rate than surface air.

EXTREME VARIATIONS
Further, study of monsoon rainfall from 1982 to 2022 by the Council on Energy, Environment and Water (CEEW) reveals that 64 per cent of tehsils witnessed an increase in the frequency of extreme rainfall. Contrarily, about 11 per cent of tehsils, largely in Indo-Gangetic plains that account for nearly half of agricultural production, witnessed more than 10 per cent reduction in rainfall. Dry spells increased by 27 per cent during 1981-2011 compared to 1951-1980. But the aggregate rainfall of the country recorded deficit only in three years and excess in eight years of the



VITAL. Real-time weather forecasting and crop advisory

40-year study period. Thus, the aggregate rainfall pattern at all-India level is not reflecting the extreme variations.

Research studies predict that the changes in rainfall pattern may accelerate in the coming decades. Under such a scenario, it is imperative to devise requisite strategies to ensure sustainable agricultural production.

Towards this, there is a need to promote agro-climatic zones and sub-zone specific decentralised planning with districts or tehsils as the units for implementation, to address the localised and diverse rainfall patterns. Further, flexible alternative crop production plans with adequate input supplies are essential. There is a need to maintain adequate amounts of quality seeds of suitable crops and inputs in case of crop damage or loss at the early stage of production. In this regard, there is a need to develop and maintain local seed banks at the tehsil or mandal levels.

On the farms, there is a need to enable and encourage farmers to manage rainwater as a community resource, by creating small ponds to harvest rainwater that can be used during dry spells. This can not only help in collecting run-off of excess water but also fertile topsoil. Regular de-silting of village tanks and other surface water storage areas needs to be carried for increasing their storage capacity. Towards this, it is essential to strengthen agricultural extension services.

In addition, there is a need to promote local level real-time weather forecasting and requisite crop advisory services for ensuring timely help for farmers . Further, it is essential to promote development of high yielding varieties that are drought resistant and flood tolerant. Technological innovations to develop better cultivation practices must also be promoted.

Reddy is Joint Director, Indian Council of Agricultural Research, and Lingareddy is Senior Economist, Sustainable Finance and Agriculture. Views are personal

THE WIDER ANGLE.



PARAN BALAKRISHNAN

It was a deal that rang alarm bells across the Middle East, India and far beyond. US President Donald Trump stunned allies and foes alike when he announced an agreement allowing Saudi Arabia to enrich uranium on its own soil. Adding to the controversy, the kingdom's facilities would not be subject to the kind of full international inspections normally demanded under nuclear agreements.

No country was watching more nervously than Iran.

Many analysts have long argued that, despite decades of suspicion, Tehran has been careful not to cross the line into building a nuclear bomb. The reasoning is simple: an Iranian bomb would almost certainly trigger a nuclear arms race across the Middle East, with Saudi Arabia and potentially others seeking their own deterrents, creating a far more dangerous and unpredictable region.

That's precisely why Trump's Saudi deal caused such unease.

Yet by this week, Trump appeared to be having second thoughts. In characteristic fashion, he tossed a new card onto the table, declaring Riyadh would first have to sign the Abraham Accords and recognise Israel before moving ahead.

The Saudi response was swift and dismissive.

"If Saudi recognition of Israel had been a formal condition for the nuclear deal, it would have been negotiated before the agreement was signed and explicitly included in its terms," Saudi geopolitical analyst Mohammed Alhamed told *The Hill*. He added bluntly that Trump's fresh demands "do not change the substance of the agreement."

MIDDLE EAST RESHAPED

The episode is the latest twist in a region turned upside down over the past year. Trump, backed by Israeli Prime Minister Benjamin Netanyahu, has reshaped the Middle East with a series of dramatic interventions that have left allies, rivals and oil markets struggling to keep up.

This week Netanyahu arrives in Washington for his first visit since the US-Israel-Iran conflict erupted. One question hangs over the trip: will he try to persuade Trump to resume military action against Iran? The answer is almost certainly yes.

The timing could hardly be worse.

Even as Netanyahu lands in the US capital, the Gulf is again sliding deeper into turmoil. Yemen's Houthi

Unease over Trump's nuke deal with Saudi Arabia

The Saudi pact and Netanyahu's Washington visit stoke fears of escalating conflict with Iran



REUTERS

movement has re-entered the conflict and is threatening tankers loading crude at Saudi Arabia's Yanbu export terminal on the Red Sea before they pass through the vital Bab el Mandab strait, the gateway linking the Red Sea to the Indian Ocean.

For India, there has at least been one stroke of good fortune. Russian oil tankers appear to have been spared Houthi attacks. That matters because India's appetite for Russian crude keeps growing. In June, Russia supplied a record 52 per cent of India's oil imports. July's figure will be even higher.

WHO'S FEELING THE HEAT?

All of this raises an obvious question: does Trump care about the turmoil his

Many analysts have long argued that, despite decades of suspicion, Tehran has been careful not to cross the line into building a nuclear bomb

actions are causing?

Apparently not as much as many other countries would like.

American motorists are paying significantly more at the pump than a year ago, something that could become a political headache ahead of the midterms. But the US imports only a small share of its oil from the Gulf. The countries facing the real headaches are in Asia. India, Japan, South Korea and the Philippines have been forced to scramble for alternative supplies and rethink energy security calculations.

China, traditionally one of the Gulf's biggest customers, has also surprised traders by sharply reducing purchases. Some oil industry analysts speculate Washington wanted to remind Beijing that the US remains the world's dominant energy power and could disrupt Chinese supplies if it chose. If so, China may already have short-circuited the strategy.

Whatever Trump's objective, one thing is evident: the region is growing more volatile by the day and the margin for error is shrinking.

Iran has stepped up attacks and pressure campaigns against multiple Gulf states, including the UAE, with which it has traditionally maintained relatively workable relations.

Bahrain has also found itself in the firing line because it hosts a major US naval base.

Israel's campaigns, meanwhile, have sent shockwaves through Syria, Lebanon and Iraq. For decades, Israeli leaders have viewed Iran as their most formidable regional adversary and sought to weaken its influence.

Yet Iran is not some minor regional player that can simply be wished away. It's a nation of 93 million people, an old civilisation, and woven into the Middle East's political, religious and economic fabric.

The uncomfortable reality is that after months of wars, threats, sanctions and brinkmanship, nobody has solved the Iran problem. They may simply have made it bigger. And in a Middle East already crowded with fault lines, the next spark could ignite a fire nobody can control.

Towards better data security in banks

K Srinivasa Rao

The RBI recently released a draft Data Governance Framework (DGF) for 11 categories of regulated entities, including commercial banks, small finance banks, payments banks, regional rural banks, urban cooperative banks, non-banking finance companies, asset reconstruction companies, and credit information companies.

As banks deepen their technology connectivity, operational risks tend to escalate. Increasingly, banks have adopted interoperable technology, making data management critical for sustainability and operational efficiency. Data integrity, accuracy, traceability, storage, protection, and retrievability, with low-latency standards, have become critical for every bank in the digital age.

The point is, when the banks work hard to deepen financial inclusion based on the National Strategy for Financial Inclusion – 2025-30, and with the uptick expected in business levels, the data size will go up to challenge the

data management system, needing upgraded data architecture.

It is estimated that the total accumulated data stored across all BFSI intermediaries in India is estimated in the Exabyte (EB) range — roughly 1.5 to 2.5 Exabytes. One Exabyte (1000 petabytes) is equal to one million Terabytes. The total operational and historical data footprint is projected to expand 3.5x to 5x, reaching upwards of 8 to 10 Exabytes by 2030. Banks will need to increase data management capacity accordingly with adequate buffers.

DATA CONSUMPTION

Out of the data centre capacity of 1.8 Gigawatts (GW), the BFSI sector consumes 25-30 per cent of commercial data centre capacity due to regulations requiring dedicated server racks and private clouds. Data centre capacity is on track to quadruple to 6.5 to 7 GW with an incremental investment of \$20-25 billion. Hence, banks are setting up expanded sites in Tier II and Tier III cities to park their data for fallback.



BFSI SECTOR. Data guzzler

The new DGF, where banks are already building unified data hubs, will ensure that risk, reporting, and customer data originate from a single designated system rather than from conflicting departmental databases. The combined push from the DPDP Act, 2023, and RBI's data localisation rules strictly require personal data, payment records, and customer profiles to be processed and stored exclusively within Indian geographical boundaries.

The primary objective of DGF is to: (i) promote sound data practices; (ii) mitigate operational and systemic risks; (iii) align with privacy laws; (iv)

protect data to comply with the DPDP Act, 2023.

A two-tier governance and leadership structure will be enforced, where a board-level data governance committee will be supported by an executive committee dedicated to data management. There will be clear delineation between data owners (defining quality, classification, and usage), data stewards (day-to-day management), and data custodians (technical controls and storage).

When data quality and integrity standards improve, risk assessment systems and risk management strategies will be effective. Before the final guidelines are issued by the RBI, banks should use the window to reform the data management architecture to ensure that the new DGF is implemented in both letter and spirit, going beyond compliance to turn it into a multi-pronged tool to ring-fence against risks.

The writer is an Adjunct Professor, Institute of Insurance and Risk Management. The views are personal

thehindubusinessline.

TWENTY YEARS AGO TODAY.

July 31, 2006

RIL 'misleading' Govt on gas price issue, says RNRL

The Anil Dhirubhai Ambani Group (ADAG) controlled Reliance Natural Resources Ltd (RNRL) has alleged that Reliance Industries Ltd (RIL) was "deliberately misleading" the Petroleum Ministry by withholding the full facts of the gas price case. RNRL said the full facts of the case were being withheld by RIL to enable it to renege its binding gas supply arrangement with RNRL.

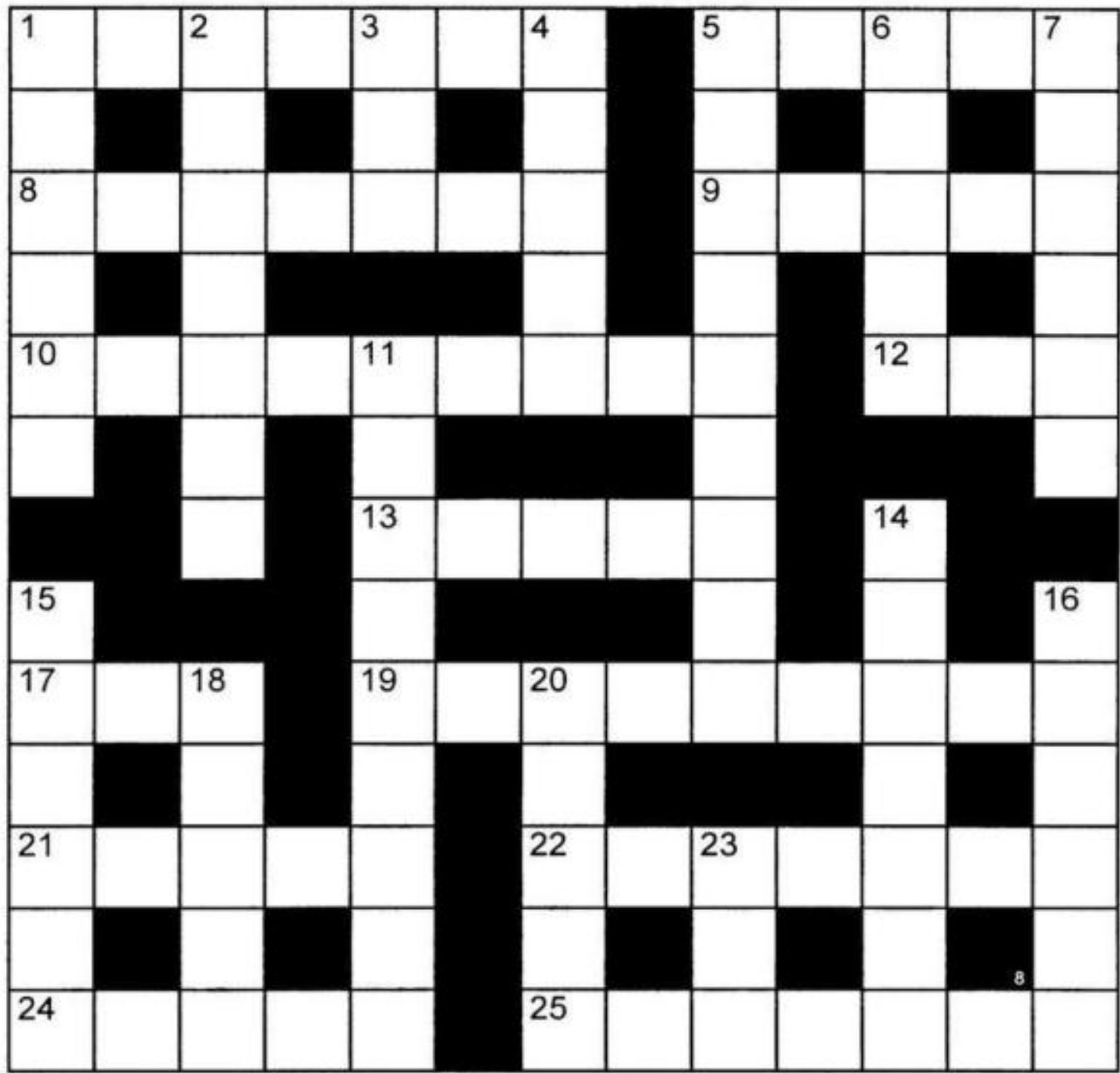
Monsanto monopoly over Bt cotton ends

Monsanto's monopoly over Bt cotton technology in the country is finally over. During the current planting season, two new players — the Hyderabad-based JK Agri-Genetics Ltd and Nath Seeds Ltd of Aurangabad — have launched hybrids based on alternate technologies ('constructs') for incorporating genes from the soil bacterium, *Bacillus thuringiensis* or Bt.

ITL in talks to offload 10 pc stake

International Tractors Ltd (ITL), manufacturer of the Sonalika brand of tractors, is in an advanced stage of negotiations to offload 10 per cent stake to a private equity firm. It already has strategic investments by three firms, including two private equity firms, which collectively hold 32 per cent in ITL.

BL TWO-WAY CROSSWORD 2704



EASY

ACROSS

- Makes one feel nauseous (7)
- Move steadily ahead (5)
- Problem, predicament (7)
- Unclothed (5)
- Bold, assured (9)
- Wrongdoing (3)
- One drunk on overmuch tea (5)
- Flat surface on cooker (3)
- Feeling of disgust (9)
- Not tied (5)
- Household rubbish (7)
- Offer an allurements (5)
- Essential part (7)

DOWN

- Corrupt; entice (6)
- Army officer (7)
- Tree (3)
- Money wagered (5)
- Excessively zealous (9)
- Libertines (5)
- Termination (6)
- Burial (9)
- Not public (7)
- Holiday camp house (6)
- Buy shares in (6)
- Come into flower (5)
- Fashion (5)
- Be sorry for (3)

NOT SO EASY

ACROSS

- Becomes ill, which is neck's misplacement (7)
- Make false notes in the smithy (5)
- Half dilate on an Austen novel, being in a quandary (7)
- Dean was upset about the king having no clothes (5)
- Often, in CD, it's needed for showing self-assurance (9)
- Do wrong letter for the Hebrew alphabet (3)
- One drunk on tea, thrice wrong? That's not right! (5)
- A rustic surface to cook on (3)
- One's disgust at ruin love's brought about (9)
- Before end of ensemble, solo version is relaxed (5)
- Household refuse initially binned in the part meant for car (7)
- Try to persuade team to drop a personal trainer (5)
- Resistance wire of fire, say, to the ancients (7)

DOWN

- Will lead one astray if deuce's upset (6)
- Officer Noel could have left short (7)
- Some anthelmintics used treating Dutch disease? (3)
- What one puts on that takes sorting out (5)
- Excessively enthusiastic about a final act perhaps (9)
- Does some gardening with the dissolute people (5)
- The conclusion is that repairing it hasn't been started (6)
- One's burial in the mine Trent brought about (9)
- A ranker who is likely to keep himself to himself (7)
- Romany fellow, and French dwelling in Switzerland (6)
- How to besiege the City or put money into it (6)
- Leopold would blossom, according to Joyce (5)
- It's the fashion to decapitate a rascal after five (5)
- Wish it hadn't happened to stand for repentance (3)

SOLUTION: BL TWO-WAY CROSSWORD 2703

ACROSS 1. Irked 4. Theorem 8. Donor 9. Recital 10. Car 11. Different 12. Rude 13. Liar 18. Negotiate 20. Tic 21. Treated 22. Panto 23. Descent 24. Reels

DOWN 1. Indocrinated 2. Kindred 3. Deride 4. Thrift 5. Etched 6. Rathe 7. Military cross 14. Intense 15. Statue 16. Bandit 17. Temper 19. Guess

Rational expectations

Investors are reassessing AI valuations

Tech-heavy indices like the Nasdaq and South Korea's Kospi have seen big selloffs in recent days, suggesting that optimism around artificial intelligence-related (AI-related) stocks is fading. The Nasdaq is down around 9 per cent from recent highs. AI-related stocks have seen massive bull runs in the past two years. Investors seem to be taking some profits off the table and reviewing prospects more soberly. Most semiconductor stocks are still up by over 100 per cent from 12 months ago. Caution and profit-taking after massive gains are a rational and healthy process. However, there have also been massive corrections. SpaceX, for example, has seen a selloff, which has sliced 50 per cent off its peak value in just one month. Semiconductor players like AMD, Taiwan Semiconductor Manufacturing Company, SK Hynix and Samsung have lost between 15 per cent and 45 per cent of their respective values. Nvidia, which was the world's most valuable listed company for a while, has seen a selloff, which pulled its share price down by 17 per cent. (Apple has overtaken Nvidia to become the world's most valuable company.)

AI is transformative. People expect it to not only generate gargantuan profits but also to alter the way society functions. It is considered so foundational in impact that it has been compared to the usage of fire or the invention of writing. Trillions have been pumped into the sector. But some investors are now reviewing financial models to apply basic valuation criteria. By traditional metrics, AI stocks may be unbelievably overvalued. AI may eventually yield huge profits. But right now, most AI names like SpaceX, OpenAI, and Anthropic are burning through mountains of cash. AI-related infra stocks such as Nvidia, Hynix, AMD and the hyperscalers running AI-driven data centres are making profits. But they are ultimately dependent on demand from a buildout in a loss-making sector, which is sucking in capital without generating concrete returns.

Expectations are moderating because investors see losses mounting quarter on quarter while the timelines to profits stretch. Chipmakers and data centres may find their revenues shrinking if demand becomes unsustainable. It's like a gold rush where the makers of mining equipment are dependent on the production of the precious metal to sustain demand. If gold is not mined in sufficient quantity, the demand for shovels eventually evaporates. This is also the quarterly reporting season. Google and Tesla plunged briefly because management in both committed to continue spending billions on AI despite losses in that segment. Meta, Microsoft and Amazon are expected to declare results in the coming days. Investors will be examining their respective AI exposures with a microscope.

Another trigger for bearishness is reported breakthroughs in semiconductor design and manufacturing processes by a company in China. If this slices the cost of chips, it will eat into the revenues and profits of Nvidia and others. In that case, companies such as Meta, Alphabet, Open AI, Anthropic, and Oracle, which have committed hundreds of billions to current chip technology, may find themselves in deep waters as cheaper technology comes into focus. There is also increasing opposition to data centres, with many governments banning data-centre construction due to the vast requirements of water and energy. In addition, there are fears of AI gutting employment, leading to a fall in consumption demand. The AI bubble may not have burst. But the recent profit-booking should lead to more rational evaluations of the pros and cons of the technology. This could also lead to a rotation of capital to a country like India, which is not seen as a big AI play.

Green signals

SC reinforces environment-compliance regime

By quashing a 2021 Office Memorandum (OM) that granted retrospective environmental clearance to projects starting work without green approval, the Supreme Court has taken a step towards restoring the primacy of the compliance regime. The three-judge Bench pointed out that the 2021 OM was an administrative order that, in effect, established a perpetual post facto clearance regime and "substantially" altered the criteria for granting environment clearance under the 2006 notification. This 20-year-old notification requires projects to undergo a rigorous "Environmental Impact Assessment" under the Environment Protection Act, 1986. At the same time, the apex court upheld the Centre's 2017 notification, which provided a six-month window for projects that started, expanded or changed the product mix without prior environmental clearance to apply for regularisation. The court described this notification as a "narrowly tailored one-time regulatory measure".

The latest judgment can be seen as seeking a balancing act between a May 2025 judgment of a two-judge Bench and its recall in November. The first judgment (*Vanashakti* versus *Union Of India*) struck down both the 2017 notification and the 2021 OM as illegal and arbitrary and a violation of the fundamental principles of environmental jurisprudence. A Karnataka-based construction confederation and the Union government appearing for Steel Authority of India Ltd (SAIL) appealed against this judgment, which was recalled in November by a 2:1 majority of a three-judge Bench led by then Chief Justice B R Gavai on the grounds that demolishing big-ticket ongoing projects would waste thousands of crores of rupees and harm the public interest. These projects included, among others, a greenfield airport in Karnataka, an AIIMS (All-India Institute of Medical Sciences) hospital in Odisha, a SAIL plant and, ironically, some effluent-treatment plants (the dissenting note came from Justice Ujjal Bhuyan, who was part of the Bench that delivered the May 2025 ruling).

The latest judgment does three things. First, it has been made applicable with prospective effect so that projects started under the 2017 and 2021 relaxations will not be impacted, the idea being to minimise disruption. Second, it underlines that projects do not have the carte blanche to violate environmental laws with impunity. Third, it has held that the Union government may still permit environmental clearance in exceptional cases and in the public interest if it does so through a valid notification under the Environment Protection Act, 1986. The latter ruling acts as a check on executive powers by subjecting the exemption to greater scrutiny. Under the Act, exemptions require a formal statutory notification and hold the potential for judicial scrutiny to ensure that projects do not violate the precautionary principle in the law — by causing serious or irreversible environment damage, for instance. The efficacy of the latest ruling lies in the degree to which the central government and states choose to honour the spirit of the environment-protection principle. Streamlining a somewhat cumbersome approval system, which can take up to 18 months and includes expert-committee appraisals and public hearings, would be a practical first step. This would deter investors from resorting to the cycle of non-compliance and lobbying, which has resulted in a feeble green governance regime so evident in India's steadily degraded air, rivers, forests and other natural resources.

Services: The next jobs engine

As labour intensity converges across manufacturing and services, it's time to rethink the role of services in job creation



ILLUSTRATION: AJAYA MOHANTY

Over the past month, the country witnessed widespread protests asking for fairness in the examination system for admissions to major courses and for entry into government jobs. The final trigger was the leak of the question papers for the National Eligibility cum Entrance Test for Undergraduate (Neet-UG) exam, but the protesters flagged a number of other exams as well.

In response, the government has introduced a new Bill in Parliament — Public Examination (Prevention of Unfair Means) Amendment Bill, 2026 — to impose more stringent punishment on anyone found responsible for any leaks. The National Testing Agency (NTA) — the body that conducts the Neet exam and other critical exams like the Common University Entrance Test — is being overhauled with the suspension of 47 officials.

Questions being raised about the examination system relate to the basic issue of fairness. The possibility of papers being sold for a price undermines the credibility of the system. Therefore, there is a need for an overhaul. Not just of the NTA, but of all the other agencies that conduct a range of examinations for entry into various higher education programmes/courses or into public sector jobs. Alongside, however, we need to ask a fundamental question — what drives the creation and sustenance of a market for leaks? Perhaps the answer lies in the nature of the job market in India.

The Periodic Labour Force Survey (PLFS) provides some startling numbers on the composition of jobs in India. The PLFS classifies information on the composition of workforce into regular workers, self-employed and casual workers and the corresponding wages. The share of regular workers in total workforce was 23.6 per cent in 2025, a little more than half being in government or public enterprises. The self-employed account for more than half (56 per cent), with the remaining being casual workers. The average

wage for regular worker was reported to be at ₹22,699, which is higher than the monthly earnings of self-employed ₹14,861, and of casual workers at ₹10,000, assuming a worker works for 22 days in a month. Even among the regular workers, there is considerable variation — over 50 per cent have no written job contract and no social security benefits.

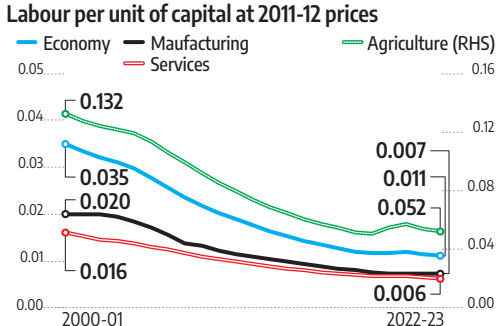
To understand the differences in wages across activities, the survey reports a number of occupation divisions — the ratio of the highest to the lowest wages within regular workers is 4:1. Juxtaposing the highest-wage-earning occupation with casual workers, the differential is 7.4 times, assuming that casual workers get to work 22 days in a month. To top this off, there is a public-sector premium, especially in lower-level jobs. On the other hand, the self-employed category includes a number of unpaid family workers, suggesting significant underemployment in the economy and poor returns to effort.

Fewer well-paying jobs and a wage premium for public-sector jobs drive a sharp demand for these jobs and the getting in "by hook or by crook" principles come into operation. The interested candidates would be more than willing to tip the scales in their favour, if the opportunity presents itself. These create the incentive structures for paper leaks. Thriving coaching institutes are also another manifestation of this premium.

So, while the short-term fix is the proposed law and the overhaul of the agencies conducting the examinations, we need to look at the number of job opportunities the economy is creating as well to address the root cause.

The economics of job creation in the country has changed significantly over the years. The KLEMS database suggests that labour per unit of capital has declined steadily over time across all major sectors. In other words, the economic activity is becoming more capital-

The capital equation



Source: KLEMS database and author calculations

intensive over time. While agriculture and allied services continue to record a higher ratio compared to the rest of the economy, this ratio for manufacturing and services is converging rapidly.

The trends in technological progress suggest further intensification in capital intensity over time. The evolution of artificial intelligence (AI) is likely to bring in a new wave of automation for routine tasks both in physical and mental activities. This is a challenging time for policymaking. Global competitiveness presents the need to be on the technological frontier. From this perspective, policy should encourage the creation and adoption of new technologies. This is an essential aspirational step, creating a share in global intellectual property rights for India along with corresponding income streams. However, these developments do not address the current need for decent jobs for the surge of youth entering the job markets.

The similarity between labour per unit of capital for manufacturing and services suggests that the cost of generating new employment is comparable across both these broad sectors. Perhaps, it is time to look at services as the powerhouse for creating jobs in this new era of automation. According to KLEMS data, among the major services, some of the relatively labour-intensive sectors are construction, trade, hotels and restaurants, education and health.

The first three could contain a larger component of unskilled work, while the latter would involve a skilled workforce. Could it be time for re-examining the role that education and health care play in this scenario? Improving the quality of services in both these sectors could make India a hub for health and education, while providing a range of employment opportunities for the youth. An ageing population globally and in India, too, would create opportunities. These sectors could provide a range of jobs that are AI-proof in the medium term. The need of the hour is better regulation for supporting the quality of services in both these sectors.

The writer is director, National Institute of Public Finance and Policy. The views are personal

Ecommerce's trust problem

India's ecommerce market has expanded rapidly over the past decade, moving beyond metros to reach consumers in Tier-I and Tier-II cities. The sector, which was valued at around \$14 billion in 2014, has grown to nearly \$120-130 billion in 2024 and is expected to continue its growth trajectory.

However, several concerns have also been raised. First, despite this remarkable expansion, platforms have not been able to turn profitable, even though their gross margins are comparable to those in other countries. Second, there have been controversies surrounding the conduct of platforms, including violations of foreign investment rules, preferential treatment of sellers, deep discounting practices, and inadequate competition safeguards. Third, concerns have emerged over the working conditions and social protection of gig workers who form the backbone of the sector.

The recently released "India E-Commerce Report 2026: Innovation in the Merchandise Space" by the Centre for Social and Economic Progress examines the evolution of India's merchandise ecommerce sector, its market structure, policy challenges, and the conditions needed for sustainable growth. The report also highlights an important gap in the policy discussion — the lack of reliable, comparable and publicly available data. Without consistent information on market size, platform activity, employment, value added, and regional penetration, it is difficult to accurately assess the sector's economic contribution or design appropriate policy interventions.

While Indian ecommerce platforms earn gross margins of 40-45 per cent, comparable to their global peers, they continue to report negative net margins. The problem lies in the high cost of servicing customers. Low average revenue per user and relatively small order values limit revenue generation, while logistics costs remain disproportionately high for low-ticket purchases. Two features of the Indian market further raise operating costs. Cash-on-delivery, which

still accounts for 55-60 per cent of orders in Tier-II and Tier-III cities, compared with less than 10 per cent in China, increases working capital requirements and return-to-origin costs. At the same time, return rates of 25-40 per cent, well above the global average of 17-25 per cent, substantially increase reverse logistics expenses.

These challenges point to a broader issue of consumer trust. A continued reliance on cash-on-delivery and high product returns suggest that many consumers remain uncertain about product quality and seller reliability. Building trust through stronger quality assurance, seller verification, grievance redress, and action against counterfeit products may, therefore, be as important as improving delivery speeds. Reducing logistics costs — particularly in last-mile delivery, which accounts for nearly 60 per cent of logistics expenditure — will also be critical to improving the long-term viability of the sector.

A profitable ecommerce ecosystem also matters for India's micro, small, and medium enterprises (MSMEs). Digital platforms have expanded market access for MSMEs, and cross-border ecommerce will only strengthen these opportunities. Platforms in China, Brazil and Mexico became profitable alongside rising household incomes, better logistics, deeper digital ecosystems and expanding cross-border commerce.

Lack of sufficient competition in ecommerce in India has often been cited as one of the key pitfalls. As in most countries, India's ecommerce market has evolved into an oligopoly, with Amazon and Flipkart accounting for 55-60 per cent of sales. Some degree of concentration appears to be a fundamental outcome of platform economics. In fact, India's market is more competitive than most. The continued emergence of smaller and niche players across segments suggests that the market remains contestable. New entrants are able to grow by differentiating their business models or targeting specific consumer groups.

The regulatory focus, therefore, should be less on

market structure per se and more on making the market more contestable by strengthening public digital infrastructure, reducing logistics frictions and cross-border compliance costs, and supporting MSME participation. India's foreign direct investment (FDI) policy, which permitted foreign investment in marketplace models but not inventory-based models, had also become increasingly difficult to enforce, as private labels, preferred sellers and control over pricing often blur the distinction. The government's recent decision to allow FDI in inventory-based ecommerce models for the export of domestically manufactured goods is therefore a welcome step.

The move recognises that inventory-led models can improve logistics and expand market access for Indian manufacturers. If these benefits are acknowledged for exports, then it is legitimate to ask whether distinguishing between marketplace and inventory models remains the right basis for regulating domestic ecommerce. Rather than regulating business models, policy should focus on preserving fair competition, preventing anti-competitive conduct and ensuring a level-playing field for all market participants.

Gig workers have become the backbone of ecommerce. Delivery partners and warehouse associates make reliable delivery possible, often in difficult conditions. Their interests must be at the centre of both platform strategy and government regulation. Platforms that retain workers have lower churn costs and better customer experience.

Ecommerce has the potential to grow rapidly, especially in Tier II and Tier III cities, and generate substantial employment across logistics, warehousing and MSME supply chains. The challenge is to balance the interests of platforms, sellers, gig workers and the state. If we get the fundamentals right — trust, standardised measurement, open infrastructure, and worker welfare — India's ecommerce will also be inclusive.

The writers are, respectively, senior fellow and former associate fellow at the Centre for Social and Economic Progress, New Delhi

Gender biases in technocapitalism



ROOHNI NARULA

What does the unfiltered inner life of a woman sound like? Her anger, her longing, her despair, her contradictions — the thoughts too unruly to be spoken aloud. *Your Perfect Dream Girl: Influencers, AI, and the Future of Desire* by Sukhniidh Kaur is nearly 300 pages of that voice, unfolding into a provocative critique on artificial intelligence (AI), desire, and the gendered politics shaping India's technological future.

Written as 25 letters to a faceless man, Ms Kaur lays bare her inbox, responding to the messages she received after

becoming an influencer at just 13 years old. Drawing on her own experiences and her work in digital rights, technology policy, and engineering virality for public figures, she interrogates what she calls "patriarchal technocapitalism", a system in which "businesses build technology that generates profit by optimising the consumption of women".

As the back cover succinctly argues, the book advances a single thesis: "Women are the most lucrative product of every technological revolution." The book's most courageous achievement is its willingness to turn the lens inwards to make this argument. By opening up her own life to scrutiny and dissecting her experiences, Ms Kaur attempts to understand the workings of patriarchal technocapitalism not as an abstract theory but as something lived and embodied. That vulnerability lends the book both its emotional weight and much of its intellectual force. Ms Kaur speaks boldly about her struggles with

the disillusionment the internet caused her, including body image issues and depression. For that reason alone, this book is itself an act of courage that India needs.

What I found particularly compelling is Ms Kaur's insistence that this book is addressed to men, challenging the assumption that feminism is a conversation meant only for women. She writes, "I think we speak to too many women, and not enough men, about power. It's a curious imbalance... we can educate women and change the law, but as long as men do not unshackle themselves, we will not be free." The book sets out to show men how patriarchal technocapitalism harms them too. For readers who are not cisgender heterosexual men, reading these letters can feel like "eavesdropping on a private, painful confrontation." By continually shifting the reader's position, Ms Kaur invites us to locate ourselves somewhere on the spectrum between the

consumer and the consumed. It is a fascinating narrative choice that transforms reading into an act of self-examination.

Readers can expect discussions ranging from the influencer economy and deepfakes to AI girlfriends, algorithmic desire, and the male loneliness epidemic — all packaged as witty, incisive letters to a faceless man. Throughout, Ms Kaur argues that technology is never a neutral invention. Every platform, algorithm, and product is designed by people operating within existing structures of power, not outside them. She asks her faceless man, "I wonder if you know that technology is not just weaponized post-fact by patriarchy, but often built because of and for it?" She adds, "Women are always in demand and have created the need for innovation in new media formats, repeatedly making us early drivers of technological adoption and



Your Perfect Dream Girl: Influencers, AI, and the Future of Desire
by Sukhniidh Kaur
Published by Penguin Books
296 pages ₹499

resses, however, that same style occasionally obscures rather than illuminates, making concepts that could have been explained more directly feel unnecessarily dense, particularly for readers who may not already be familiar with academic discourse on gender. At times, the writing style gets lost in itself, playing so many

tricks to keep the reader entertained that it forgets to do what a non-fiction book must do: Explain things clearly to a reader who might be encountering the idea of technology as a weapon of patriarchy for the very first time.

Near the end, Ms Kaur announces, "I am going to name the system we've been circling and give it good bones." Unfortunately, by that stage many readers may already feel exhausted. Those who persevere, however, are rewarded. The final chapters are the book's clearest and most illuminating, grounding earlier arguments through clear definitions and concepts such as "self-similarity" and demonstrating how individual experiences can reveal the architecture of much larger systems.

Your Perfect Dream Girl: Influencers, AI, and the Future of Desire is an ambitious, fearless, and deeply original work. It is not always an easy read, nor is it consistently clear, but Ms Kaur's courage and depth of knowledge far outweighs its flaws.

The reviewer is a communications professional

Economy

FRIDAY, JULY 31, 2026

IN THE NEWS

PM CALLS FOR UNINTERRUPTED FUEL SUPPLIES

PRIME MINISTER NARENDRA Modi on Thursday directed the government to establish a unified mechanism for regular monitoring of the West Asia conflict as India stepped up measures to protect petroleum, cooking gas and fertiliser supplies and assist seafarers and citizens exposed to the crisis. "Availability of adequate crude oil has enabled Central Public Sector Enterprise refineries to operate at utilisation levels exceeding 100%, ensuring continued production of petrol, diesel and other petroleum products," the government statement said. "All measures be taken for ensuring uninterrupted supply of fertilisers," PM said. The review assumes significance as the conflict threatens energy flows from West Asia, a key sourcing region for India.

Work begins on Andhra's Tata & Suzlon projects

ANDHRA PRADESH IT Minister Nara Lokesh on Thursday laid the foundation stone for Tata Power and Suzlon's renewable energy projects with a combined investment of ₹5,750 crore in Kurnool. The state has emerged as the preferred destination for global investors, he said.

India, Germany submarine deal soon: Ambassador

INDIA AND GERMANY are expected to sign a deal for next-generation submarines "very soon", German Ambassador to India Philipp Ackermann said on Thursday. India and Germany are reportedly finalising an estimated £8 billion (over ₹90,000 crore) Project-75I submarine agreement.

NHAI to develop world-class toilet facilities at tolls

STATE-OWNED NHAI ON Thursday said it has launched a nationwide initiative for the development of world-class public toilet facilities at the toll plazas in a step towards enhancing commuter convenience and improving toilet facilities along the National Highway network.

GSTN defers proposed e-way bill enhancements

GST NETWORK HAS put on hold two proposed e-way bill enhancements after hearing industry feedback on the proposal. The two enhancements that were proposed to be implemented from August 1 were the mandatory capture of the 'Ship-To GSTIN' in Bill-to/Ship-to transactions and introduction of a 'voluntary closure' facility.

Paresh Ranpara assumes charge as NHPC Director

STATE-OWNED HYDROPOWER GIANT NHPC on Thursday said Paresh Raskilal Ranpara has assumed charge as Additional Director and Director (Personnel). The company's board had cleared the appointment for the post on Tuesday.

— AGENCIES

200 MORE ITEMS EARMARKED FOR LOCAL PRODUCTION

Import substitution policy poised to gather momentum

● More schemes are being planned based on the PLI learnings, says DPIIT secretary

MUKESH JAGOTA
New Delhi, July 30

IN KEEPING WITH its policy to promote import substitution, the Union government has identified over 300 imported products for domestic manufacturing, expanding an initial target of 100 items.

The selected products could be manufactured locally by Indian firms through direct production, joint ventures, or technology transfers, Secretary in the Department for Promotion of Industry and Internal Trade (DPIIT) Amardeep Singh Bhatia said while addressing the Indo-German Chamber of Commerce (IGCC) Industry Dialogue here on Thursday. "We initially began a process to identify 100 products that are either not made in India or produced at a very small scale. In the process we found out that it is not only 100 but we can look at more than 300 products which can be taken up in the country for manufacturing," he said. The official added that more schemes are being planned based on the learnings from

PRODUCTION PUSH

■ India expands import substitution list to 300-plus products from initial target of 100

■ Companies can make identified products via local production, JVs or technology transfers

■ Government plans new manufacturing incentives beyond PLI with deeper industrial policy focus



■ Focus areas include pharma inputs, electronics components, EV parts and industrial chemicals

Production Linked Incentive (PLI) schemes which will involve deeper industrial policy interventions. "These will aim to not only address gaps in the earlier schemes but also ensure that there is a deeper penetration of industry in whichever sectors we are focused on."

The policy is primarily aimed at boosting domestic production of various intermediate goods, inputs, and components.

To make it easier to do business in India the government has high-level committees looking at reforms across sectors at the central government level. "We have a deregulation cell that has been set up in the Cabinet Secretariat which is looking at deregulation at the state government level."

The secretary said 600 reforms have been identified: sectoral reforms and reforms cutting across sectors. Some of these reforms have also been implemented and monitored at various levels right up to the highest level. These are also having an effect within the government.

"It has also snowballed into the departments thinking of bringing in more reforms. The departments are changing their mindset to bring in more reforms to make it easier for businesses to do what they have to do," Bhatia said.

The focus on manufacturing has further strengthened over the last 2-3 years. The 20 industrial townships have been rolled out and are at various stages of implementation.

EU FTA has provisions to address CBAM concerns, says Centre

FE BUREAU
New Delhi, July 30

THE INDIA-EUROPEAN UNION Free Trade Agreement (FTA) has adequate safeguards to protect Indian companies from the impact of the European bloc's Carbon Border Adjustment Mechanism (CBAM), while ensuring that domestic exporters benefit from any future relaxation in the carbon tax regime, a senior commerce ministry official said on Thursday.

"CBAM took a lot of negotiating capital... In the text, there is a separate annexure on dealing with CBAM. The first pillar is that in case of flexibility in future in (CBAM), that will be available to India," Additional Secretary in the Department of Commerce Darpan Jain said at Indo-German Chamber of Commerce (IGCC) Industry Dialogue. Jain also is the Chief nego-

CARBON SHIELD

■ India-EU pact includes CBAM protections for domestic firms and exporters

■ Indian companies may benefit from any easing of EU carbon tax rules



■ Agreement allows India-EU authorities to recognise carbon prices paid in India

■ India and EU announced conclusion of FTA negotiations on Jan 27

tiator of India-EU FTA.

CBAM compliance has been a major concern for small and medium enterprises (SMEs), particularly regarding verification processes, calculation of embedded carbon in products and ensuring that verifiers are recognised by European Union authorities.

The agreement also provides for engagement between India and EU authorities to account for the carbon price paid in India

and adjust it against the final carbon tax liability payable in the 27-member bloc.

"India is currently developing its own carbon pricing mechanism. So, how to offset what is paid in India from what is paid in Europe, so even that is part of it," he said.

"There is a comprehensive work plan under annexure on CBAM in FTA and we are working on it and I am very hopeful that SMEs will not face any

problem," Jain added.

The EU's CBAM, which came into effect on January 1, imposes a carbon tax on imports of carbon-intensive products such as steel, aluminium, fertilisers and cement where emissions during production exceed the threshold set by the bloc. At present, the mechanism applies to steel and aluminium products.

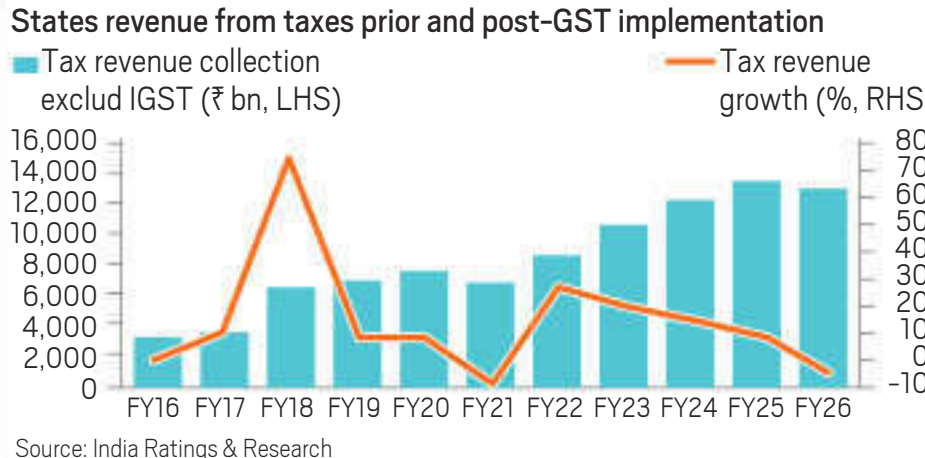
India and the EU announced the conclusion of negotiations for the FTA on January 27.

STATES' GST GROWTH AT A 5-YR LOW IN FY26

STATE GOVERNMENTS' TAX revenue growth surged after the Goods and Services Tax was introduced in July 2017, aided by a guaranteed 14% annual revenue "compensation" funded through an additional cess. After the compensation ended in June 2022, revenue growth weakened, returning to pre-GST levels. A study of 26 states by India Ratings & Research found GST receipts rose 75%



y-o-y in FY18, excluding IGST settlements. Growth slowed in FY19, fell 9.5% in FY21 due to the pandemic, eased to 21% in FY23, and hit a five-year low of -4% in FY26 after tax-rate cuts. — SAIKAT NEOGI



El Nino intensifies to moderate level: Govt

SANDIP DAS
New Delhi, July 30

EL NINO CONDITIONS intensified to a 'moderate' level this month from 'weak' conditions that prevailed in July, the Ministry of Earth Sciences said in Parliament on Thursday.

"El Nino is likely to strengthen further during October-December 2026 and may reach a very strong category," the ministry stated in response to its impact on the monsoon.

However the ministry stated that El Nino's exact intensity and impact over the Indian region depend on the evolution of coupled ocean-atmosphere conditions, of which El Nino is one factor.

Due to the possible impact of El Nino on the monsoon, the India Meteorological Department (IMD) stated in May in its revised forecast that monsoon rainfall is likely to be 90% of the benchmark long period average during the current season, which is in the 'defi-

DEFICIT AT 14%



■ The deficiency in rainfall during June 1 - July 30 has come down to 13.9%

■ IMD flags potential rainfall pressure as El Nino develops

cient to below normal' range.

While June rainfall was 40% below the benchmark, the monsoon revived early this month bringing the deficiency in rainfall during June 1 - July 30 down to 13.9%. In July, rainfall has been just 1% below the benchmark or in the normal range.

The IMD stated that El Niño conditions prevail over the equatorial Pacific Ocean, with sea surface temperature anom-

alies remaining above normal across the central and eastern equatorial Pacific.

"These conditions are expected to strengthen further during the south-west monsoon season," the met office stated.

The ministry also clarified that the World Meteorological Organisation and IMD do not have an officially defined category known as 'Super El Nino'. The met office also stated that El Nino events are classified as weak, moderate, strong, or very strong based on the magnitude of sea surface temperature anomalies over the equatorial central Pacific Ocean.

Meanwhile, IMD forecasts heavy rainfall over central, west, east and southern regions during the next week because of a deep depression.

"Rainfall is likely to be normal to above normal over most parts of South Peninsular India, and East India during next one week, while overall, the rainfall is likely to be normal during the next one week.

● Sharp uptick in unofficial inflows

RAJESH BHAYANI
Mumbai, July 30

INDIA'S GOLD DEMAND fell 6% year-on-year (y-o-y) to 131.4 tonne in the April-June quarter, weighed down by seasonally subdued sales, higher import duty and Prime Minister Narendra Modi's appeal to reduce purchases of the precious metal, the World Gold Council (WGC) said in a report on Thursday.

Jewellery demand declined 15% y-o-y to 75 tonne, the second-lowest quarterly level in the WGC's data series since 2000. However, India remained the world's largest gold jewellery market in the quarter, accounting for 27% of global demand, followed by China at 25%. In the June 2026 quarter, demand was sup-

INAUSPICIOUS PERIOD IMPACT

■ India's Q2 gold demand falls 6% y-o-y to 131.4 tonne amid weak seasonal buying

■ Jewellery demand drops 15% to 75 tonne, second-lowest quarterly level since 2000



■ India retains top spot in global jewellery demand with 27% share, ahead of China's 25%

ported by Akshaya Tritiya and wedding-related buying, as gold prices eased from their Q1 peaks. However, demand weakened from the middle of the quarter due to the month-long inauspicious period from mid-May to mid-June and the 9% hike in import duty.

India has also seen a rise in

unofficial gold inflows since the government raised import tariffs on the precious metal earlier this year, widening margins for grey-market operators and hurting organised players.

"The arbitrage is so huge. I mean, with the 15% duty and 3% GST, there's an 18% difference, and that almost spurs an

entire industry," Sachin Jain, chief executive of WGC's Indian operations, told Reuters.

Grey-market inflows and the disruption they cause are hurting organised players, Jain added. Indian enforcement agencies seized nearly twice as much gold between May 13 and June 30 as they did between April 1 and May 12. Seizures rose to 160.91 kg from 86.16 kg, according to data the government shared with Parliament earlier this month.

The WGC's India demand report, released alongside its global demand report, said exchange-led purchases gained traction as a key source of demand support, aided by aggressive promotion of exchange schemes by jewellers. Retailers reported a 10-20% increase in exchange volumes, with such purchases accounting for up to 70% of sales in some cases.

(With inputs from Reuters)

● TODD MCCLAY, TRADE MINISTER, NEW ZEALAND

'FTA to take effect by 2026-end, our tariffs zero from Day 1'

New Zealand is expected to complete the ratification of the India-New Zealand Free Trade Agreement (FTA), signed in April, by the end of September, paving the way for the deal to come into force before the end of 2026. Direct flights between India and New Zealand are also expected to begin within the next couple of years, further strengthening bilateral trade, investment and people-to-people ties, Trade Minister Todd McClay tells Prasanta Sahu in an interview in Wellington. Excerpts:

When is the FTA coming into effect, and could you share the progress of the ratification process in New Zealand?

It's the highest-quality agreement either country has

done. We completed it within nine months of intense negotiation, and it will deliver greater prosperity for the people of India and New Zealand. Both countries are going through the ratification process. We have completed our treaty examination and are now making the legislative changes needed to reduce tariffs

to zero for all goods from India into New Zealand on day one, along with implementing the other commitments we have agreed to.

We hope to have that finished by the end of September. The two governments will then agree on a date for the agreement to enter into force, with the aim of making it fully operational before the end of this year.

Where do you see bilateral trade in the next few years after the FTA comes into effect?

It's going to grow significantly in both directions. While New Zealand is a modestly sized country of just five million people, we import up to NZ\$20 billion worth of goods each year from many of our trading partners.

From India, it's only a few billion dollars at the moment, so I think it will grow very quickly. We believe that over the next two or three years, two-way trade can double, and then double again.

But the most important part of the agreement is not just the goods we buy and sell to each other. It's the relationships and the people-to-people links that will grow.

Air New Zealand has announced that it is opening three offices in India to promote



New Zealand as a destination. Air India and Air New Zealand are also cooperating and have sought regulatory approval for a codeshare arrangement. I think we will see direct flights between India and New Zealand over the next couple of years, and that will significantly strengthen the relationship.

The FTA also includes a provision to promote \$20 billion in investment in India. Which sectors is New Zealand looking to invest in?

It's a commitment on the part of the New Zealand government to promote investment into India. The country's business sector will make its own decisions about where it wants to invest, but I think it will be broad

and diverse.

Already, we're seeing New Zealand companies opening offices and setting up manufacturing plants in India. We also expect some of our larger companies to partner with Indian businesses.

In the early years, you'll see cooperation and investment in food production, agricultural technology and innovation. We've made commitments to help raise the earnings of Indian farmers, particularly in kiwifruit, apple production and honey. One idea is to sponsor students to pursue PhDs in New Zealand in areas such as horticultural production. We'll be bringing investors to the Indian market, and India has committed to setting up a fast-track investment desk to make approvals happen more quickly, making it easier for New Zealanders to invest. It's

the first time India has done that for any country.

Are you also negotiating a bilateral investment protection treaty with India?

There is already an investment chapter in the agreement, so we don't need a separate treaty. It is part of the FTA.

Is there a roadmap for cooperation in critical technologies, critical minerals, clean mobility and semiconductors?

When Prime Minister Modi was here recently, we signed a number of broader cooperation agreements in addition to the FTA.

(The writer is in New Zealand at the invitation of ANZ Bank NZ) Read full interview on www.financialexpress.com



FUELLING DEBATE

Union Minister Nitin Gadkari

The fuel efficiency of vehicles may be reduced by 2 to 6% depending on the vehicle category and vintage. The tests for engine durability on a dynamometer and vehicle tests on road have not shown any failures due to E20

Bang for agri-R&D buck

This includes productivity gains and enables farmers to cope with vagaries of climate change

STEPPING UP RESEARCH and development (R&D) — from less than 0.5% to at least 1% of the gross value added (GVA) of India’s agricultural sector — is imperative to realise the government’s aims in prioritising the sector as a first engine of growth. The farm economy is expected to grow by 5% per annum, higher than current levels of 3%, for India to become a developed nation by 2047. The bang for the R&D buck surpasses the returns from all other activities relating to farming. In 2024, a working paper of the National Institute of Agricultural Economics and Policy Research — that operates under the Indian Council of Agriculture Research (ICAR) — estimated that a rupee in R&D yields a return of ₹13.85. Every rupee of agri-R&D yields better returns than a rupee spent on food and fertiliser subsidies.

ICAR’s director general, ML Jat, has gone further in reportedly arguing that agri-R&D was responsible for a third of the rise of the country’s agricultural GVA. This works out to ₹55,000 crore out of the total value of output increase of ₹1.7 lakh crore in 2025-26 over 2024-25. This was attributed to higher-yielding seeds, better mechanisation, improved germplasm for horticultural crops, etc. The total gain was apportioned into three equal components, notably R&D, government policies and development programmes, and farmers’ efforts. According to the director general, agri-R&D deserves at least one-third of the credit as higher investments or greater farmer efforts by themselves would not deliver comparable productivity gains. This informed estimate was intended to illustrate gains that ensue from public agricultural research.

R&D also contributes to making agriculture more climate-smart and sustainable. In this regard, the good news is that research-intensive agribusiness conglomerates are addressing such challenges. ITC is scaling up its climate-smart agriculture (CSA) initiative that includes region-specific practices to minimise the impact of heatwaves and unseasonal heavy rains, introduction of heat-tolerant varieties, dry land agricultural practices such as broad bed and furrow system, mulching, reducing water use (more cropper drop), and use of heat-ameliorating sprays. This initiative covers 3.2 million acres across 17 states benefitting 1.2 million farmers. CSA practices in rice and wheat have reduced cost by over 20%, improved yields by around 10%, and enhanced net returns by over 23% compared to conventional practices, according to Sanjiv Puri, ITC chairman and managing director, in his address to the 115th annual general body meeting.

The heavy-lifting on agri-R&D, however, will have to be done by the government which can serve to crowd in efforts of the private sector. The agriculture ministry has two departments — one for agriculture and farmers’ welfare, and the department of agricultural research and education (DARE). The ruling dispensation must walk the talk by boosting agri-R&D to unleash productive forces which ensure that growth in the sector accelerates to 5%. Agricultural economists like Ashok Gulati have in fact forcefully underscored the need to double the budgeted spend on DARE which received an allocation of ₹9,967 crore in Budget 2026, that is less by 3% than the revised estimate for Budget 2025. There is also extremely meagre spending on extension services when compared to the global average. Given the substantive contribution of R&D in driving the incremental increase in agri-GVA, the upshot is that it must be stepped up as an overriding national priority.

British billionaire making a brave bet on cheap luxury

RETAIL BILLIONAIRE MIKE Ashley has just checked into Burberry Group, the 170-year-old British clothing company famed for its trench coats and distinctive patterned details.

Ashley-owned Frasers Group announced this week that it had entered into option agreements to acquire up to 4.2% of Burberry’s shares, which would make it one of the luxury group’s biggest shareholders.

The tycoon and the clothing firm are both UK institutions, the first because of his brash wheeler-dealing that sometimes pays off and sometimes doesn’t, and the other as a brand whose appeal has stretched from financiers to football hooligans. So it’s natural that they might cozy up. I’m just surprised it has taken him so long to build a stake hefty enough to be disclosed to the market.

That the development comes now tells us something about both Ashley and the luxury sector. Much of the tentative recent recovery in this market has been driven by wealthy US shoppers buying expensive Cartier and Tiffany jewellery and Hermes handbags, but that hasn’t been much use to Ashley. Frasers Group owns Flannels, a chain of UK stores selling the more affordable end of luxury clothing and shoes, and its middle class customers have been squeezed by the cost of living crisis lately.

A key challenge for Flannels is making sure it retains access to the slightly lower-end luxury brands favoured by its customers, a task made harder when people are spending less in its stores. This is also why Ashley has built a chunky stake in another storied British fashion company, Mulberry Group, and has launched a bid for Hugo Boss. With a seat at the table, Ashley can strengthen the relationship with suppliers and ensure he gets ample supply.

He also likes a gamble and to squeeze value from his stakes. But Burberry shares have doubled over the past two years, and it’s hard to see a stellar return from here.

You can’t rule out a possible takeover offer. After all, the British clothier doesn’t have a controlling shareholder, unlike many top luxury groups such as LVMH Moët Hennessy Louis Vuitton. Still, a bid looked more plausible in 2024 when the shares were below 600 pence rather than near 1,200 pence.

At least Ashley and Burberry have a common aim: trying to find a sweet spot for cheaper luxury. Burberry has pivoted from wanting to compete with the likes of Louis Vuitton to playing in the less pricey part of the market, similar to the successful strategy followed by Ralph Lauren in the US.

Even the European giants of luxury have been trying to reconnect with these so-called aspirational shoppers. LVMH said this week that leather monogrammed bags in novel shapes were selling well to people seeking their first top-end item. Kering is pricing its Gucci products more competitively, helping its biggest brand improve sales in recent months.

If other luxury sellers follow suit, and are prepared to produce more affordable items — and, crucially, supply them to Flannels — this would be welcome news for Ashley. The danger is that they turn the other way, and go all in on the 1%.

Indeed, smaller fashion houses that target the less-well off are taking a risk, considering that they don’t have their giant peers’ broader reach to cushion the blow when a particular product category struggles. While Burberry’s “accessible” pivot — led by its coats and scarves — has worked out so far, there’s always a chance that its revival may eventually run out of steam. Buyers of cheaper luxury are by nature more fickle because there’s much less of a financial investment in a checked scarf than in a \$10,000 handbag.

As Ashley tries to shore up his position amid the cost of living squeeze, he’s also looked at buying Harvey Nichols, according to *Sky News*, another cherished British institution thanks to its hallowed status in the 1990s sitcom *Absolutely Fabulous*. Owning the department store would bolster his distribution — and offer more access to rich patrons than the more modest Flannels shops.

Given the billionaire’s penchant for shiny assets, he’s becoming Britain’s cut-price answer to LVMH’s founder Bernard Arnault, a fellow tycoon whose family works in the business. With the unevenness of luxury’s recovery, however, I’m not sure that Ashley’s Burberry intervention will be as weatherproof as one of its raincoats.

DIGITAL GOLD

INDIA’S EXPERIENCE WITH EGRs SHOWS A SOUND FRAMEWORK ALONE DOES NOT MAKE A MARKET

All that glitters

SANDEEP PAREKH

Managing Partner, Finsec Law Advisors



Whichever vault holds the metal, an EGR is meant to trade as one standardised instrument in a nationwide market. It also brings assaying, vaulting, depositories, and exchange trading under a single regulatory roof. Thus, while the architecture is coherent and promises transparent price discovery, standardised quality assurance, and efficient settlement, the problem lies in the ecosystem surrounding it.

The trouble begins with inadequate market infrastructure. At present, only three vault managers are registered with Sebi, and when NSE launched its platform in May, vaulting and collection centres were operational only in Mumbai and Ahmedabad. Interoperability requires a nationwide network through which both EGRs and physical gold can move. Instead, bullion dealers, refiners, and jewellers across the country often find the nearest collection centre hundreds or even thousands of kilometres away. Consequently, trading remains concentrated among a small pool of participants, limiting liquidity and undermining efficient price discovery. This is not a regulatory limitation. Sebi already permits any branch of a registered vault manager meeting prescribed safety standards to function as a collection and withdrawal centre. The framework

allows the network to expand; it simply has not yet.

The eligibility criteria for deposits are a more structural problem. Under the existing framework, EGRs may be created only against freshly imported gold, gold sourced from accredited domestic refiners, or gold that has continuously remained within the regulated vaulting ecosystem. Consequently, India’s household gold cannot enter the

India’s household gold cannot enter the EGR ecosystem. This significantly narrows the potential supply of exchange-traded gold

EGR ecosystem. This significantly narrows the potential supply of exchange-traded gold. The fix is an accredited assaying and refining pathway that turns household gold into standardised bars eligible for EGR issuance.

Taxation is a further obstacle. Redemption of an EGR into physical gold attracts 3% GST on the value withdrawn, even though that same gold will ordinarily have already borne 3% GST at the time of import or purchase. In principle, the earlier levy generates an input tax credit that should offset the later one, but in practice that credit may not be readily utilisable because the original depositor and the eventual holder redeeming the EGR for physical delivery are generally unrelated parties. Consequently, the embedded tax remains locked throughout the life of the instrument.

A final weakness is the narrow range

of commercial uses open to EGRs. Financial instruments typically derive liquidity not only from trading but also from their integration into broader financial markets. One opportunity lies in the rapidly expanding market for gold-backed lending. The Economic Survey 2025-26 notes that loans against gold jewellery grew 125.3% year-on-year, making them one of the fastest-growing segments of personal credit. Yet, lending against jewellery is inherently inefficient because purity is uncertain, lenders apply significant valuation haircuts, and pledged jewellery must remain in their custody, creating storage and insurance costs.

EGRs eliminate each of these inefficiencies. The underlying gold is assayed and standardised before the receipt is issued, remains securely stored within the regulated vaulting ecosystem, and can be pledged electronically through the existing depository infrastructure without any physical movement of gold. Recognition of EGRs as eligible collateral by the Reserve Bank of India for lending by banks and non-banking financial companies (NBFCs) is one policy measure that could broaden the commercial applications of the instrument.

India’s experience with EGRs shows that a sound framework alone does not make a market. While the framework provides for standardised custody, assaying, and exchange trading of physical gold, market development also depends upon supporting infrastructure. Whether EGRs ultimately unlock India’s vast stock of household gold will depend far less on the framework, which is sound, than on the resolve of regulators and market participants to build the ecosystem around it.

With inputs from Purva Mandale and Sudiksha Moorthi, associates at Finsec Law Advisors

A potential blessing in disguise for pharma



REJI K JOSEPH

Associate Professor, Institute for Studies in Industrial Development, New Delhi

Trump’s threat of 200% tariffs on generics may well encourage Indian firms to invest further in the US with focus on complex generics and R&D

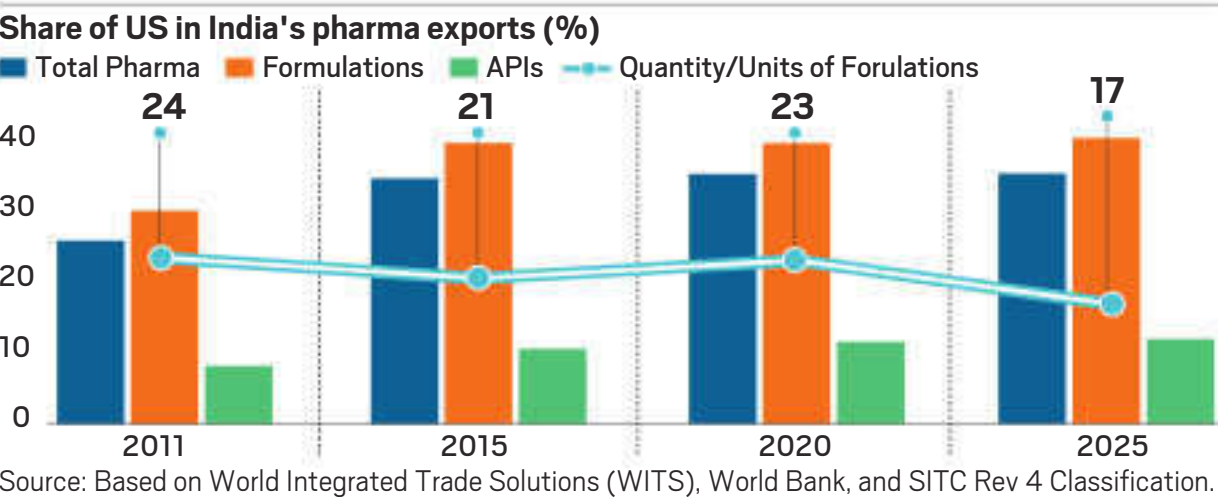
DONALD TRUMP DELIVERED two tariff shocks to India last week — one official, the other a prelude to a likely official decision, announced through his social media platform. The first, effective from July 24, imposes a 10% tariff on imports from India under Section 301 of the Trade Act of 1974, following investigations into the use of forced labour in exports; pharmaceuticals, however, are exempted. The second, announced on his *Truth Social* platform, is that imported generic medicines will face a 100% tariff for one year from August 1, 2028, rising to 200% thereafter.

The 200% shock is not aimed specifically at India, but the US is a major destination for Indian pharma exports. No formal order has been issued yet, though it appears to be a continuation of the proclamation of April 2, which imposed a 100% tariff on imports of patented medicines and their active pharmaceutical ingredients (APIs) on national security grounds under Section 232 of the Trade Expansion Act of 1962. That proclamation had stated that measures to address such concerns arising from import of generics, biosimilars, and their ingredients would be considered later.

If implemented, the 200% tariff will have a deep impact. What are the likely implications for the Indian pharma industry, which is heavily exposed to the US market, and for healthcare in the US?

The US is the most significant export market for the Indian pharma industry and a key driver of its growth. Last year, Indian firms exported pharmaceutical

KEY MARKET



products worth \$28 billion, of which 36% went to the US. But in formulations (finished dosage forms), where India has a strong comparative advantage globally, the US share was 41%. This means that US has a special role in the growth of Indian pharma industry, which earns about half of the income from exports, primarily of formulations. Interestingly, in the quantity of formulations exported, the US share is much lower — 17% in 2025. This shows that the US is critical to the profit generation of this industry, not merely to its volumes.

A 200% tariff is therefore not going to deter Indian firms from engaging with the US market. Some leading firms are likely to invest in the US to manufacture. However, such investments may not be aimed solely at tariff-jumping, but be a part of an integrated strategy to move up the value chain and diversify. At the SelectUSA Investment Summit in

May, Indian industry leaders pledged an investment of \$20.5 billion, of which \$19 billion was from pharma. It included Sun Pharmaceutical’s \$11.8-billion takeover of New Jersey-based Organon. With this acquisition, Sun Pharmaceuticals will gain access to Organon’s commercial network spread across 140 countries and a strong foothold in China, currently the hub of pharma innovation.

Another leading Indian firm, Lupin, last year announced a cumulative investment of \$250 million in Florida for R&D and the manufacture of more than 25 critical respiratory medicines, including lifesaving albuterol inhalers. Respiratory medicines such as inhalers are considered complex generics.

A number of Indian pharma firms have already invested in the US to establish R&D centres. Trump’s renewed threat may push them, and some other leading firms, to invest further. It is less

likely that such investment will go into the production of commodity generics than into complex generics and R&D. Trump’s threat may thus turn out to be a blessing in disguise for the Indian pharma industry, which the government has long been pushing to move up the value ladder.

In commodity generics, which are relatively simpler to produce, Indian firms are likely to keep exporting from India. It makes little business sense to invest in manufacturing them in the US. It is precisely the higher cost of production that led to outsourcing of API manufacturing to countries like India and China; producing in the US from the basic stages would only raise the cost of the final product.

This policy will nonetheless have a major impact on US healthcare. Generic medicines supplied by Indian firms accounted for 47% of all generic prescriptions in the US in 2022. In certain therapeutic areas such as hypertension, their share is as high as 60%, a measure of their contribution to the US healthcare system. Overall, medicines from Indian companies provided \$219 billion in savings to the US healthcare system in 2022. A 200% tariff will only squeeze those savings, as the additional cost is most likely to be passed on to US buyers and patients.

A tariff designed to secure America’s medicine supply may well end up raising the cost of its most affordable medicines, while nudging Indian firms precisely where New Delhi has long wanted to.

LETTERS TO THE EDITOR

Investment & growth

Apropos of “Reduce regulatory fat” (FE, July 30), a predictable and transparent regulatory system is essential to encourage investment and support economic growth. While regulations are necessary to protect consumers and maintain market integrity, outdated procedures and overlapping approvals delay business decisions, particularly for MSMEs. Simplifying compliance shouldn’t mean weak-

ening accountability. Instead, governments should review obsolete rules, expand digital approvals, and ensure coordination among departments to reduce delays. Stable policies also help businesses plan long-term investment with confidence. Strong oversight must continue in areas such as environmental protection, labour welfare, and financial transparency. Regulatory reforms should ease doing business while serving public interest. —M Barathi, Bangalore

Learning in an AI world

Apropos of “Your 4th grader shouldn’t be worried about AI” (FE, July 30), AI is changing the workplace, but children should not grow up fearing that technology will replace them. Education must prepare students to think critically, solve problems, and adapt to change rather than focus on memorising facts. Schools should strengthen communication, creativity, teamwork, and ethical reasoning, qualities that

machines cannot easily replicate. Parents also have a responsibility to guide children with realistic discussions instead of causing avoidable anxiety about the future. Policymakers should ensure digital learning reaches all schools so that opportunities remain inclusive. Confidence, curiosity, and lifelong learning will remain the strongest skills in an AI-driven world. —Prajesh Paramasivan, Coimbatore

● Write to us at feletters@expressindia.com

OUR VIEW



The Tata Group should put first principles first

Tata's goals may be noble but revelations of transfers to a charity evoke dissonance over the rights of minority shareholders. This conglomerate must fortify the core value of its brand

Must Tata Sons go public? This question was raised by its need to comply with central bank rules, but has a larger dimension that splits opinion in India. As the stake-holding company of the Tata Group, it owns and controls a large set of businesses with offerings that range from salt to software. As an entity, Tata Sons is mostly owned by philanthropic trusts but also has minority shareholders. Of these, the Shapoorji Pallonji group, which famously fell out with Tata some years ago, is the most significant. The argument that a public listing would get in the way of Tata charity draws inspiration not only from the group's record as a do-gooder at home, but also from a US Business Roundtable shift in 2019, when over 180 CEOs pledged to "lead their companies for the benefit of all stakeholders" (customers, employees, suppliers and communities included), and not just their own share owners. Tata has long been reputed for exactly that, some argue, and its holding firm being listed would cramp its space to place charitable causes above its stock's market value if such trade-offs arise. All its profits, for example, might need to be ploughed back into business, starving its charities. Revelations by *Mint*, however, infuse that thesis with some dissonance.

In the public glare is the funding of a charity called Ratan Tata Endowment Fund (RTEF) set up by the group's late chief Ratan Tata about a couple of years before his 2024 death. While he left a chunk of his own wealth to RTEF in the form of Tata Sons equity, though his will's execution is held up, this fund had already received financial infusions from the group. In 2022, Tata Sons gave RTEF ₹45

crore in cash as a gift, followed by an award the next year of a 1% stake in privately held Tata Digital (now worth ₹986 crore, as estimated). Within months, RTEF got an unsecured loan from Tata Capital's home-loan subsidiary, which was paid back with interest but seems to have let the fund make big gains on the partial sale of shares bought in Tata Technologies before this business went public at a far higher share price. All this was not formally disclosed by Tata Sons. The group avers that all its transactions with RTEF had board approvals, as required. Yet, the spirit of corporate governance matters no less than its letter. Since Tata Sons has minority shareholders, whose interests matter and list includes group firms like Tata Steel and Tata Motors, which gives household investors an indirect stake in the holding company, raised eyebrows should not surprise its Bombay House headquarters.

Granted, RTEF's aims could well be entirely noble. Also, the relative opacity allowed by private ownership does make space for worthy pursuits that defy the classic model of limited-liability capitalism. To thrive, India's economy need not constrain all commerce to a profit chase. Even so, the Tata Group has too much at stake to get its big-picture calculus wrong. Its priority in such situations should arguably be the defence of its brand in the public square. Willy-nilly, the set of values it conveys is shaped by perceptions as much as its own efforts. By group folklore, the Tata brand's core value has been 'trust' ever since the group's founder Jamsetji Tata set the tone by calling off a sure-shot fund-raiser on his receipt of privy information that made the deal unfair to investors at large. This was back in the 19th century. For Tata's sake, that trust must survive the 21st intact.

Hospitals can't count on captive customers for their pharmacies

Healthcare brands keen on earning the trust of patients should welcome greater customer choice



AMIT VARMA
is co-founder and managing partner of Quadria Capital, and a critical care physician.

I have spent a large part of my life in intensive care units where families arrive frightened and exhausted. Nobody negotiates in that state. When a doctor hands you a slip and points you to a counter, you do not wonder whether that medicine costs less somewhere else. You pay, because your child or parent is all you are thinking about.

That asymmetry between an institution that knows everything and a family that knows almost nothing could be the backdrop to the Maharashtra Food and Drug Administration's order last month telling hospitals and their affiliated pharmacies to stop forcing patients to buy medicines from in-house counters. Prescriptions must be handed to patients, and every hospital must display a sign in plain Marathi and English that says one is free to buy medicines from any licensed pharmacy.

There should be no issue with that. In-house pharmacies, for the most part, were not set up in bad faith. For an admitted patient on a complicated regimen, an accountable pharmacy within the building that is open at odd hours and has the exact molecules needed (and properly stored) is safer than nervous relatives going out looking for the right drugs. Continuity of care is a real clinical good. So is knowing where a medicine came from. It does not help the debate if we pretend that these things are fiction.

The trouble is what happened next. In too many places, a clinical convenience hardened into a captive market. Prescriptions stopped being something owned by patients and became another channel for hospital revenues. That is what the regulator has moved against. Not the in-house pharmacy itself, but the patient's vanishing choice. When the Competition Commission of India examined similar conduct, it was careful and, to my mind, correct. A hospital isn't a monopoly, but it can create a lock-in so complete that a patient's consent becomes a formality.

Let me explain the part that investors usually keep to themselves. A margin that survives only because customers have no alternative is the weakest margin in healthcare. It is money obtained on trust, and trust behaves differently from a pharmacy mark-up. It builds on itself, slowly, over the years.

The best hospitals I know are quite relaxed about this order because they stopped leaning on captive rupees a long time ago. Their returns come from clinical outcomes and from being the place a patient would choose even with other options open to them, rather than operating as a place that monetizes the fears of patients and their families.

Here is the harder truth, one that deserves close attention. Freedom to

choose alone will not do much to reduce what a family pays. Let us delve into the price of a medicine in India. A large slice of it is not the cost of the formulation at all, but trade margins stacked up along the way from the manufacturer to the stockist and then retailer. The National Pharmaceutical Pricing Authority understood this. In 2019, instead of only capping prices, it went after trade margins. For 42 non-scheduled anti-cancer drugs, it held trade margins at 30% of the retail price; the maximum retail price of hundreds of brands fell, in some cases by as much as 90%. The point was hard to miss. The real distortion lies in the opaque chain behind the counter.

So, a patient who is free to walk out of the hospital gate may suffer the same inflated maximum retail price at a shop across the road. Same molecule, same margin, a different bill. We would have moved the transaction point without fixing the economics behind it.

Let Maharashtra's order be a beginning then rather than a conclusion. Three things must move together. There is choice, which Maharashtra has now secured, and which other states ought to copy. There is price, which needs wider trade-margin reform and honest itemized billing, so a family can see what it is paying for. And there is quality, because a cheaper pharmacy is no bargain if it hands you a medicine that was either badly made or stored, a danger revealed in cruel ways by recent tragedies.

It is important to uphold the idea that a prescription belongs to the patient. As for hospitals, the institutions that endure will be those that treat this belief as an asset rather than a nuisance. A hospital that no longer needs a captive pharmacy need not worry about its revenue streams, as it would earn the one thing in medicine nobody can mark up, which is the trust of those who walked in afraid and left knowing they were never being charged for their own helplessness.

These are the author's personal views.

QUICK READ

Maharashtra has issued an order to promote customer choice when it comes to buying medicines for patients but this alone will not help reduce bills or ensure their safety.

Trade margins account for a large part of what customers pay and not all chemists have the right drugs safely stored. Yet, good hospitals have good reason to welcome the state's move.

10 YEARS AGO



JUST A THOUGHT

When we invest in a company, we own part of that company and we are partly responsible for how that company progresses. If we believe there is something going wrong with the company, then we, as shareholders, must become active and vocal.

MARK MOBIUS

GUEST VIEW

'ANI versus OpenAI' makes a case for legislative action

PRADYUMN SHARMA & SHIVANI CHOUDHARY



are, respectively, associate, Nishith Desai Associates, and associate, Resolut Partners.

The Delhi high court recently dismissed Asian News International's (ANI) application for an interim injunction against OpenAI over its use of the news agency's copyright-protected content to train ChatGPT. This is India's first judicial answer to a question confronting courts worldwide: may a Generative AI company train its models on copyrighted content without permission? At this interim stage, the answer is an unequivocal yes.

ANI argued that OpenAI copied and stored its articles to train ChatGPT, which then reproduced its content in generated responses. The court accepted that storing copyrighted works for training is 'reproduction' under Section 14 of the Copyright Act of 1957, but held that it falls within the "fair dealing" exception in Section 52(1)(a) and is not infringement. It further held that ChatGPT's responses were not substantially similar to ANI's articles. The court thereby substantially expands the fair dealing exception, an interpretation that sits uneasily with

the text of the Act and the principles that underpin copyright law.

Re-assessment of the purpose: The court held that the storage of copyrighted works in this case is protected by the fair dealing exception since it permits use for "private or personal use, including research." It reached this conclusion by giving both 'private use' and 'research' an expansive interpretation. Relying on the Copyright (Amendment) Act of 2012, which inserted the word 'personal' alongside the existing phrase 'private use,' it held that Parliament did not intend to restrict the exception to individuals. Instead, 'private' was interpreted broadly to include a private corporate entity. It also rejected the argument that 'research' is confined to academic and non-commercial activity, holding that commercial use does not, by itself, go against OpenAI's fair-dealing defence.

This marks a significant shift in the understanding of Section 52(1)(a)(i). Traditionally, 'private use' has been understood as use by individuals for their own purposes, while 'research' has generally been associated with academic or other non-commercial inquiry. The judgement extends both concepts to cover the large-scale commercial training of AI models. Whether Parliament intended such an expansion is, however, open to

debate. The 2012 amendment was enacted to bring India's copyright framework closer to international standards. Yet, comparable jurisdictions have a far narrower approach. The EU limits the exception to private, non-commercial use by a natural person, the UK to "private and domestic use." It also sits uneasily with the Delhi high court's decision on *Rupendra Kashyap vs Juwan Publishing House*, which held that Section 52(1)(a)(i) is unavailable as a resort where the use amounts to commercial exploitation.

The court's understanding of 'research' is equally significant. The UK limits the exception to non-commercial research. Australia and New Zealand assess fairness by reference to factors such as the purpose of the copying, its market effect, the amount copied and the availability of licences. In India, the Delhi high court adopted a broader interpretation that includes commercial AI training.

Re-assessment of fairness: How the court assessed fairness is equally significant, as a central measure of it is the effect on the market for the work that was used. The court reasoned that OpenAI's use of ANI's literary works caused neither actual nor potential harm to the agency. Yet, OpenAI's own commercial practices suggest otherwise. It licenses content from publishers such as *Azios*, *Vox Media* and the *Financial Times*. It could have worked out a similar deal for ANI, which alleged differential treatment that places it at a commercial disadvantage.

The court observed that ANI did not demonstrate any loss of market share or subscription revenue. However, those are not the only forms of economic harm that the copyright law seeks to prevent. It also protects an owner's ability to commercially license its works. OpenAI itself has recognized that market by licensing works from several publishers for AI training. If it denied ANI similar terms, then it

arguably deprived ANI of a commercially valuable opportunity. This market is far from hypothetical. In *Bartz vs Anthropic*, the plaintiffs valued AI training rights at about \$3,113 per work. This illustrates that such rights have measurable commercial value.

Legislative reform, please: The transformative potential of AI and the public benefits it promises might influence how this issue is viewed, but even so, this presumptive gain must be balanced against the rights of copyright owners. The Copyright Act predates GenAI and was never designed to address AI training, which may well warrant legislative reform. Jurisdictions that have accommodated AI training have typically legislated rather than expanded existing exceptions. Singapore has introduced a dedicated exception for computational data analysis, while the EU enacted text and data mining exceptions. India is exploring legislative solutions too, with a proposed framework that would permit AI training on lawfully accessed works while ensuring fair remuneration through collective licensing.

Balancing innovation with the rights of creators is a legislative exercise. It cannot be done through extensions of a fair-dealing exception beyond what the Copyright Act originally intended to cover.



THEIR VIEW

How America helped China rise to challenge its own hegemony

China leveraged US strengths and actions on a wide range of fronts to craft a strategy that has turned it into a powerhouse



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Mikhail Gorbachev's resignation on 25 December 1991 marked the collapse of the Soviet empire. The United States of America became the single hegemon of a global geopolitical order which it had established along with its allies at the end of World War II in 1945. But 20 years earlier, in 1971, when US President Richard Nixon visited China along with Henry Kissinger to normalize relations with the Peoples Republic of China (PRC), the US had itself already set the ball rolling for the emergence of a new global geopolitical order in which China would challenge the hegemony of the US. Nixon was prescient in describing his China visit as "the week that changed the world."

By recognizing the PRC as the sole representative of China, the Nixon-Kissinger mission opened the first of many doors that would eventually lead to China's full entry into the West dominated global economic order. Following Nixon's visit, the PRC replaced the Taiwan-based Republic of China (ROC) as the real China at the United Nations and in the UN Security Council in 1971. By 1980, the PRC had replaced the ROC in the International Monetary Fund and World Bank, two of the three pillars of the US-led global economic order. In 1986, China applied for membership of the General Agreement on Tariffs and Trade, forerunner of the third pillar, the World Trade Organization (WTO). In 1999 China and the US signed a crucial Bilateral Market Access Treaty. In December 2001 China joined the WTO.

During this three-decade journey, much changed within China. Succeeding Mao Zedong in 1976, Deng Xiaoping launched the 'gaige kaifang' or 'reform and opening up' programme in 1978. This led to a fundamental transformation of the Chinese economic system and its challenges. Increasing access to the global economy and its institutions was the cushion that enabled China to cope with these extensive internal changes and position itself firmly for export success. It adopted aggressively mercantilist strategies for that, especially an undervalued currency.

The energies released by Beijing's internal reforms, combined with aggressive penetration of markets abroad, led to decades of breathtaking GDP growth never seen anywhere before. By 2001, when China joined the WTO, it had already emerged as the factory of the world. But it could not continue to depend on mercantilist strategies forever, especially after joining the WTO. Its attempted switch from an export-dependent, high-savings and high-investment growth strategy to a domestic consumption-led strategy with lower rates of investment and savings didn't work. China's economy has remained heavily export dependent. However, undervalued exchange rates



have now been supplemented with a strategy of exporting capital. Under the Belt and Road Initiative (BRI) launched by Xi Jinping in 2013, China's surplus savings are now used to finance a massive portfolio of infrastructure projects in some 150 (mostly) developing countries, drawing on China's surplus capital goods manufacturing capacity. There has been strong criticism of the BRI's onerous loan terms that have led many countries to high indebtedness. However, China can restructure these loans into softer packages to strengthen its alliances with these countries.

China is already the largest global economy in purchasing power parity terms and is likely to overtake the US even in conventional GDP terms within a couple of decades. But apart from the economic front, China is now challenging US hegemony on the technology front too. Artificial Intelligence (AI) is a leading example of competition on the technological frontier. Here, open-source Chinese AI models like Deep Seek, Qwen, Kimi and others are outpacing comparable US versions like ChatGPT, Gemini and Claude at a third to a tenth of the cost, just as Chinese electric vehicles (EVs) have priced out other EVs. How is this happening? In part, China has leveraged the stock of knowledge in US universities. Over decades, thousands of Chinese students have graduated from leading US universities, especially with STEM specializations. While a

QUICK READ

The US under Nixon recognized the People's Republic as the real China and replaced the regime based in Taiwan at multilateral institutions. This let China into the world economic order.

On every front that China is challenging America today, from trade and economic heft to technology and the global financial system, Beijing has the US to thank in some way.

few stayed back, most have returned to China and are engaged in producing rival products in Chinese laboratories and enterprises. Also, many US-educated experts are teaching in Chinese varieties, indigenously producing the next generation of experts. The US has not lost its technological lead, but the gap is closing fast. The same applies to other frontier fields like biotech, space and defence.

The third front where China is challenging US hegemony is the global financial system. In 2015 China launched the renminbi-based Chinese Cross-Border Interbank Payment System (CIPS) as an alternative to the dollar-based Swift system. Its reach is still very modest, but China is pushing its partners to use it and it has been growing steadily. There are 121 countries directly or indirectly participating in CIPS and its transactions now extend to businesses in over 189 countries. The Swift and CIPS settlement systems are now

collaborating, but the latter is much faster and cheaper. The more the US resorts to sanctions, the more it pushes businesses across the world to use CIPS.

Thus, China is challenging US hegemony across a wide front, ranging from the economy and trade to technology and the global financial system. What is interesting is how China has leveraged US strengths or actions on each front to strengthen its own position as the aspiring challenger.

MINT CURATOR

Can China's BYD zip into the hearts of Japanese car buyers?

It has a tiny vehicle that could mark its biggest ever market victory



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Japanese car-buyers are among the world's most brand loyal. **BLOOMBERG**

From Europe to Southeast Asia, Chinese electric vehicle (EV) maker BYD is on a roll. But its toughest challenge is much closer to home: cracking Japan, the world's fourth-largest auto market, where it has yet to make a dent in sales after years of trying. That might be about to change.

This week's introduction of the tiny Racco, which means 'sea otter' in Japanese, is the right approach in a country whose love for small cost-efficient vehicles goes back decades. The Shenzhen-based firm is the first foreign player to make a dedicated effort to tackle the boxy *keijidosha*, or light car, a quintessentially Japanese vehicle category. Much smaller than even compact models, these autos are restricted to 3.4m in length and 1.48m wide. They even have their own tax and insurance rules.

The price of ¥2,145,000 (\$13,000) for an entry-level model shows BYD is serious about gaining traction with a bespoke battery-powered design. By comparison, Nissan's popular Sakura mini has a higher sticker price, but is slightly cheaper once national subsidies are factored in. That said, Sakura has fewer features and a shorter range when fully charged, so the BYD is offering value at a comparable price.

The strategy is no accident. The four-seater *kei* was created in 1949 to provide low-cost, fuel-efficient transport during the difficult post-World War II era. After decades of refinement around a homegrown set of regulations and customer expectations, the mini segment has become a beloved institution, accounting for more than a third of annual vehicle sales in Japan.

Foreign brands make up about 5% of shipments, so even modest success would indicate a breakthrough and create a path for other Chinese companies to follow. This is important because BYD has vowed to overtake Toyota as the world's top carmaker in five years—even without access to the US, which bars Chinese vehicles with 100% tariffs plus a national security ban on software and hardware systems. With revenue shrinking at home, it must rely on new export markets for growth.

The carmaker has its work cut out. It sold only 4,500 vehicles in Japan last year. Prospects dimmed in April, when the national government changed the way it calculates subsidies for clean-energy vehicles. EV demand remains extremely low for a developed country, where hybrids are much more popular.

The previous formula rewarded driving range and energy efficiency, which benefited BYD because of its high-tech specifications. The revised version places greater

weight on supply chains and cyber-security, bolstering companies that help home-grown industry, according to Ken Maeda.

Given the tense relations between Tokyo and Beijing, perhaps it is no surprise that the subsidy for BYD's entire lineup was cut by more than half to ¥150,000. The overhaul widened the gap with Toyota, whose bZ4X model retained the maximum ¥1.3 million subsidy, and Tesla, whose purchase incentive followed closely at ¥1.27 million. In the smallest *kei* category, the subsidy gap is substantial at around ¥400,000 compared to rival models.

This is, no doubt, a major non-tariff barrier to overcome. But it was to be expected. Japan, like Mexico and Thailand, is extremely nervous about the threat posed by Chinese carmakers. That is why it was shrewd of BYD to enter the budget segment. Its reputation for offering well-equipped cars at competitive prices aligns with what many *kei* drivers are looking for. They are extremely popular as family vehicles, especially outside major cities. The Racco's pricing demonstrates the carmaker's ability to work around its subsidy disadvantage.

To be sure, it is too soon to know how enthusiastically consumers will embrace the new entrant. Japanese buyers are among the most loyal in the world, tending to stick with familiar names like Suzuki, Daihatsu and Honda that dominate the mini market. They have spent decades earning trust for reliability, resale value and dealer support.

Kei customers are particularly conservative. Many have owned several generations of the same model, making it difficult for an unfamiliar foreign brand—no matter how competitive its technology or price—to persuade them to switch.

Opening dealerships in smaller cities, where demand for tiny cars is strongest, is a good start. BYD has 77 sales locations, including dozens of official dealerships. It should press ahead with a goal of reaching 100 outlets by the end of the year and then expand further.

Winning over Japanese *kei* buyers will not happen overnight. But if BYD can convince some of the world's most demanding and loyal drivers to embrace a Chinese brand, it would be the company's most impressive victory yet. **©BLOOMBERG**

GUEST VIEW

India must unlock retirement wealth locked in homes

ABHINAV BANKA &
SURJITH KARTHIKEYAN



are, respectively, deputy director and director, ministry of finance, Government of India

Indian households have been the backbone of India's savings story, accounting for about 60% of the total, with this money going into investment and economic growth. Yet, we face a paradox. Net financial savings form a modest 29.5% of overall household sector savings, with household debt having surged to 41.9% of GDP. While this may be a direct result of rising consumer spending, it puts the 'life-cycle hypothesis' under strain.

Notably, a large chunk of savings is held in assets that cannot easily finance people's post-retirement lives. Household savings are at 21.7% of GDP, but the bulk of it, 13.6% of GDP, goes into physical assets—primarily residential real estate. This is wealth locked in illiquid assets, an explanation for which may be found in cultural traditions of land and home ownership as a measure of life-long financial security, an indicator of social status and a legacy for future generations. The idea of a diversified retirement portfolio is relatively new. However, only a marginal section receives pension of any kind, with

consequences visible after retirement as the elderly must survive on interest income or family support. They are not poor in terms of wealth, but in terms of cash flow. Economists describe this as being "asset rich but income poor."

The scale of this problem has grown. The UN Population Fund's 2023 *India Ageing Report* projects India's 60-plus at 347 million by 2050; so every fifth Indian will be elderly by then. Right now, 40% of India's elderly are already in the lowest wealth quintile and nearly about one-fifth either live alone or only with a spouse.

A reverse mortgage allows senior citizens to convert part of their home equity into a regular income, while continuing to live in the same house. Instead of making monthly loan repayments, the homeowner receives periodic payments from the lender. The loan is recovered only once the property is eventually sold—after the borrower vacates the house or passes away.

It's a 20-year-old idea that never took off. India recognized its potential long ago. The Reserve Bank of India issued reverse mortgage guidelines in 2007, with National Housing Bank extending this facility via other banks. Yet, the market remains non-existent. The reasons may include a strong

bequest motive, weak property titles, risk aversion by banks and limited awareness of complex products for elders.

These challenges are not unique to India. International case studies show a way forward. The US runs the world's largest reverse mortgage scheme, Home Equity Conversion Mortgage (HECM), with a "no negative equity guarantee" mechanism; the UK has an Equity Release Council as a self-regulatory body; Australia offers direct state support through its Home Equity Access Scheme; and Japan has deposit-collateralized reverse mortgages, which let the elderly use deposits as collateral. A successful reverse mortgage market requires trust, legal certainty and consumer protection, not financial innovation alone.

The Indian debate has missed an even more fundamental question: To kick-start reforms, India must analyse constraints. We need estimates of home-ownership wealth among those aged above 60 and the proportion of

retirees who rely primarily on housing rather than financial assets, apart from broad data on the distribution of housing wealth across age groups and geographies.

Financial literacy aimed at behavioural change should help the effort. A bottom-up approach to awareness generation would be ideal, with people in the workforce primed to adopt these financial products upon their retirement even as ageing homeowners are explained the benefits of a reverse mortgage. On their part, banks could facilitate adoption by offering competitive interest rates, flexible lumpsums followed by monthly but inflation-indexed payouts and also favourable loan-to-home-value ratios.

Reverse mortgages and urbanization led by housing access are two sides of the same coin, as the former unlock properties that eventually help meet an upswell in demand for urban homes. Well-regulated insurance coverage of reverse mortgage loans can miti-

QUICK READ

A significant chunk of Indian household savings goes into homes, leaving many of the elderly asset rich but income poor. But reverse mortgages can turn home equity into cash flow.

For various reasons, the idea never took off in India. Its potential, though, is enormous. Those stuck with little post-retirement financial support will benefit if we make a go of it.

IndiGo maps flight to global skies, after building indiafort

Varun Sood & Satish John
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NEW DELHI: After spending two decades building India's largest domestic airline, IndiGo is preparing for its next act: becoming a global airline by carrying Indian travellers to international destinations through hubs in India, according to its top executive.

"Twenty years have gone into building essentially a domestic airline... That's now our fort," Rahul Bhatia, promoter and managing director of IndiGo, said in an interview with Mint.

The next stage of evolution has to be that we can carry Indians from here, through a hub or hubs, to the world," he added.

Bhatia noted that this traffic has historically gone to European, Southeast Asian and Gulf carriers. "That's economic wealth we need to bring back to the country; not only IndiGo, but Indian carriers generally have that responsibility."

To be sure, IndiGo has been flying to dozens of destinations across the Middle East, South-east Asia and Central Asia since



In June 2023, IndiGo announced the purchase of 500 Airbus aircraft, with deliveries scheduled between 2030 and 2035.

2011, when it first started international operations. However, it has yet to launch its own long-haul services to Europe or North America. Instead, it relies on codeshare partnerships with overseas carriers for onward connectivity. Currently, IndiGo has a 20% share of international traffic from India, according to data from the Directorate General of Civil Aviation (DGCA).

The first step is to further densify the domestic network before launching long-haul,

Bhatia said. A later phase could see IndiGo carry passengers between third countries via India, such as "from Europe to Australia, or from China to Africa".

In June 2023, IndiGo announced the purchase of 500 Airbus aircraft, with deliveries scheduled between 2030 and 2035.

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growth will also see Inter-Globe's hospitality business — including Accor's portfolio in India from Raffles to Ibis — being listed within the next two years, while IndiGo's Bluechip luxury business standing on its own feet at its scales up.

The airline is positioning Bluechip, which has over 10 million members, as a future stand-alone business. "I'll earn its own money... any inventory exchanged will be sold at market price," Bhatia said.

In India, where IndiGo is a rare airline to survive and succeed despite the vicissitudes of civil aviation, Bhatia points to the management's "fervor about maintaining and improving our cost leadership." This is crucial in an environment often marked by turbulence from fuel price volatility and geopolitical events, which businesses have little control over.

IndiGo's success in gaining a dominant share in the Indian skies has also raised concerns among regulators. Bhatia, however, explains that one should analyse the market share. "We need to break it down a little,

because there's constant discourse about it: 'Hey, 65% market share, what's happening?' I think we have done a poor job of not educating the world at large," he said, adding that about one-third of the 66% share comes from markets where nobody else is flying.

"That one-third represents, give or take, 250 city pairs where no other airline flies. It's not that nobody is allowed — everybody's welcome. We are offering our duty as a good corporate citizen to our country by connecting cities that have never been connected before; there is a massive list of them. One-third of our production is to unique markets. In the market, we actually compete, in our share is not 66%, it's only 44%," he explained.

Some of these cities where no other carrier flies include Agra, Bareilly, Bhavnagar, Nashik, and Tuticorin, according to Bhatia. "So, this world seems like a good opportunity for us where what we don't appreciate is what we do bring the hinterland in — integrating it into the mainland," he added.

India, Bhutan ink ₹4k cr credit pact

HT Correspondent
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NEW DELHI: The Exim Bank of India and Bhutan's finance ministry signed an agreement for a concessional line of credit worth ₹4,000 crore on Thursday as foreign secretary Vikram Mishi held talks with his Bhutanese counterpart Pema Lekup Dorji in Thimphu on development cooperation between the two sides.

Mishi travelled to Bhutan following a visit to China, and he and Dorji co-chaired the India-Bhutan development cooperation talks focused on the Himalayan region's 12th five-year plan.

The meeting reviewed the progress in implementing India-supported projects in different fields of development, the Indian embassy in Thimphu said on social media. Bhutan appreciated India's significant support and contribution to the country's development.



Bhutan appreciated India's support and contribution to the country's development.

GETTY IMAGES

Delhi and the Khesar Gyalpo University of Medical Sciences in Thimphu.

Mishi and Dorji virtually inaugurated the Thimphu Ecological Park and Alakha Park constructed under an India-backed project for enhancing green infrastructure and open spaces in Thimphu, the embassy said. Forty-five electric vehicles were also handed over by India to Bhutan.

India provides most of the funding for Bhutan's five-year plans and has committed ₹10,000 crore for the 13th five-year plan covering 2024-2029. The Indian government has also provided ₹750 crore for Bhutan's Economic Stimulus Programme and ₹100 crore as a programme grant.

ADANI GROUP HAS NO PLANS TO OPERATE AN AIRLINE, SAYS CFO

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MUMBAI: The Adani Group is exploring the possibility of starting a non-controlling stake in regional carriers to improve connectivity to its existing and future small airports, but has no plans to operate an airline, a top executive said on Wednesday.

"We're not starting an airline or business, but to be able to support the development of an airline for regional connectivity is our interest," Adani Group's chief financial officer (CFO) Jageshwar Singh told analysts during a post-earnings call of flagship firm Adani Enterprises Ltd.

The clarification comes four days after Adani Enterprises informed stock exchanges that it was "not evaluating any proposal to enter the airline business."

Airport operators can hold up to a 10% equity stake in an airline under existing regulations. Singh said that a recent letter written by Adani's Airport Holdings, an entity under Adani Enterprises, to the Airports Authority of India, seeking a change in rules to allow it to have a larger stake in an airline, should be viewed in the context of promoting regional connectivity rather than as a precursor to launching an airline.

"We want to see, as owners of airports and regional airports, that India's regional airline system also develops and operates properly," he said.

The clarification follows a report by The Economic Times last week that the Ahmedabad-based conglomerate had written to the AAI seeking a waiver of the clause that prevents the airport operator from holding more than a 10% stake in any scheduled carrier, fuelling speculation that the infrastructure conglomerate was preparing to enter India's commercial aviation market.

Singh dismissed the report and said the company's intent was misunderstood.

Vedanta names Arun Misra CEO, Q1 profit jumps 72%

METALS: Vedanta on Thursday named Arun Misra as its chief executive officer for a one-year term starting August 1, while also reporting a 72% jump in first-quarter profit. Misra currently heads Vedanta's subsidiary Hindustan Zinc and will step down to assume the new role.

Vedanta's consolidated net profit rose to ₹5,473 crore (₹572.4 million) for the quarter ended June 30, higher by 72% over the same period last year. Basic metal prices strengthened in the April-June period

due to a mix of supply disruptions and steady demand, while geopolitical tensions in the Middle East amplified concerns about availability and logistics.

An increase in average zinc prices in the first quarter was expected to drive growth in Vedanta's India zinc business and add to its topline, according to analysts at Emkay Global.

Spot zinc prices rose 31% on-year, while copper climbed 40%, and silver prices more than doubled, according to data included in a note by Jefferies.

GPay brings artificial intelligence into personal finance

Vishal Mathur
letters@hindustantimes.com

NEW DELHI: Google Pay is bringing artificial intelligence into personal finance with Ask Gemini Pay, a Gemini-powered feature that offers personalised spending insights, financial education and wealth guidance. The company is also expanding its Google Pay Flex co-branded credit card by adding SBI Card alongside Axis Bank.

"The idea is to bring the power of Gemini to the world of money, but that comes with a lot of sensitivities," Shantnu Bhatnagar, Senior Director, Product Man-

agement, Google Pay, told HT. Rather than sending a user's financial data to Gemini, Google says it has brought Gemini's models into the Google Pay environment so user data, settings and permissions remain within the app. Users must explicitly opt in to enable Ask Gemini Pay.

"It was important that Gemini is integrated into Google Pay, rather than Google Pay's content being sent to Gemini," Bhatnagar said, adding that the feature is designed specifically for financial conversations and not as a general-purpose AI assistant.

Google also stressed that Ask Gemini Pay is intended to edu-

cate rather than replace financial advisers. Instead of recommending specific investments, it can help users understand financial concepts, simulate different scenarios and assess possible outcomes.

The feature will be available free to all Google Pay users on Android and iPhone without requiring a Google AI subscription. It launches in 10 Indian languages and supports multimodal responses combining text, images and charts. The AI can also adjust explanations based on a user's apparent familiarity with financial concepts.

Alongside the AI rollout, Google is expanding its Flex credit card partnership. After launching with Axis Bank last year, Google Pay Flex will now also be offered by SBI Card on both RuPay and Visa networks, carrying an annual fee of ₹500. Rewards will remain broadly

similar across both issuers, with users earning one reward point for every cumulative ₹500 spent, alongside higher spend-based reward tiers.

Bhatnagar said Google is deliberately avoiding aggressive rewards that often prove unsustainable. "There's no card in the world for which a bank can afford to give away 10% in rewards all the time," he said. That said, Google isn't ruling out launching a higher rewarding credit card, in the future.

Google is also offering a 50% first-year discount on eligible Google One AI Plus subscriptions for Flex cardholders.

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PUBLIC NOTICE
GOVERNMENT OF HARYANA
EXCISE & TAXATION DEPARTMENT

NOTICE FOR INVITING TENDERS FROM GENERAL PUBLIC FOR RE-ALLOTMENT OF TWO ZONES OF RETAIL LIQUOR VENDS OF DISTRICT GURUGRAM (EAST) AND GURUGRAM (WEST) IN THE STATE OF HARYANA FOR THE REMAINING PERIOD OF THE EXCISE POLICY YEAR 2025-2027.

1. It is hereby notified for the information of the general public that e-tenders are invited for the re-allocation of Zone No. Z0604 and Zone No. Z0605 comprising of retail liquor vend of Country Liquor (CL) and Indian Made Foreign Liquor (IMFL) (L-2/L-14A) in District Gurugram (East) and District Gurugram (West), respectively, in the State of Haryana, for the remaining period of the Excise Policy Year 2025-2027.

2. The schedule for submission of e-bids for the above said zones and evaluation thereof shall be as under:-

Starting date and time for placing e-tenders From 31st July, 2026 (9.00 A.M.)
Closing date and time for placing e-tenders Till 1st August, 2026 (04.00 P.M.)
Evaluation of e-tenders 1st August, 2026 (5.00 P.M.)

3. The reserve price of these zones for the purpose of e-tendering has been decided as per the provisions of clause 2.17 and other relevant provisions of the Haryana Excise Policy 2025-27.

4. The e-tenders for these zones can be submitted online through the official website of the department i.e. www.haryanatax.gov.in. The terms and conditions of e-tenders and allotment of zones shall be same, as informed vide the Public Notice, published in leading newspapers on 21st May, 2025, for inviting e-tenders for allotment of retail liquor zones of all districts in the State of Haryana. The copy of Public Notice dated 21st May, 2025 is also available on the official website of department i.e. www.haryanatax.gov.in. The detailed procedure of registration for participation in the allotment process and submission of e-tenders is also available on the official website.

5. The excise arrangements of these zones containing number of vend, liquor quota, location of vend, command area (as applicable and reserve price thereof, as well as the venue for evaluation of e-tenders shall be conspicuously displayed in the office of DETCs (Excise) and DETCS (ST) of the district concerned. These details shall also be available on the official website i.e. www.haryanatax.gov.in.

6. The re-allotment of these zones shall be done at the risk and cost of original allottee. The original allottee shall be liable to make up any deficiency incurred by the State as a result of the re-allotment of these zones.

7. The allotment and grant of licence shall be subject to the provisions of the Haryana Excise Act, 1914, the rules framed thereunder, orders/instructions issued by the competent authority and the Excise Policy for the year 2025-27. Any clarification regarding the procedure may be obtained from the office of DETCs (Excise) in any of the districts. The copy of Haryana Excise Policy for the year 2025-27 is available on official website of the department.

8. The allotment shall be subject to the approval of the Excise and Taxation Commissioner (FC), Haryana. He may reject the allotment without assigning any reason any allotment in public interest as the case may be, within 10 days of the date of allotment.

VIJAY PRATAP SINGH, IAS
Excise and Taxation Commissioner
Haryana, Panchukula

NO NO 10371/1313/2022/74775/197

INDIA'S FIRST TELECOM MFG ZONE TO BE SET UP IN GWALIOR

Sejal Sharma
letters@hindustantimes.com

NEW DELHI: India's first Telecom Manufacturing Zone (TMZ) will be set up in Gwalior, the government announced on Thursday, with the Department of Telecommunications (DoT) signing a memorandum of understanding (MoU) with the Madhya Pradesh government to create a dedicated manufacturing ecosystem for the telecom sector.

Spread over 350 acres, the plug-and-play zone will house telecom equipment manufacturing, data infrastructure, semiconductor production, research, design, testing, and next-generation 5G and 6G technologies within a single campus. The Centre has approved ₹500 crore as 100% financial assistance for developing core infrastructure in the first phase.

Announcing the project, Union communications minister Jyotiraditya Scindia said the initiative would help transform India "from a service nation to a production nation".

The MoU was signed in the presence of Scindia, Madhya Pradesh chief minister Mohan Yadav, minister of state for communications Chandra Sheela, and DoT secretary Amit Agrawal.

Scindia said the zone would build on the success of the production-linked incentive (PLI) scheme for telecom manufacturing, which has generated more than ₹1.2 lakh crore in sales, attracted about ₹6,000 crore in investments and created around 36,000 jobs.

He said the Gwalior TMZ is expected to attract ₹8,000-9,000 crore in investment and generate 9,000-10,000 long-term jobs. Over time, investments are projected to rise to as much as ₹35,000 crore, creating more than 14,000 jobs.

The project will be implemented through a special purpose vehicle, with the Madhya Pradesh government holding a 51% stake and the DoT the remaining 49%.

According to Scindia, companies including Digi Technology, HPTCL, NSN, Symta and Electrodyne are expected to invest in the zone.

{ THE CROSSWORDS }

CRYPTIC CLUES

ACROSS

- 1 Showed the way with emphasis (7)
- 5 A show maker in the Old Testament (5)
- 8 Considered the matter closed? (12,4)
- 9 Earthquake centre (5)
- 10 Form of spheres (7)
- 11 Spills a signal and gets into a row (6)
- 12 How one might be cast as Captain Bligh? (6)
- 15 Hates the detour gone somehow underground? (7)
- 17 A leg's broken by hard blows (5)
- 19 Stately stride - appropriate to a ruler? (8,5)
- 20 Give someone a sharp reminder (5)
- 21 Isn't run out but retires (5,2)

DOWN

- 1 The high point of a film (5)
- 2 Separate complaints department (9,4)
- 3 Get hint about contract (7)
- 4 Desk with writing notes before exam (6)
- 5 Something wrong with a knot? (5)
- 6 One must be patient with it for a long time (6,7)
- 7 A new tragic fruit (7)
- 8 Could be bad sign for the corporation (7)
- 9 Sirious follows Jack (3,4)
- 10 Eager to be camping? (6)
- 11 French study a composition (5)
- 12 Battle for the chairman's seat? (5)

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QUICK CLUES

ACROSS

- 1 Interword (7)
- 2 In a highly favourable position (5,6)
- 3 Sharing common adversity (7,6)
- 4 A strong thread (5)
- 5 Absolutely determined (4,3)
- 6 State of delirious happiness (5,8)
- 7 Sound of sharp knocking (3+3)
- 8 Denial (7)
- 9 Young ones (5)
- 10 Come to terms (5)
- 11 A selection (5)

DOWN

- 1 Underlying meaning (5)
- 2 In a highly favourable position (5,6)
- 3 Sharing common adversity (7,6)
- 4 A strong thread (5)
- 5 Absolutely determined (4,3)
- 6 State of delirious happiness (5,8)
- 7 Sound of sharp knocking (3+3)
- 8 Denial (7)
- 9 Young ones (5)
- 10 Come to terms (5)
- 11 A selection (5)

YESTERDAY'S SOLUTIONS (17551)

CRYPTIC

1. TIE UP
2. MIND
3. SLEEP
4. SLEEP
5. SLEEP
6. SLEEP
7. SLEEP
8. SLEEP
9. SLEEP
10. SLEEP
11. SLEEP
12. SLEEP
13. SLEEP
14. SLEEP
15. SLEEP
16. SLEEP
17. SLEEP
18. SLEEP
19. SLEEP
20. SLEEP
21. SLEEP

QUICK

1. TIE UP
2. MIND
3. SLEEP
4. SLEEP
5. SLEEP
6. SLEEP
7. SLEEP
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9. SLEEP
10. SLEEP
11. SLEEP
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16. SLEEP
17. SLEEP
18. SLEEP
19. SLEEP
20. SLEEP
21. SLEEP

{ SUDOKU } DIFFICULTY LEVEL: ★★★★★

Fill in all the squares in the grid so that each row, column and each of the 3x3 squares contains all the digits from 1 to 9.

ALMANAC
Today is 31st July 2026
Sun, 14th
Mon, 15th
Tue, 16th
Wed, 17th
Thu, 18th
Fri, 19th
Sat, 20th
Sun, 21st
Mon, 22nd
Tue, 23rd
Wed, 24th
Thu, 25th
Fri, 26th
Sat, 27th
Sun, 28th
Mon, 29th
Tue, 30th
Wed, 31st

TEMPERATURE IN METROS

Delhi 34°C
Mumbai 33°C
Kolkata 32°C
Chennai 31°C

WEATHER
TEMPERATURE - HIGH - LOW

FRIDAY: Partly cloudy, sky with light rain
SATURDAY: Partly cloudy, sky with light rain
SUNDAY: Partly cloudy, sky with light rain

34°C | 26°C **33°C | 25°C** **33°C | 25°C**

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8. Live Mint

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Editor's
TAKE

NEET Bill: Tougher law, bigger stakes

The LS has passed a Bill to curb exam paper leaks. The real test will be whether the new law plugs the loopholes that allow leaks to occur in the first place

The Lok Sabha's passage of the Public Examinations (Prevention of Unfair Means) Amendment Bill, 2026, marks a necessary tightening of India's response to the menace of examination paper leaks. Introduced by Union Minister Jitendra Singh on July 27 and passed by voice vote on July 29 amid Opposition protests, the legislation raises the stakes considerably for those who compromise the integrity of public examinations.

Under the amendments, individuals involved in unfair means can face five to ten years in prison and a fine of up to ₹50 lakh. For organised examination fraud, the minimum imprisonment rises to seven years and the minimum fine to ₹10 crore. Service providers can face higher penalties and an eight-year debarment. The Bill also provides for special fast-track courts, the completion of investigations within two months, and trials within three months of the filing of a chargesheet.

There is little doubt that such provisions are welcome. Paper leaks are not minor administrative lapses. They destroy the credibility of examinations, waste years of students' lives and reward dishonesty at the expense of merit. A strong deterrent is therefore essential. Speedy prosecution is equally important because a law that takes years to secure convictions can hardly deter an organised racket.

Yet, the Opposition has a point that deserves serious consideration: a tougher law does not automatically create a leak-proof examination system. Congress Deputy Leader Gaurav Gogoi pointed out that leaks continued despite the 2024 law and questioned the effectiveness of the existing institutional framework. Other Opposition members argued that the Bill concentrates on punishment while failing to address wider systemic weaknesses and accountability.

The Opposition's objections, therefore, should not be reduced to opposition for opposition's sake. Nor should the government dismiss every criticism as political obstruction. The real question is whether prevention has received as much attention as punishment. The government itself has acknowledged the need for broader reform by setting up a high-powered panel on examination reforms. An earlier expert committee made 101 recommendations, including greater use of computer-based testing and multiple shifts, but several important measures have yet to be fully implemented.

The way forward must therefore be comprehensive. Every stage of the examination chain—from paper setting and printing to encryption, transportation, storage, distribution and digital access—must be independently audited. Service providers need stringent background checks, financial scrutiny and real-time security monitoring. Technology must be used not merely after a leak but to make leaks substantially harder in the first place. The NTA and other examination bodies must also have clearly defined accountability, with responsibility fixed at the appropriate level when serious failures occur. The new law can be a strong deterrent, but it cannot, by itself, restore public faith. India needs a tougher, smarter and more accountable examination system.

The seas need rules, not just warships

The Gulf crisis highlights the need for a stronger rules-based maritime order, with the United Nations Convention on the Law of the Sea (UNCLOS) at its core. For a maritime power like the United States, which follows many UNCLOS principles but has never ratified the convention, the debate carries significance far beyond its own shores



SANTHOSH
MATHEW

US Coast Guard Day, observed on August 4, comes at a time when the world's attention is again focused on the Persian Gulf and the Strait of Hormuz. Rising tensions in the region have once again shown how closely maritime security is connected with energy, trade and global peace.

The US Coast Guard has a long history of protecting American waters, rescuing people at sea, preventing smuggling and helping ships in distress. Its role also reflects a larger reality of the modern world: the oceans are too important to be governed solely by naval power. They need common rules accepted by countries.

The most important international framework for this purpose is the United Nations Convention on the Law of the Sea, or UNCLOS. It is widely regarded as the basic legal framework for the world's oceans. It covers navigation, territorial waters, maritime boundaries, fishing, seabed resources, marine pollution and the rights of coastal countries.

The United States signed UNCLOS in 1982 but has not ratified it. The US Senate has never approved the Convention. American objections have included the original provisions dealing with deep-seabed mining, international dispute settlement, military activities at sea and concerns about national sovereignty. The deep-seabed provisions were later revised through the 1994 Agreement.

America's position remains unusual. Although it is not a party to UNCLOS, the United States accepts many of its basic navigation rules as customary international law. Washington strongly supports freedom of navigation and regularly challenges maritime claims it considers excessive.

The continuing tension in the Persian Gulf makes this issue especially important. The Gulf is a narrow and crowded maritime region surrounded by several countries. It contains some of the world's most important oil and gas resources. The Strait of Hormuz connects the Gulf with the Arabian Sea and the wider Indian Ocean. It is one of the world's most important energy routes.

Any disruption in the Strait can affect oil supplies, shipping costs, energy prices and economies far beyond West Asia. The impact can reach India, China, Japan, Europe and many other parts of the world.

UNCLOS provides a basic system for managing maritime spaces. A coastal country can claim a territorial sea of up to 12 nautical miles from its baselines. It exercises sovereignty in this area, subject to international law and the right of



innocent passage for foreign ships.

Beyond the territorial sea lies the Exclusive Economic Zone (EEZ), which can extend up to 200 nautical miles. The EEZ is not an extension of national territory. A coastal country has special rights over natural resources such as fish, oil and gas, while other countries retain important freedoms of navigation and overflight.

This distinction is particularly important in crowded maritime regions. A country cannot treat its entire 200-nautical-mile EEZ as territorial waters. International law balances the economic rights of coastal states with the navigation rights of other countries.

UNCLOS also provides rules for international straits, continental shelves, fisheries, marine environmental protection, scientific research and the peaceful settlement of maritime disputes. It has helped bring a degree of order to an ocean covering most of the planet.

India is a party to UNCLOS and has a strong interest in maintaining this rules-based maritime order. India's long coastline, island territories and vast EEZ make the law of the sea central to its national interests.

India's economic future is closely connected with the ocean. A large part of India's international trade moves by sea. Energy supplies from the Persian Gulf are particularly important. Millions of Indians live and work in Gulf countries, making stability in the region important not only for India's economy but also for millions of families.

The Strait of Hormuz, therefore, has a direct connection with India. Any prolonged disturbance in the Strait can increase energy costs, affect shipping and put pressure on the Indian economy.

The issue also has a wider strategic dimen-

sion. The United States is one of the world's most powerful maritime countries. Its Navy protects important sea lanes, while its Coast Guard performs vital functions related to maritime law enforcement, rescue and security. American participation in the international law of the sea system would add greater weight to the rules that govern global maritime activity.

The United States is not alone among countries that have not ratified UNCLOS. Turkey, Israel, Colombia and Venezuela are also outside the Convention, for different reasons. The American case attracts greater attention because of the country's enormous economic, naval and global maritime influence.

The present Gulf tensions show the importance of a predictable maritime order. Ships carrying oil, food and other essential goods cannot depend solely on the goodwill of competing powers. They need internationally recognised rules.

The sea connects economies even when politics divides countries. A conflict in the Persian Gulf can affect fuel prices in India, shipping companies in Asia and consumers across the world.

US Coast Guard Day, therefore, carries significance beyond America's maritime service. It is also an opportunity to recognise the importance of safe seas, freedom of navigation and international maritime law.

The future of the oceans cannot be secured by warships alone. It requires countries to respect maritime law, protect freedom of navigation and settle disputes peacefully.

A peaceful sea keeps the global economy moving. A lawless sea can bring the whole world to a standstill.

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The writer is a Professor at the
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Central University

Three habits that happy people practise every day



NISHANT
GARG

2ND OPINION

After 13 years of working with individuals in business, academia and government, I have identified three important habits of people who tend to be happier each day.

These habits — deliberate practice, appreciation and equanimity — are not philosophical constructs but practical tools for becoming a little happier each day.

Being deliberate makes a big difference. It's easy to assume that I will be happy only when I get what I want, but it takes deliberate decision-making to be happy most of the time and sad only when things go extremely wrong.

This is what I call your proactive tendency. Are you taking small steps every day to become more open to change (if things don't happen your way), or are you



becoming more rigid?

This brings us to the next habit: appreciating what you have. Appreciation is not about waiting for something great before you value it; rather, it is your ability to savour the process as well. Research in neuroscience suggests that the brain systems driving 'wanting' are separate from those producing 'liking'. That is why

people who do not appreciate the process tend to chase after things they think will make them happy, but once they have them, it feels like nothing. It gives happiness only momentarily.

The last and most important pillar that will help you practise both of the above is equanimity. Things will not always go your way; there are no linear pathways in life. Your plans will fail, people will change, and you might lose things you value. That is what Buddha meant when he said that life is suffering because we don't understand that things are anicca (impermanent).

Recognise that you can only change a few things every day (through deliberate practice), appreciate the process, and remain equanimous when the path is hard. A military veteran I once taught said,

"Under extreme pressure, the calmest soldiers were not those who were the bravest but those who were the most accepting that things would not go their way." Hold your ground and change only what you can. Take the middle path.

The writer is Faculty IIM Indore

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SUPREME COURT VERDICT PUTS GOVERNMENT-CJP DEAL IN DOUBT

The uncertainty surrounding the agreement reached between the Government and the Cockroach Janta Party (CJP) following the Supreme Court's refusal to grant blanket immunity to those named in the FIRs is both significant and perplexing.

The Supreme Court has once again drawn a clear constitutional line between the democratic right to protest and the rule of law, a distinction essential in a free democracy like India. Constitutional rights cannot come at the cost of legal accountability.

Against this backdrop, the CJP's threat to resume its agitation unless all criminal cases are withdrawn raises serious concerns.

During the hearing, the Court observed that the allegations appeared serious enough to

warrant a fair and independent investigation. While protest is a democratic right, compelling the judiciary or the executive to abandon due legal process is not. Political pressure cannot replace judicial determination.

At the same time, the Supreme Court adopted a balanced approach by directing the immediate release of arrested protesters with no criminal record and granting interim protection against coercive action in the FIRs. It also recognised that minors and innocent participants should not face unnecessary criminal proceedings.

The Court's approach upholds both constitutional freedoms and the rule of law, reinforcing public confidence in the justice system.

YASH PAL RALHAN | JALANDHAR

Please send your letter to the info@dailypioneer.com.
In not more than 250 words. We appreciate your feedback.

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LETTERS TO THE EDITOR

School junk food ban must be enforced strictly

The Maharashtra Food and Drug Administration (FDA) has decided to ban packaged foods and drinks high in fat, sugar and salt (HFSS) within 50 metres of school premises. It has also prohibited the sale, advertisement and free distribution of HFSS food items. In addition, kitchen operators and food suppliers must possess valid licences.

Covering children from 22 months of age up to Class XII in all schools, this move could prove to be a game-changer if implemented effectively. Popular snacks such as vada pav and samosas will now be off-limits to children, at least during school hours. Bakery products, chocolates and sugary aerated drinks remain among the most popular junk foods consumed by children.

As these foods are highly appealing, youngsters often consume them without understanding their nutritional value or long-term health consequences. Schools should also monitor the food children bring from home. Kobo toolkits, as used in Bihar, can help assess students' food consumption and monitor kitchen hygiene. Linking all districts through this system would enable regular assessments and monthly reports, ensuring healthier school environments and better nutrition for children.

Paper leaks demand lasting reforms

The cancellation and rescheduling of NEET UG 2026 following widespread question paper leaks, along with the reported suicides of at least 21 students, exposed the urgent need for stronger examination reforms. NEET UG and its predecessor, AIPMT, have faced repeated paper leak controversies in 2015, 2016, 2021, 2024 and 2026. Reports of numerous such incidents over the past decade highlight a disturbing pattern that cannot be ignored.

Investigations into major examination leaks over the past two decades have rarely resulted in long-term imprisonment for those responsible. While modern communication technologies have made paper leaks easier to execute, they have also provided investigators with better tools to uncover organised rackets. The focus must therefore shift from reactive measures to stronger prevention and accountability.

The indefinite dharna organised by the Cockroach Janata Party at Jantar Mantar and the subsequent "Chalo Sansad" march reflected growing frustration among young people over examination irregularities. The Government later accepted the CJP's five-point demands. Though delayed, these steps offer hope for a more transparent, secure and fair examination system.

Respect experts, avoid personal attacks

Congress MP Priyanka Vadra's criticism of the inclusion of IIT Madras Director V Kamakoti on the Centre's examination reform task force was in poor taste. Referring to him as a "Gaumutra (cow urine) expert" in Parliament diminished the quality of public debate.

Kamakoti is a renowned scientist, Padma Shri awardee and an expert in cyber security, artificial intelligence and computer architecture. At a Mattu Pongal event in Chennai, he stated that cow urine possesses anti-bacterial, anti-fungal and digestive properties, and shared an anecdote about its purported therapeutic benefits.

Modern medicine has not conclusively established or disproved many claims made by practitioners of alternative medicine. When a distinguished scientist expresses such views, they should be debated on scientific evidence rather than ridiculed through personal attacks. Differences of opinion are natural, but criticism should remain respectful.

Members of Parliament enjoy constitutional immunity for statements made inside the House. However, that privilege should not be used to make derogatory remarks about individuals with distinguished professional reputations. Parliamentary discourse should uphold dignity, civility and respect, even in disagreement.

Mangroves: The foundation of coastal resilience

Mangroves are living shields that protect shorelines, absorb carbon, sustain fisheries and livelihoods, and offer a vital line of defence against an increasingly unpredictable climate. For India, protecting these green barriers is not merely an environmental responsibility — it is an investment in national resilience and human survival



SATENDRA SINGH

In a period of rapid climate change, rising sea level, increasing storms and coastal disasters, mangroves have become not just forests but natural life support systems that protect humans and the environment as well.

In case of a large country like India, which has more than 7,500 kilometers of coastline and millions of people who

live in coastal regions of India, the conservation of mangroves is no more an issue of the environment; it is an important step towards creating resilience of the nation against disasters and climate change, providing ecological security and sustainable development. While nations spend billions on building protective structures such as sea walls, embankments etc., nature has created an efficient, self-renewing and inexpensive defence system in the shape of mangrove forests.

The mangroves are one of the best examples of Nature-based Solutions (NbS) and Ecosystem-based Disaster Risk Reduction (Eco-DRR). They show how ecosystems conservation can help in safeguarding the biodiversity, improve livelihoods, reduce disaster risks, and even mitigate climate change at the same time. Each hectare of healthy mangrove forest represents an example of living green infrastructure that provides much more than any engineering structure.

Mangroves include a special type of plants represented by salt-resistant trees and shrubs growing in the transition area between the land and the sea. Being located in the tidal zones, river deltas, lagoons, and bays, mangroves are special organisms that have developed amazing adaptation mechanisms that allow them to live in such specific conditions. Their intricate prop roots are very helpful in providing stability against powerful currents and surges. Pneumatophores are breathing roots growing upwards, allowing them to breathe in the oxygen in the oxygen-deficient sediment. This adaptation leads to the formation of extensive and dense root systems, which bind sediments and help stabilize the shorelines, besides providing shelter to a multitude of aquatic creatures. Ecologically, mangroves serve as an important interface between the terrestrial, freshwater, and marine ecosystems.

Rich Mangrove heritage of India

India is blessed with some of the most abundant mangrove vegetation in the world, which spans an area of around 5,000 square kilometres along the east and west coasts and islands of the country. Mangroves have been found growing in varied climatic and geomorphological zones, each unique in its biodiversity.

Notable among Indian mangroves is the Sundarbans, which is the largest continuous mangrove forest in the world, shared by India and Bangladesh, and home to the majestic Royal Bengal Tigers. Another equally important site of mangroves is that of Bhitarkanika in Odisha, the river delta areas of Godavari, Krishna and Mahanadi, Pichavaram mangroves of Tamil Nadu, Gulf of Kachchh in Gujarat, and Andaman and Nicobar Islands. The mangrove forests house many plants, fish, crustaceans, mollusks, reptiles, amphibians and migratory birds.

In terms of climate action, mangroves are very special ecosystems as they are blue carbon ecosystems. They absorb carbon dioxide in the atmosphere through the process of photosynthesis and accumulate very high amounts of carbon in their biomass and soil. Scientific evidence suggests that mangroves are capable of storing several times more carbon per hectare than many tropical forests. Therefore, protecting mangroves is one of the best ways of mitigating the effects of climate change.

Their socio-economic importance is also immense. Millions of coastal people make their living through fishing, gathering of crabs, honey collection, eco-tourism, sustainable harvesting of forest products and the services provided by mangroves. However, perhaps their greatest contribution is the ability to safeguard human lives and property from the destructive effects of cyclones, storm surges, and even tsunamis — a potential that only becomes visible in times of crisis. With increasing frequency of natural disasters along coastal areas due to global climate change, these natural green walls have become an integral part of the solution. As a consequence of rising sea levels and warming of oceans, people residing in low-lying coastal



areas are becoming vulnerable to many risks. Under such conditions of increased risk, mangrove forests have become one of the best defences that mother nature provides. Concrete seawalls offer resistance against waves. On the other hand, mangroves not only offer resistance but also dissipate wave energy due to their trunk, branches and root system. Mangroves lower the wave height and velocity and protect the shorelines by stabilising them and by reducing coastal erosion. The role of mangroves during the occurrence of cyclones and storm surges is that of a natural bio-shield that reduces flood impact and protects life, agriculture, infrastructure and livelihoods. Studies after some cyclones and 2004 Indian Ocean Tsunami indicate that the areas with degraded mangrove belt were heavily impacted while those protected by mangroves suffered little and recovered faster.

In case of India, with 7,500-km long coastline and coastal districts being densely populated, mangroves play an important role in terms of environmental conservation as well as strategic investment. There has been increasing appreciation of Eco-Disaster Risk Reduction (Eco-DRR), making the conservation of natural ecosystems a crucial part of disaster management. In contrast to traditional grey infrastructure like seawalls and embankments, mangroves are living green infrastructure that becomes stronger over time, does not need much maintenance, and provides several co-benefits including conservation of biodiversity, carbon sequestration, improved fish stocks, and sustainable livelihoods. The combination of mangroves and artificial measures of protection results in a more sustainable and cost-efficient system of disaster management of coastal areas. This approach is entirely consistent with Sendai Framework for Disaster Risk Reduction, Paris Agreement, and the Sustainable Development Goals that view healthy ecosystems as a key part of climate change resilience and sustainable development.

Lessons from major disasters

Perhaps none of the events has highlighted the role of mangroves better than the tsunami that hit the Indian Ocean in 2004. More than 230,000 people lost their lives in fourteen different countries due to the deadly tsunami. However, post-disaster analysis showed a clear trend where coastal villages having dense mangroves forests witnessed much less devastation than those areas where mangroves had been cleared out for any kind of developmental work such as aquaculture and urbanisation.

Some of the coastal stretches in Tamil Nadu with intact mangrove forest witnessed lower wave energy impact and consequently low devastation from the deadly waves. The same was seen in some regions in Andaman and Nicobar Islands, Sri Lanka, and Indonesia.

Another lesson from major disasters where mangrove has played an important role is the super cyclone in 1999. During the 1999 super cyclone in Odisha, the mangrove forests in

Bhitarkanika acted as natural bio-shield against the cyclone by lowering the speed of wind and storm surge before they hit inland areas.

Such experience shows an essential lesson that restoration of one hectare of mangroves before disasters is always cheaper than restoration of infrastructure destroyed in the process.

Development of effective disaster management policies in coastal areas is impossible without the integration of engineering solutions with ecosystem protection. It is necessary to build shelters, embankments, early warning systems, resilient houses and plan evacuations, but all this will be much more efficient if there are healthy mangrove belts as a first line of defence.

In light of the growing threats brought about by climate change, governments need to start looking at mangroves as an important part of natural infrastructure that needs to be planned, developed and protected just like roads, ports and energy networks. The cost involved in protecting mangroves is negligible when compared to the huge losses human beings could suffer due to coastal disasters in the future.

While mangroves hold great ecological and economic significance, they continue to be subjected to greater pressure because of urbanisation, industrial growth, aquaculture, development of coastal infrastructure, pollution, reckless tourism and climate change impacts such as sea level rise and salinisation. The conservation and protection of this fragile ecosystem need to go beyond just plantation to scientific management and conservation on a landscape scale.

Initiatives like the Mangrove Initiative for Shoreline Habitats and Tangible Incomes (MISHTI), Integrated Coastal Zone Management, Green India Mission and state-wise restoration projects have been initiated in India. Yet, their success in the future will be dependent upon the incorporation of mangrove conservation in coastal development plans, disaster management planning and climate change policy making. Advanced technologies like remote sensing, GIS, drones, Artificial Intelligence and satellite-based monitoring could transform the process of mangrove mapping, health assessment and restoration. An equally important aspect would be community engagement that holds the key to conservation of these ecosystems. Sustained livelihood through fishing, eco-tourism, honey and blue carbon funding could provide strong economic motivation for conservation. The protection of the mangroves is imperative and should be seen as vital natural infrastructure. Every coastal region should include the protection and restoration of the mangroves in their Disaster Management Plan, Climate Action Plan, and Coastal Zone Management Plan. Investment in the restoration of the mangroves should be seen as investments in reducing disaster risks, climate resilience and economic security.

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The enduring bond between alumni and their alma mater



ANURADHA P S

stronger with group assignments, campus festivals, and the intense competition of exams. The students were varied and energetic: artists, coders, activists, athletes and thinkers who exchanged thoughts in the library, on the field and over a cup of chai. This diversity has been a hallmark of the alumni community, and continues to be a rich source of talents and perspectives that enhance every alumni gathering and effort.

The alumnus was transformed into a network of individuals over the years and now consists of a group of people. The alumnus has grown from a list of names, into a living network over the years, and is now a collection of individuals. It's the managers creating sustainable solutions, teachers influencing young minds, entrepreneurs starting businesses and professionals securing meaningful careers across a range of industries. A lot of people have turned their passions at the campus into meaningful careers. A surprising majority says that work today is "satisfying", not just "stable", when queried. Work offered growth, values and creative contribution.

Replays of the best songs of youth drifted about throughout the night. There were tales of late-night trips to the library when deadlines were near, and someone was always there with a cup of coffee; there were stories of the impromptu drama performances that used empty classrooms as stages; there were stories of the cricket team's untimely triumph that brought the campus to a state of celebration. Nostalgia was lodged in the mundane: A cherished bench beside the canteen, graffiti on the arts block, and an old notice-board covered in posters from past fests. Such common memories are not just funny; they are a bond that connects alumni over time, and they foster a sense of the moments that formed them.



One of the most heartbreaking events was when I, who had been a teacher since those days and am still one today, encountered the class that graduated in 2001. It was an amazing experience to see those faces, which were once mine, those of my students, now seasoned professionals themselves, and parents. They spoke with ease; they spoke of the careers they had built and made their own with the foundation we provided them in our classrooms, of the challenges they faced and how they grew in that experience, of how the values we talked about then continue to guide them. I heard from them about their families, their work and their small joys. The exchange was a good reminder that teaching is an ongoing conversation; the teacher-student relationship evolves but never ends.

In addition to the nostalgia, it highlighted that the evening was a testament to the fact that alumni are the lifeline of long-term relationships with an institution. The alumni association is not just a roll call, it is a community that has a forward momentum and is reciprocal, contributing to the college's ongoing vitality and future. Alumni provide institutional memory, mentoring, and materials and are a link to industry and research and to civic life. Their connection provides job opportunities, internships, and project connections for current students, and also serves as a way for alumni to remain connected to a place that helped make them. This is "affection made concrete" – memories of friends and family inspire tangible commitments that invest in the institution.

This was the point made evident by a number of concrete projects announced that night. Alumni will be matched with students for career advice in mentorship programs, internships will be arranged at alumni workplaces and collaborative projects will bring together student teams to work with advisors from industry. Finally, several alumni made commitments to hosting workshops, supporting research, and supporting campus festivals. These pledges demonstrate the power of an organized alumni community.

As the night drew close, groups stayed under the light and reminisced about their favorite moments, some taking pictures that would be shared on social media timelines. It was more than just a smile of memory; it was a smile of reassurance: friendships last through the years, careers can be rewarding and the ties that bind alumni together are unbroken. Rewind was more than an evening, it was a testament to the fact that the college's history lives on in its people.

Many people felt lighter walking away, as they had reconnected and had plans for the future. The alumni went back to their lives with new networks and new purpose; empowered by the great feeling that comes when they are part of an alumni community that will remember, support and celebrate them.

The writer is a Professor in the Department of Commerce, CHRIST (Deemed to be University)

Why trims may be sustainable fashion's most overlooked contributors



SHARMILA DAS

Sustainability has become fashion's favourite conversation. Brands proudly discuss organic cotton, recycled polyester, regenerative agriculture, renewable energy, water conservation, carbon footprints and circularity. Industry conferences are filled with ambitious targets and inspiring presentations. Reports are published. Commitments are announced. Awards are presented. And meanwhile, somewhere in a garment factory, a small zipper is wondering why nobody has invited it to the discussion.

The reality is that sustainability in fashion often resembles a group photograph where everyone crowds around the fabric while the trims are accidentally cropped out of the frame.

Yet these seemingly insignificant components—buttons, zippers, sewing threads, labels, elastics, drawcords, rivets, eyelets and other trims—may have a far greater influence on a garment's real-world sustainability than many people realise. The fashion industry has become remarkably skilled at talking about what a garment is made of. It is still learning to talk about everything attached to it. Consider a simple example. A jacket made from recycled polyester sounds like a sustainability success story. But what happens if the zipper is made from a different material, the sewing thread from another, the labels from yet another, and the

decorative trims from several more? Suddenly, the garment that appeared recyclable becomes significantly more challenging to recycle at the end of its life. The fabric receives the sustainability headline. The trims quietly complicate the outcome—unless the brand consciously uses recycled-material trims, in which at least 30-50 per cent less virgin material is used.

Or consider durability. A garment may be made from an exceptionally sustainable fabric. Yet if a button falls off after a few uses or a zipper fails within months, the consumer's relationship with that product changes immediately. The garment may be discarded, replaced or forgotten in a wardrobe. In sustainability terms, the environmental impact of a failed trim is rarely limited to the trim itself. Sometimes a ten-gram component determines the future of a five-hundred-gram garment. That is a remarkable amount of influence for something most consumers never notice.

If trims could speak, they might reasonably ask for better representation. After all, sustainability is not simply about what enters a product. It is equally about how long that product remains useful, repairable, reusable and recyclable.

And trims influence every one of those outcomes. A thoughtfully selected zipper can extend product life. A durable button can reduce replacement frequency. A repair-friendly fastening can encourage continued use. A responsibly sourced label can improve transparency. A recyclable trim can support circularity. A traceable trim can strengthen supply chain accountability.

None of these decisions generates the excitement of a revolutionary new fibre. Yet collectively, they shape the practical reality of sustainable fashion. Perhaps this is why trims remind me of yoga. When people first encounter yoga, they often focus on the visible aspects—the postures, the flexibility and the impressive poses. These receive attention because they are easy to see. What receives less attention are the quieter elements: the breath, the alignment, the awareness and the consistency of practice. Yet experienced practitioners know that these invisible factors often determine the effectiveness of the entire experience. The pose may attract attention. The breath creates transformation. Fashion sustainability faces a similar challenge. The fabric attracts attention. The details often determine performance.



Much like yoga students who eagerly attempt advanced postures while forgetting to breathe, the industry occasionally becomes fascinated by large sustainability ambitions while overlooking the smaller decisions that support them. The result can be surprisingly familiar.

An impressive sustainability claim attached to a product that is difficult to repair. A recyclable garment that cannot be efficiently recycled. A durable fabric paired with components that fail prematurely. A circularity strategy interrupted by non-circular design choices.

In other words, sustainability is holding its breath.

Yoga teaches that balance emerges when all parts of a system work together. Fashion sustainability is beginning to learn the same lesson. A garment is not a fabric with accessories. It is a system. And systems succeed or fail through the interaction of all their parts.

This perspective becomes increasingly important as brands pursue circularity. The future of sustainable fashion depends on products that generate less waste and can be easily repaired, disassembled, recycled, reused and recovered. Achieving this will require not only innovative fabrics but also thoughtfully designed trims. Can components be easily separated? Can materials be accurately identified? Can damaged parts be replaced? Can products remain functional for longer? Can end-of-life processing be made simpler? These questions often lead directly back to trims. The industry is taking cognisance of all these issues and monitoring them, but much more needs to be done. The concept is still nascent but is evolving. Ironically, the smaller the component, the easier it is to overlook. Yet sustainability repeatedly teaches the same lesson: small decisions create large consequences.

A few grams of unnecessary packaging, multi-

plied by millions of units, become significant waste. A more thoughtful trim specification can influence durability, recyclability and resource efficiency throughout an entire product lifecycle. The impact may be hidden. The results are not.

Perhaps the greatest opportunity lies in changing how we think about sustainability itself. For many years, sustainability has been associated with grand gestures—major innovations, transformative technologies, ambitious targets and industry-wide commitments. These remain important. But lasting progress often emerges from quieter improvements repeated consistently across systems.

Once again, yoga offers a useful reminder: lasting benefits come not from a single spectacular session but from small actions practised consistently over time. Sustainable fashion progresses in much the same way — one material choice, one design improvement, one repair-friendly feature and one responsibly sourced trim at a time. The future of fashion will require not only innovation but also attention to the details that determine whether sustainability works in practice rather than merely in theory. So, the next time sustainability conversations focus only on fabrics, spare a thought for the quiet contributors standing just outside the spotlight — the button, the zipper, the label, the thread and the elastic. While the fabric may become famous, the button may very well save the planet.

The writer is a trained Sivananda Yoga teacher

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Beyond Relief

Assam has lived with floods for generations. The Brahmaputra has always shaped the state's geography, economy and culture, periodically overflowing its banks to replenish fertile plains while also bringing destruction. But when a disaster is described as the worst in decades, it is no longer enough to treat it as another chapter in a familiar seasonal cycle. The question is not whether Assam will flood again. It is whether India is prepared for a future in which such catastrophes become more frequent, more intense and far more expensive.

The temptation after every major flood is to measure success by the speed of rescue operations and the quantity of relief distributed. Those efforts are indispensable and deserve recognition. Yet relief is only the first stage of governance. The real test begins after the floodwaters recede, when families must rebuild homes, farmers must reclaim fields buried under silt, roads and bridges must be restored, schools reopened and livelihoods revived. For thousands of low-income households, the loss is not merely material; it represents years of savings erased in a matter of hours.

Climate science has steadily warned that a warmer atmosphere holds more moisture, making episodes of extreme rainfall increasingly likely. Assam's vulnerability is compounded by the Himalayan river system, heavy sedimentation, shrinking natural drainage, deforestation in upstream catchments and embankments that often struggle to cope with changing hydrological realities. These are not isolated problems but interconnected failures demanding a coordinated response across states and sectors. Disaster management cannot remain confined to emergency response when the drivers of disaster are structural.

India has invested significantly in early-warning systems, satellite monitoring and disaster-response capabilities. These advances have undoubtedly saved lives. Yet resilience cannot be measured solely by the efficiency of evacuation. It must also be judged by whether vulnerable communities are able to return to normal life without being pushed deeper into poverty after every monsoon. That requires stronger local infrastructure, climate-resilient housing, better land-use planning, modern river-basin management and sustained ecological restoration rather than periodic crisis spending.

The economic implications extend beyond Assam. Floods interrupt supply chains, damage transport networks, disrupt agricultural production and impose mounting fiscal burdens on governments. As extreme weather events become more common across India, disaster expenditure risks becoming a permanent claim on public finances unless adaptation receives the same policy priority as emergency relief. We are yet to see signs of the urgency this aspect deserves.

Assam's tragedy is therefore not simply a regional disaster but a national warning. The country can continue to view floods as annual emergencies demanding compassion and compensation, or it can recognise them as symptoms of a changing climate and ageing infrastructure requiring long-term institutional reform. The choice will determine whether future monsoons remain natural events or recurring national crises.

Arsenal Gap

Wars have always tested military strength. Increasingly, however, they are testing something less visible but equally decisive: industrial endurance. The latest phase of the US-Iran conflict has demonstrated that the real measure of military power is no longer how many sophisticated weapons a nation possesses today, but how quickly it can replace those it uses.

For decades, the United States enjoyed an overwhelming technological advantage, investing heavily in precision-guided missiles, advanced air-defence systems and long-range strike capabilities. These weapons transformed warfare by allowing Washington to project power with remarkable accuracy while limiting risks to its own forces. Yet they also created a new strategic dependency. Such systems are extraordinarily complex, expensive and time-consuming to manufacture. Once consumed in large numbers, they cannot simply be replenished by signing bigger cheques.

The pause in hostilities with Iran has therefore highlighted a reality that extends far beyond West Asia. Even if America's military remains stronger than any rival's, prolonged operations have exposed the limits of its defence-industrial base. Production lines for advanced missiles operate on timelines measured in years rather than months. Skilled labour, specialised components, rocket motors and electronics cannot be scaled up overnight. The challenge is no longer financial alone; it is fundamentally industrial.

This matters because the United States does not prepare for one conflict at a time. Its global commitments stretch from Europe to the Indo-Pacific, where the possibility of a confrontation over Taiwan continues to shape strategic planning. Every interceptor launched in the Gulf, every cruise missile fired at hardened targets and every air-defence system transferred to an ally reduces the margin available for future contingencies. Military planners have long relied on sizable reserves precisely because crises rarely occur in isolation.

The implications extend well beyond Washington. Ukraine's continuing demand for advanced air-defence systems, NATO's efforts to strengthen deterrence and the growing military competition with China all depend on the same manufacturing ecosystem. Allies may increasingly discover that political willingness to provide support is constrained not by diplomacy but by production capacity. In modern warfare, factories have become as strategically important as aircraft carriers.

The answer is not to retreat from global responsibilities but to rethink preparedness. Defence policy can no longer revolve solely around acquiring cutting-edge platforms while assuming industrial capacity will expand when required. Governments must treat resilient supply chains, diversified manufacturing and sustained investment in production infrastructure as essential components of national security rather than afterthoughts.

The Iran conflict may ultimately be remembered less for the missiles that struck their targets than for the questions it raised about the ability to replace them. Strategic superiority is no longer determined only by technological sophistication or battlefield success. It increasingly depends on whether a nation can sustain that success over time. In the years ahead, the balance of power may be shaped as much by factory floors as by frontlines.

Resignation is not reform

No Education Minister sets a question paper. No Education Minister can personally superintend the integrity of every academic on a confidential panel, any more than a Home Minister can personally vouch for every constable. To demand a resignation for the breach itself is to demand a ritual, and rituals are what you perform when you have given up on remedies. But this is not an argument that the minister bore no responsibility. It is an argument that he was held to account for the wrong thing

Thirty-six days of agitation. At least 13 young people dead by their own hand in the 46 days between the cancellation of the paper and the rescheduled test. A lathi-charge outside Parliament, an internet shutdown in the national capital, metro stations sealed. And at the end of it, one Cabinet minister's letter to the Prime Minister.

Consider the exchange rate for a moment. What the country gave up was enormous. What it got back was a personnel decision.

Ask the only question that matters. Is the National Eligibility cum Entrance Test more secure today than it was on 24 July? The question setting apparatus is unchanged. The vendor and transport chain is unchanged. The architecture of paper and OMR sheets across thousands of centres is unchanged. And the arithmetic that gives the whole thing its terrible weight, roughly 23 lakh candidates competing for fewer than 1.3 lakh medical seats, is precisely what it was. Nothing that caused this crisis has been touched by the thing that ended it.

By the investigating agency's own account, the compromise originated inside the question setting process. The arrests include academics contracted by the testing agency to set the paper. Guess papers were allegedly sold for between Rs 10 lakh and Rs 25 lakh. Around 140 questions are said to have matched material circulating before the exam.

No Education Minister sets a question paper. No Education Minister can personally superintend the integrity of every academic on a confidential panel, any more than a Home Minister can personally vouch for every constable. To demand a resignation for the breach itself is to demand a ritual, and rituals are what you perform when you have given up on remedies.

But this is not an argument that the minister bore no responsibility. It is an argument that he was held to account for the wrong thing. Here is the document nobody at Jantar Mantar was chanting



What should universities teach when AI teaches?

At Tsinghua University, AI-assisted teaching has already taken root with the introduction of a human-machine collaborative learning model in the Department of Chemical Engineering. Other universities are not far behind. Northwest Agriculture and Forestry University uses AI to generate calculus images, Huaqiao University, capitalizing on the technology, builds basic coding frameworks for creating digital videos in traditional Chinese style and improving teaching and research, and Xi'an Jiaotong-Liverpool University has even experimented with cultivating AI-empowered translators.

What is striking is not the technology itself, but how it is being embraced. Teachers are not treating generative AI as a shortcut. Instead, they are wielding it as

a tool for exploration. For instance, AI can draw up a plan for a low-carbon campus, complete with green walkways and energy-saving dormitories, within seconds. This is precisely where real education begins. Class time is saved for students to dig deeper by asking questions such as data sources, funding allocation and project execution strategies.

This transformation in China, where the vast higher education landscape encompasses both research universities focused on cutting-edge fields and vocational colleges serving local industries, is particularly relevant to universities overseas. In 2025, China explicitly called for integrating AI into teaching methods, textbooks and curricula, emphasizing the cultivation of

independent thinking, problem-solving, communication and cooperation skills. This is not just about "initiating some AI-related courses" for students but rather about a fundamental question: What type of talent should universities develop?

Universities still need to impart knowledge, but not cramming. Instead, it's knowing what to trust. AI can quickly generate seemingly perfect explanations, but AI can hallucinate and present false information with convincing confidence. Without solid foundational knowledge in their majors, students may conveniently trust the false conclusions generated by AI. Therefore, education should focus on helping students understand concepts, trace sources, compare evidence and identify logical gaps.

Letters To The Editor | ✉ editor@thestatesman.com

Revamp needed

Sir, The CJP stir has exposed the glaring irregularities in the way the National Testing Agency (NTA) conducts national-level examinations. That it took a nationwide student protest to force the resignation of the Union education minister underscores how politically combustible education has become - because it directly shapes the futures of lakhs of young aspirants.

But the malaise runs deeper than NEET or JEE. Across India, state-level competitive exams suffer from similar flaws: opaque processes, questionable accountability, and outdated modes of conduct.

The recent agitation against the NEET paper leak should serve as a wake-up call for states to urgently overhaul their own examination systems.

Even state Boards at the Class X and XII level remain far from transparent, often abandoning students when grievances arise.

The absence of credible redressal mechanisms erodes trust and leaves young minds disillusioned. What is needed is not piecemeal tinkering but a systemic shake-up - an overhaul from KG to PG, as the cliché goes. Only then can India's education system regain credibility and ensure that merit, not malpractice, determines opportunity.

Yours, etc., Avinash Godbole, Dewas, 28 July.

Lesson learnt?

Sir, Apropos "The Next Test" published today, the resignation of a minister is a significant victory for student protestors, but it would be a mistake to treat it as the end of the story. The movement succeeded because it was not about religion, caste or ideology; it was about competent governance and institutional integrity. That is what made it dangerous for the establishment and also what makes it fragile. History



about, and it is the most damning object in this entire affair.

In 2024, after the previous NEET leak, the Education Ministry constituted an expert committee of seven members under K. Radhakrishnan, the former ISRO chairman. It did serious work. It recommended encrypted digital delivery of question papers, a transition to testing on computers, candidate authentication backed by artificial intelligence, and standardised, audited examination centres. Adopted properly, those measures would have made a leaked paper close to worthless. You cannot sell a question paper when no two candidates sit the same one.

Much of it was never put into practice. That is the failure a minister is genuinely answerable for. Not the crime, the shelf. Not the leak, but the two years in which the country already knew what to do and did not do it. It is the difference between being unlucky and being unhurried, and only the second is a resignation offence. The movement demanded the first and never learned to ask for the second. It won a head. It left the report exactly where it was.

The government's response to the resignation has been to announce a task force on examination reform under Nandan Nilekani, with six members including a former ISRO chairman and a former director of the Intelligence Bureau. Around 47 officials have been removed from the testing agency.

The members of the panel are not the problem. On paper it is an impressive group. The problem is that we have been here, with an impressive group, before. A country that responds to an unimplemented expert report by commissioning another expert report has not built an institution. It has built a loop. And you cannot dismiss your way to integrity. The compromise in this case did not come from the agency's permanent core. It came from its outsourced periphery: the contracted setters, the private vendors, the centre operators. Removing 47 people from headquarters addresses the part of the system that did not fail.

Now the part of this story that no party will touch, because every party is implicated.

Paper leaks in India are overwhelmingly a state affair. When the Public Examinations (Prevention of Unfair Means) Bill was introduced in 2024, the government's own accounting counted more than 50 leaks in recruitment examinations across eight states in eight years, affecting over 1.4 crore aspirants. Rajasthan has registered 33 paper leak cases since 2014, with 615 arrests. Uttar Pradesh saw 18 leaks in five years, raised on the floor of the Lok Sabha. Gujarat, 14 since 2015.



The leak in Himachal Pradesh's constable recruitment drew a CBI search across seven states. Not one state education or personnel minister has resigned over any of it. Not under this party, not under any other.

So let us be exact about what was established on 25 July. It was not a convention of ministerial responsibility, because a convention is a rule that applies whether or not anyone is watching. What was established is that a minister will answer when a movement can hold the national capital for five weeks. That is not a standard. That is weather. It will not reach Jaipur or Lucknow or Gandhinagar, and every party knows it, which is why every party has agreed not to mention it. Why did the state pay with a scalp? Because a scalp is cheap. A resignation costs one career and buys three news cycles.

It requires no budget line, no legislation, no negotiation with state governments, no confrontation with the coaching industry, and no capital spending on the secure infrastructure needed to test 23 lakh candidates simultaneously. Real reform costs every one of those things and delivers its first visible result years later, in another minister's tenure. Faced with a movement that would accept either, a rational government pays in the cheaper currency. That is not cynicism. It is arithmetic. And it means the concession the protesters celebrated was, from the other side of the table, a discount.

The Cockroach Janta Party did something genuinely remarkable. It mobilised where the entire organised opposition could not, and it held together for five weeks without a party machine. But it made the classic error of an insurgent movement. It demanded something that could be granted in an afternoon. Pradhan must resign is a demand that can be met the same day. It is also a demand that can be neutralised by a swearing in the following morning, which is exactly what happened.

A movement with that much leverage should have asked for things a government cannot quietly reverse.

Statutory footing for the National Testing Agency, so that its structure, its security protocols and its accountability to Parliament are fixed in law rather than in an office memorandum. Publication of the 2024 committee's recommendations alongside a dated tracker of implementation, naming

who is responsible and updated every quarter. A binding deadline, and 2028 is realistic, for adaptive testing drawn from a large bank of questions, so that a stolen paper ceases to have market value. Annual publication of conviction data under the Public Examinations (Prevention of Unfair Means) Act, 2024, because a law with no reported convictions is a press release with a gazette number. And a standing parliamentary committee on examination integrity that summons the agency every year, not every scandal.

Demand statutes, not scalps. A statute survives a reshuffle. A scalp is consumed by one. There is a harder truth beneath all of this, and it is the reason the anger was so much larger than the offence.

Twenty-three lakh young people sat that examination for fewer than 1.3 lakh seats. Even a flawless, unleakable, cryptographically perfect NEET would disappoint more than 21 lakh of them. The examination is not really a test. It is a rationing device for a scarcity the state has not addressed, and it has been asked to carry a moral weight no examination can bear.

Notice, too, when the deaths occurred. In the limbo between cancellation and retest. Those young people were not killed by a leaked paper. They were killed by 46 days of not knowing. A system in which a gap in the calendar is lethal has a problem no security protocol will solve, and behind it sits a rate of graduate unemployment among those under 25 that economists put near 40 per cent. The anger about the exam is anger about jobs, wearing a school uniform.

None of this appeared in the charter of demands. All of it will still be true next June. To be fair to what did happen. For the first time in a very long while, a sitting minister left office over a departmental failure rather than a personal scandal. That is not nothing in a political culture that abandoned the convention decades ago. And the record should note that measures were taken before the street forced anything: a new law in 2024, a restructuring of the agency, a reference to the CBI, the cancellation of a compromised paper in the interest of students. But a convention that operates once, under siege, at the discretion of the besieged, is not a convention. It is a ransom. And ransoms have a known property. They price the next demand higher.

So do not judge this by whether a man left office. Judge it in June 2027, against four questions. Does NEET run on a bank of questions delivered by computer? Is the reform report public, with a named tracker of implementation? Has a single state minister answered for a single leak in a state? Has one conviction been recorded under the 2024 Act? If the answer to all four is no, then what Dharmendra Pradhan's resignation achieved was closure, and closure is the most expensive thing a country can buy with something so cheap.

The issue was always systemic. Generations of students have lived it, under governments of every stripe. What it needs is dialogue between the parties that share the blame, and a timetable the public can audit. Not a head on a plate.

This makes critical thinking more important than ever. For instance, AI can quickly design a comprehensive river management plan, but students must ask harder questions. How are upstream agricultural needs balanced with downstream urban demand, and how is harmony achieved between ecological protection and employment? While AI excels at optimization, education can help students develop skills to understand complex situations, gather evidence, draw sound conclusions, and identify flaws in arguments.

Notably, value judgments cannot be outsourced to machines. When resources are limited and interests conflict, the central issue is not speed but fairness. Who should bear the responsibility?

cinema. More than four decades after his passing, his songs continue to enchant generations of music lovers. Whether it was romance, devotional, ghazals, qawwalis, patriotic songs, or classical melodies, Rafi brought unmatched emotion and perfection to every composition.

Evergreen classics such as *Kya Hua Tera Wada*, *Baharon Phool Barsao*, and *Chaudhvin Ka Chand Ho* remain timeless treasures. Many singers have attempted to emulate him, but none has matched his extraordinary versatility, purity of voice, and emotional depth. Truly, Mohammed Rafi remains the "Uncrowned King of Melody."

On his death anniversary, we pay our heartfelt tribute to this immortal legend.

Yours, etc. Prof. Vijay Koshti, Sangli, 29 July.



Paradox of Chinese power

NARAIN BATRA

For more than a decade, foreign policy circles in Washington and West European capitals have wrestled with a singular, defining question of 21st century statecraft. Is China an unstoppable economic colossus destined to remake the international order, or is it a fragile state burdened by mounting structural contradictions? The prevailing narrative often attempts to split the difference, casting Beijing as "geopolitically strong but economically weak." Yet this common dichotomy simplifies a far more complex, interdependent reality.

China's international leverage and its domestic vulnerabilities are deeply intertwined. Beijing's global power is not merely exerted despite its domestic financial troubles; in many respects, it is driven by the very mechanisms that create those internal strains. To understand the true picture of contemporary China, one must comprehend two competing dynamics: the formidable reach of its state-directed industrial engine and the severe balance-sheet decay eroding its domestic foundation.

Describing China's \$18 trillion economy as entirely "weak" misses the extraordinary power of its manufacturing and export apparatus. China is an unrivaled industrial powerhouse. As documented by research from the Center for Strategic and International Studies (CSIS), China commands over 80 per cent of the world's solar manufacturing capacity, leads global production in electric vehicles (EVs) and lithium-ion batteries, and holds a near-monopoly on critical rare earth processing. In high-tech green energy and advanced manufacturing,

what Beijing terms "new quality productive forces", China's competitive edge is formidable and growing.

However, running parallel to this high-octane export machine is a domestic economy in deep distress. The structural collapse of China's property market, a sector that historically accounted for nearly 30 per cent of gross domestic product, has wiped out trillions in household wealth. Youth unemployment, persistent consumer deflation, and rapid demographic decline have collectively crushed domestic consumer confidence. Beijing's reluctance to provide direct stimulus to households, choosing instead to channel state capital into state-owned enterprises and advanced manufacturing, has left domestic demand permanently suppressed.

This structural divergence lies at the heart of Logan Wright's incisive analysis in Foreign Affairs, "China's Moment of Weakness: Economic Decay and America's Strategic Opening." Wright, an economist and director of China market research at the Rhodium Group, argues that Western observers routinely miscalculate Chinese power by evaluating state policy objectives rather than underlying balance sheets.

According to Wright, China's economic malaise is not a temporary, cyclical slump, but a systemic debt crisis decades in the making. For years, local government financing vehicles poured trillions in borrowed state credit into unproductive infrastructure and overbuilt real estate. Today, local authorities lack the revenue to service these debts, forcing state banks to perpetually roll over non-performing loans to avert widespread defaults. This practice locks capital into "zombie"

assets, starving private entrepreneurs and service sectors of vital funding.

Wright argues that this internal financial decay directly constrains Beijing's outward geopolitical leverage. As domestic capital efficiency degrades and local government balance sheets deteriorate, Beijing's capacity to deploy vast state funds abroad, such as new tranches of infrastructure financing under the Belt and Road Initiative (BRI) or emergency bailouts for indebted nations, is severely curtailed.

Yet, where Wright sees domestic fragility, a paradox emerges: China's refusal to empower its domestic consumers forces it to export its industrial overcapacity to global markets. Because Chinese households cannot absorb the massive output of state-subsidized factories, Chinese solar panels, EVs, legacy semiconductors, and industrial goods flood international markets at prices undercut by state support.

This dynamic creates immediate geopolitical clout. Over 120 nations, including India, count China as their top trading partner. By embedding itself as the primary supplier of critical industrial inputs and green technology, Beijing creates structural dependencies across both the Global South and Western economies. Weaponizing these supply chains, whether through export restrictions on critical minerals or targeted trade sanctions, gives Beijing potent immediate leverage in international disputes. However, this strategy carries severe long-term costs. As Wright points out, flooding global markets with subsidized manufacturing triggers an inevitable political backlash. Nations across Europe, North America, and Latin America are increasingly erecting tariffs, anti-dumping duties, and



supply-chain restrictions, eroding China's diplomatic standing and accelerating economic de-risking.

What are the implications for global stability and U.S. foreign policy? Recognizing China's dual nature - a state possessing formidable coercive manufacturing power alongside deep domestic financial vulnerability - demands a calibrated strategy. We must avoid both strategic panic and complacency. Beijing is neither a ten-foot-tall economic giant immune to market forces nor a collapsing state on the brink of implosion. As Wright suggests, America's "strategic opening" lies in understanding that Beijing is constrained by its own internal balance-sheet arithmetic. United States strategy need not rely on blanket containment or alarmism. Instead, Washington should target strategic chokepoints in advanced technology, strengthen regional

alliances such as the Quad, of which India is a member, and AUKUS, and offer viable infrastructure and investment alternatives to developing nations.

Is China geopolitically strong but economically weak? The answer is nuanced. China is a potent, state-directed industrial superpower built upon a fragile, debt-laden domestic economy. Its real-economy dominance in critical industries ensures that it will remain a formidable rival for decades to come, even as its internal credit model faces severe headwinds. For policymakers in the USA and India navigating this complex landscape, seeing China clearly means measuring both its undeniable industrial strength and the quiet, persistent decay of its financial foundations.

The writer is a contributor for The Institute of Arts and Ideas, a philosophical think-tank based in London, and author of India In A New Key: Nehru To Modi.

100 Years Ago



Front page of The Statesman dated 31 July 1926

OCCASIONAL NOTE

MR. Amery's speech regarding Empire problems is of interest to India largely because of its reference to the negotiations between India and South Africa. The Colonial Secretary claims that the atmosphere is better because Great Britain has stood outside the controversy, and has left South Africa and India to come to the best arrangement they can. We may share his hope that the conversations will be successful. Mr. Amery turns down the suggestion that in the Imperial Conference there should be representatives of the Oppositions as well as of the Governments. Obviously such an arrangement is open to many practical objections, but it would surmount the very real difficulty that as things stand Oppositions when they come to power refuse to endorse and sometimes insist on reversing the policy of their predecessors. As things are a party that is not represented in the deliberations of the Conference may well refuse to be bound by the undertakings given by the Government of the day. That has happened in the controversies about Free Trade and Protection at Home, and has led to dissatisfaction in the Colonies. Under the present arrangement it can only be assumed that decisions taken at the Imperial Conference do not run beyond the term of office of the Governments that endorse those decisions.

News Items

SUDAN IRRIGATION PROBLEM

ABYSSINIA'S TIMELY APPEAL

(BRITISH OFFICIAL WIRELESS.)
RUGBY, JULY

THE Abyssinian Government's appeal to the League of Nations on the subject of the recent Anglo-Italian exchange of Notes gives promise of a thorough examination by the League of the whole matter, and it is on that account welcomed here.

The need for more water for irrigation purposes in the Sudan and Egypt is urgent. The steady increase of population makes it necessary to provide, as soon as possible, for bringing a larger area of the Sudan under cultivation, and it is the view of experts that a large part of the water for the irrigation of the Sudan should derive from the Blue Nile owing to the lie of the land between it and the White Nile.

Without injury to Abyssinian interests, this could be achieved by constructing a dam at Lake Tsana, in Abyssinia, for regulating the waters of the Blue Nile. Other projects are in hand for conserving the waters in the Upper Basin of the Niles and by supplementing this supply with that which would be available from Tsana. The situation in Western Egypt would thus be considerably relieved.

In addition to the construction of the dam, the British Government proposes to build a motor road to the Sudanese frontier. In the agreement reached last year between the British and Italian Governments, and recently published, the two countries undertook to support each other in their respective economic enterprises in Abyssinia, and both countries re-affirmed their adherence to the Anglo-Franco-Italian Agreement of 1906 in which the integrity, and independence of Abyssinia were explicitly recognised.

B. B. C TRANSFER

OVER TWO MILLION LICENSEES

(SPECIAL CABLE.)
LONDON, JULY

THE British Broadcasting Company in a statement anticipating the termination of its licence at the end of the year, says after repaying its shareholders at par it will hand over the entire organization, with considerable capital assets, in a high state of efficiency to its successor, the British Broadcasting Commission.

There are 1,700 members of the Company, twenty stations 250 engineers and over 2,000,000 licensees. Letters from listeners in number 730,000 a year. — Copyright

LORD CURZON

WESTMINSTER ABBEY MEMORIAL

LONDON, JULY

AN influential body of friends and ex-colleagues of the Marquess Curzon of Kedleston, headed by Mr. Baldwin, have signed an appeal for subscriptions not exceeding five guineas to erect a memorial plaque in Westminster Abbey. — Reuter's Special Service.

Four ways of growing old

ABHIK ROY

Ageing is universal. The art of growing old, however, is profoundly shaped by culture.

Having been born and raised in India, lived in the United States for more than four decades, and spent months at a time living in both Italy and China, I have had the unusual privilege of observing older adults in four remarkably different societies. These are not casual impressions gathered during hurried vacations. They are observations accumulated over years of living among local communities, watching everyday life unfold in neighborhoods, parks, cafés, markets, and homes.

The differences reveal not merely how older adults spend their leisure time but also what each culture values most - family, friendship, independence, community, health, and the joy of living. These reflections came to me while undergoing treatment at a hospital in Chengdu, where every morning I passed parks alive with older people dancing, practicing tai chi, doing freehand exercises, walking briskly, singing, and playing badminton and table tennis.

India remains a society where old age is closely intertwined with family life. Retirement often means devoting more time to children, grandchildren, relatives, and friends. Newspapers, television, religious observances, and neighborhood gatherings remain central to everyday life. At the same time, many urban

retirees now attend literary festivals, lectures, concerts, yoga classes, senior clubs, and cultural events, reflecting a desire to remain intellectually engaged.

Grandparents frequently play an indispensable role in raising the next generation. They help with homework, escort children to and from school, babysit while parents are at work, and often care for them late into the evening, putting them to bed when parents return home after social or professional commitments. In many households they are not merely cherished elders but an integral part of the daily rhythm of family life. India reminds us that no one should grow old without the warmth and emotional security of family.

Italy revealed another equally important truth: the art of living well together. Older Italians stroll through historic streets, linger over espresso in neighborhood cafés, and gather in piazzas where conversation flows effortlessly across generations. The Italian idea of *la dolce far niente* - 'the sweetness of doing nothing' - celebrates the ability to savour the present moment. This spirit comes alive during the evening *passeggiata*, when families and retirees walk together not simply for exercise but for companionship. Italy reminds us that friendship, conversation, and slowing down are essential ingredients of a meaningful old age.

China celebrates the vitality of collective activity. From dawn until evening, parks and public squares

become vibrant community centers where retirees practice tai chi, perform synchronized dances, do freehand exercises, walk briskly, sing, and play badminton and table tennis. The discipline and consistency with which they participate are remarkable.

Many retired Chinese grandparents also care for grandchildren while their adult children work long hours. They cook, shop, and help manage the household. Many attend traditional Chinese theatre and music performances. Others gather in homes, parks, and even on neighborhood sidewalks to play mahjong, the centuries-old tile game that combines strategy, memory, skill, and a measure of luck. Played by four people, it is as much a social ritual as a game. China reminds us that retirement can be a period of renewed vitality, lifelong learning, and shared community.

My years in the United States introduced me to yet another philosophy of aging. American culture places enormous value on independence and self-reliance. Retirement is often viewed as the beginning of a new chapter. Many older adults travel, volunteer in schools, hospitals, museums, libraries, churches, and charitable organizations, or pursue hobbies they never had time to enjoy during their working lives.

Many retirement communities organize lectures, concerts, book discussions, fitness classes, excursions, and volunteer projects. Universities across the country offer



lifelong-learning programmes designed specifically for older adults, reflecting the belief that intellectual growth need not end with retirement. Yet while independence preserves dignity and personal choice, it can also bring loneliness after the loss of a spouse or declining health. America reminds us that growing older need not mean surrendering independence or curiosity.

No single culture has discovered the perfect way to grow old. India teaches the importance of belonging through family. Italy celebrates companionship and the simple pleasures of everyday life. China demonstrates the power of community and active living. The United States reminds us of the value of independence and lifelong learning.

The world's population is aging rapidly. Governments rightly focus on pensions, healthcare, and long-term care, yet successful aging depends on more than medicine or money. It requires purpose, meaningful relationships, physical activity, intellectual engagement, and a deep sense of belonging.

Growing old is the one journey we all hope to complete. The true measure of a society is not simply how long its people live, but how fully they continue to live in their later years. If my travels have taught me anything, it is that every culture holds part of the answer. The challenge - and the opportunity - is to learn from one another.

The writer is Professor Emeritus at Loyola Marymount University, Los Angeles.

Crossword | No. 293537

1 2 3 4 5 6 7 8

9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27

Yesterday's Solution

BULLFIGHT VIAND
A O E R I T R A
C O R E L L I P A L F R E Y
K C C L E A L L O
P I A N O P A N D A N G O S
A F E W O D G E A O
C A F E T H I R T E E N T H
K E E E A U R C E
I N T E N T I O N S Z E A L
N I T O R I P P I P
G A S T R O P U B E P S O I M
H M T L R P E
C U I S I N E A I S L I N G
A S T T C C O L L O
R I T Z Y E N K I N D L E D

ACROSS

1 Stop one in some French street (6)
4 3 16 22 leader ultimately out to break bones (8)
9 Now centrist 22 repelled masses in vote (6)
10 Utterly uncivil in speech where 2 and 4 in clash (8)
11 Third 22 giver coming in to seize creature? (5,4)
13 Backed wisdom gathered about northern register (5)
14 Philosophical about England's case given improvement? (10)
15 Disagreement blows over? (4)
17 Subpoena in which great many mentioned (4)
19 Tortuous epic! Blowing top, 2 aired grievances (10)
22 See 3 Down
23 Process 10 witnesses at island satellite circles? (9)
25 Two points with previous example is explanation (8)
26 Thane disrupted mass for 16 song (6)
27 Accepted cash that brings paid attention (4,4)
28 Ruler snares French in rigged deal (6)
DOWN
1 Start replacing tons with grams in correct code (5)
2 Large 3 fellow in upset, one hostile to 4 (7)
3/16/22 Oh! Nasty tartan politics, erupting now herein? (8,8,5)
5 Where problems universal in lively lobster brought to pan (7,4)
6 Sheena to stop Welshman revealing Burns' concerns? (6)
7 2 on this (so 4 suggested) disposed to gripe (3,4)
8 Greet news boss protecting usual extremists? That's knotty (9)
12 3 16 22 being this slippery soil and granite (11)
14 Person getting irrational after one comes in late? (9)
16 See 3
18 Ray and Henry leaving victory 22 (7)
20 Three in to be taken apart: not 2 nor 4? (7)
21 Announced reason for which author Jules sees dragon (6)
24 Wanderer takes no notice crossing motorway (5)

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with The Independent, London)

The Tribune

ESTABLISHED IN 1881

India’s abstention

Gig workers deserve a fair deal

INDIA’s decision to abstain from voting on the International Labour Organisation’s (ILO) Convention No. 193 on “Decent Work in the Platform Economy” is a letdown for lakhs of workers who keep the country’s digital economy running. While over 400 delegates supported the treaty, including representatives from China, Brazil, Germany, France, Japan and South Africa, the Indian government chose not to endorse the world’s first binding international framework for gig workers’ rights.

The convention seeks to guarantee basic protections regardless of whether workers are labelled “employees” or “independent partners.” It promises fair wages, timely payment, occupational safety, social security and greater transparency in algorithmic management. More importantly, it requires governments to classify workers according to the nature of their work rather than contractual labels. India’s abstention is difficult to justify, given the rapid growth of its gig workforce. According to NITI Aayog, there are around 80 lakh gig workers in the country (the number is expected to reach 2.35 crore by 2030). About 39% of them earn just Rs 10,000-25,000 a month, while 34% get Rs 25,000-40,000. Many continue to work long hours, bear operational costs themselves and lack accident insurance, paid leave, pension or effective grievance mechanisms.

Labour and Employment Minister Mansukh Mandaviya told Parliament on Thursday that the government would ensure social security for gig workers by implementing provisions in the labour codes. The government has claimed that measures such as the Code on Social Security, 2020, and the e-Shram portal demonstrate its commitment to workers’ welfare. While these initiatives have improved worker identification and laid the foundation for future benefits, implementation has left a lot to be desired. Several states, including Rajasthan, Karnataka and Telangana, have already begun framing welfare measures for platform workers. Against this backdrop, India’s ILO no-show sends an uncertain signal about the Centre’s willingness to match recognition with meaningful protection. Viksit Bharat will remain a distant dream unless economic growth goes hand in hand with the dignity of labour.

Saving Shimla

Construction ban offers some hope

THE late Mark Tully was spot-on when he wrote that Shimla’s architecture makes no concessions to the fact that it is a hill station; the drab high-rise buildings could be anywhere in the plains of India. Shimla’s transformation from a hill town known for its forests and natural beauty to a concrete jungle has been relentless. Governments, both of the Congress and the BJP, cannot escape blame for their role in this mindless expansion. The template has been followed in many other towns in the state. It’s a recipe for ecological disaster that continues to find ready takers. Though quite late in the day, the Sukhvinder Singh Sukhu regime’s decision to ban construction in several core areas provides a lifeline for Shimla. It’s practically impossible to undo the damage inflicted on the hill slopes, but declaring no-construction zones is a step forward in preserving whatever is left of the natural environs.

Most of the areas where construction could now be banned were originally part of the 17 green belts. These were opened to need-based constructions by way of the Shimla Development Plan-2041, which was approved by the Supreme Court in 2024. Eight new green belts were notified in 2024, and Tara Devi last year. Public objections and suggestions are likely to be sought by the Town and Country Planning Department on the proposed bar on building new structures. It’s a moment of reckoning for the state capital. Collective good must override individual needs. There is just too much at stake. One erroneous short-sighted step now and any hope of saving Shimla will get severely dented.

Environmentalists have been crying hoarse for decades on the urgent need to preserve the green cover. Himachal has chosen to be careless and reckless. The time to change all that is here.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, SATURDAY, JULY 31, 1926

Lord Irwin’s opportunity-III

WE have stated the problem with which India finds herself confronted at the commencement of Lord Irwin’s Viceroyalty, and have said that the existence of that problem constitutes an almost unique opportunity for His Excellency both to serve his country by restoring its moral position in India and in the East, and to earn India’s undying gratitude not only by conceding to her people their cherished birthright of full and unfettered liberty but by rescuing her from a state of internecine warfare, paralysing all her activities and threatening to destroy the very basis of her nationhood, at a time when she finds it so extraordinarily difficult to help herself. On this last point, we will permit ourselves a frank remark or two. It is no agreeable thing to anyone to confess that at a particular point of time he and his people are unable to help themselves as they are naturally anxious to. The confession is particularly disagreeable to those in whose mouth no words were commoner yesterday than self-help and self-reliance, and some of whom actually preached and practised non-cooperation with all outside agencies. But where this situation is forced upon a country by a combination of circumstances more or less beyond its immediate control, and the authority to which it looks for help is exactly that which is largely responsible for that situation and to which history or accident has confined its governmental power, what other choice is there before it? In the present case, no honest man, who is not wholly blind, can deny that this is the exact position to which we have drifted.

OPINION

Iran must avoid overplaying its hand

America’s permissive nuclear deal with Saudis opens space for a compromise with Tehran



KC SINGH

FORMER SECRETARY, MEA, AND
EX-AMBASSADOR TO UAE AND IRAN

THE Iran war has entered its sixth month. It started on February 28 with US-Israeli airstrikes that killed the Iranian Supreme Leader Ali Khamenei and senior generals of the Islamic Revolutionary Guard Corps (IRGC), besides destroying several Iranian military facilities. Reportedly, the plan that Israel sold the US assumed that following the strikes, a popular uprising would depose the Islamic regime in Iran. That did not happen.

Having gained experience from similar attacks in June 2025, Iran had moved its drones and missiles into safe enclaves in mountain ranges. Consequently, the Iranians retained the ability to hit US military facilities in the GCC (Gulf Cooperation Council) countries and Israel, besides threatening US naval assets. Most significantly, Iran disrupted maritime traffic through the Strait of Hormuz, causing global oil prices to spike. Brent crude touched a maximum of \$126 per barrel, impacting energy costs even in the US.

With Pakistani mediation, a ceasefire was eventually reached on June 17. The Memorandum of Understanding (MoU), however, had some general stipulations which caused fresh misunderstanding. By mid-June, the US had whittled down its demands to basically two issues: the Iranian nuclear programme and freedom of navigation in the Strait. While the nuclear issue had to be negotiated in a subsequent dialogue, the reopening of the Strait was for immediate implementation.

The US quickly began to roll back its naval blockade. Iran, on the other hand, while allowing



COUNTDOWN : Iran understands that the US has electoral priorities that create time constraints. REUTERS

traffic through the Strait, began charging fees from all transiting vessels. Although Iran had been demanding it during and before the negotiations, no details had been finalised. The US expected them to be decided after the initial implementation of the MoU. Iran even targeted vessels moving through Omani waters and not the route designated by it.

Consequently, the US reverted to the use of military force with air attacks on July 8, barely three weeks after the initial ceasefire. Iran retaliated by attacking US military facilities in Jordan. The fresh hostilities lasted till July 24, when the US unilaterally announced another ceasefire, which also proved to be short-lived.

The US has experimented with different ideas for a stable Gulf security order since the 1979 Iranian Revolution. The Americans and their GCC allies backed Iraq, then under Saddam Hussein, in its war against Iran (1980-88). Then came the US intervention in Kuwait in 1991 to liberate it from Iraqi occupation. But the American confrontation with radical Islam in the form of al-Qaeda resulted from its own indirect intervention in Afghanistan to eject Soviet troops, present there since December 1979.

But the US military interven-

If the US seeks total Iranian submission to its terms, then a naval blockade is necessary.

tion in Iraq to eject the Saddam regime in 2003 created a fresh regional power contest. It allowed Iran access to the Shia populations of Iraq, Syria and Lebanon. This formed the Shia Crescent, with Iranian influence running from its western border to the Mediterranean. The Arab Spring, a populist anti-regime uprising which started in Tunisia in 2010, spread to Libya and Egypt, eventually causing the civil war in Syria and leading to the ouster of the Assad regime.

During his first term, US President Donald Trump conceived the Abraham Accords in 2020. They envisioned the GCC countries normalising relations with Israel and creating a new security order, with Israel at its core, to contain Iranian influence. But the cardinal mistake was to assume

that the Palestinian issue was ignorable. Bahrain and the UAE, and later Morocco, signed on. Saudi Arabia resisted, demanding that Israel must first declare the pathway to a Palestinian state.

The October 7, 2023, attacks on Israel by Hamas unleashed Israeli military violence on the Palestinian group as well as Gaza’s civilians. That undermined Trump’s plan. Meanwhile, Trump, having withdrawn the US from the nuclear deal between Iran and P5+1, called the Joint Comprehensive Plan of Action (JCPOA), allowed Iran to resume uranium enrichment without oversight.

The Indian government aligned with the Trumpian vision by proposing the India-Middle East-Europe Corridor, to run overland via the UAE, Saudi Arabia and Israel. The Gaza crisis stalled it.

The Iran war has created divisions among the GCC countries, with Qatar, Oman and Saudi Arabia, along with Turkey and Egypt, distrustful of the Abraham Accords members.

The two crucial issues between the US and Iran now are: the Iranian nuclear programme and the freedom of navigation in the Strait of Hormuz. The US, having abandoned the JCPOA, wants to deny Iran any uranium enrichment, even under the Additional

Protocol of the International Atomic Energy Agency.

On July 22, the US signed a nuclear deal with the Saudis, allowing uranium enrichment for generating fuel for their planned nuclear reactors. The US nuclear deal (2009) with the UAE denied enrichment rights. Iran now would not settle for anything less than the Saudi deal. But the US stumped the Saudis by announcing a day later that they must normalise ties with Israel first. This was the Abraham Accords by the back door.

Why did the US loosen the nuclear norms? It was always assumed that the Saudis had financed Pakistan’s nuclear programme and thus had access to it. A formal enrichment deal perhaps would allow easier transfer of weapons technology. Is this an attempt to forestall the Iranian nuclear weapon programme by turning Saudi Arabia too into a nuclear weapon threshold state?

Iran understands that the US has electoral priorities that create time constraints. It also knows that the US threat of massive annihilation of Iranian civilian infrastructure is a bluff as Iran has threatened similar action against GCC nations. The US would not want mass disruption of economic and social life in the Gulf.

The US has a couple of options. It can militarily escalate the conflict with air and ground attacks. This risks protracting the combat and causing heavy casualties. Alternatively, it may compromise on both the nuclear and Hormuz issues. Perhaps the more permissive nuclear deal with the Saudis opens space for a JCPOA-like deal.

Regarding the Strait, Omani diplomats were in Iran on July 25-26. Oman-Iran management of the Strait may be acceptable to the GCC and thus also to the US.

Finally, if the US seeks total Iranian submission to its terms, then a naval blockade is necessary. But how long economic distress would take to make Iran bend is unpredictable. Logically, the US would prefer an early off-ramp and subtle compromise. Hopefully, Iran will not overplay its hand, considering the IRGC’s inordinate influence.

THOUGHT FOR THE DAY

The United States is not opposed to civil (non-enriched) nuclear facilities. — Donald Trump

The unifying power of football

MAJ GEN GG DWIVEDI (RETD)

THE just-concluded FIFA World Cup revived fond memories of the tournament’s edition hosted by Mexico in 1986. At the time, our unit was deployed along the Punjab border. Our Commanding Officer (CO), a die-hard football enthusiast, followed every match with great passion on the battalion’s only TV set, installed at the headquarters. He was also the star striker of the battalion’s football team and proudly wore jersey No. 10, earning him the affectionate nickname “Maradona.”

Football was an inevitable topic of discussion during conferences. The CO would enthusiastically analyse each match, offering detailed reviews and tactical insights. He was overjoyed when Argentina beat England in the quarterfinal, thanks to two unforgettable goals by Diego Maradona.

Days before the final, a hailstorm swept away the mess tent where the television had been installed, leaving the set badly damaged. Procuring a replacement at short notice was not possible. Fortunately, an affluent family in a neighbouring village, where my company was deployed, had recently purchased a Weston colour television. The crisis was resolved.

After an early dinner on D-Day — June 29, 1986 — a few of us, accompanied by the CO, made our way to the family’s home to watch the final between Argentina and West Germany. As a token of gratitude, we presented our hosts with a bottle of whisky. The TV was placed on a pedestal in a spacious hall packed with local football enthusiasts. A few chairs had been arranged for us alongside the host. Since the CO was passionately backing Argentina, the room erupted in celebration when Maradona’s team took the lead in the first half.

An early goal in the second half made it 2-0 in Argentina’s favour. Our hosts had arranged sweets and glasses of milk to mark the occasion. But football is a game of surprises. West Germany struck twice in quick succession to level the score, and the atmosphere instantly turned tense.

The attendants, who had downed a few pegs, stood waiting with heavily laden trays. Then came the decisive moment. Jorge Burruchaga capitalised on a superb pass from Maradona to score Argentina’s third goal. Overcome with excitement, the CO sprang from his chair and accidentally collided with an attendant. He was drenched from head to toe in milk, while several steel tumblers clattered to the floor.

Displaying true sporting spirit, the CO burst into laughter and declared the unexpected shower a good omen. He was proven right when his favourite team emerged champions.

Of course, the ultimate winner was football, which united soldiers and civilians alike — transcending rank and background. For a couple of magical hours, our hearts had beaten to the rhythm of the same ball.

The writer served as Defence Attaché to China and North Korea.

LETTERS TO THE EDITOR

Make cyber security a priority

With reference to ‘Digital arrest’, cyber scams represent one of the most dangerous forms of modern crime as they exploit fear and trust. India is moving towards a digital economy, so strengthening cyber security must become a national priority. Defining digital arrest as a separate criminal offence, imposing stringent penalties, improving technological capabilities and promoting digital awareness can significantly reduce this faceless crime. A coordinated effort by the government, law enforcement agencies, financial institutions and above all, citizens, is essential to build a secure digital ecosystem where technology empowers citizens instead of becoming a tool for exploitation.

GAURAV BADHWAR, ROHTAK

Bad construction or nature's fury?

Refer to ‘Infra woes’; the road damage incident in Dehradun raises serious questions about the quality of construction material, project supervision and accountability. Such incidents undermine public confidence in infrastructure projects funded by taxpayers’ money. Roads and bridges must be designed to withstand heavy monsoon conditions. If proper engineering standards, drainage systems and soil stabilisation techniques had been followed, such an infra failure could have been avoided. The government should conduct an independent inquiry to determine whether the collapse occurred due to poor construction practices or natural causes. If found guilty, the contractors and officials responsible must be punished.

BAL GOVIND, NOIDA

Global SOPs for human rights

Refer to ‘It is time to end the pellet gun era’; people often come together to oppose policies or apathy of the government over issues directly impacting their lives. When their appeals remain unheard, the resentment escalates into mob violence. But when the ruling government decides to use excessive force, the strategy becomes counterproductive. In the era of social media, each such confrontation leads to international ramifications. International institutions like the United Nations should develop Standard Operating Procedures in sync with global human rights laws.

MADHURI SHARMA, PENNSYLVANIA (US)

Academia can play a bigger role

Apropos of ‘After the slogans, real work of education reform awaits’; the fundamental questions about the evaluation of entrance exams and faulty selection procedure have not been addressed yet. Overemphasis on objective-type evaluation ignores creativity and critical thinking. Academia must play an advisory role for the government and also keep the public informed. Their work cannot be limited to a particular discipline and political ideology. Evaluation and selection based on rote-learning may harm the organic progress of both academic and social progress.

JASKARAN SINGH GILL, PHAGWARA

Disregard for students’ intellect

With reference to ‘After the slogans, real work of education reform awaits’; the student protests reveal the extent to which the state seeks to defend its apparatus despite sustained criticism from the students it serves. This highlights disregard for students’ intellectual development or psychological well-being. The state’s response marked by intimidation, coercion and the use of force against protesting students indicates that whatever the agitation uncovered was not merely a crisis of educational governance but deep authoritarian control operating beneath the formal language of democracy.

ASHIMA GUPTA, PATIALA

Honesty vindicated belatedly

The Supreme Court’s decision to posthumously exonerate former Prime Minister Mammohan Singh in the coal block allocation case is a reminder that justice delayed can often amount to justice denied. Summoned in 2015 despite two CBI closure reports finding no evidence against him, Dr Singh had to carry the burden of criminal proceedings until his death in 2024. The Court has now acknowledged that there was no cogent reason to prosecute him. While the judgment restores his legal and moral reputation, it also exposes the painful cost of prolonged judicial delays. A verdict delivered 19 months after his demise offers little solace to the person whose integrity remained under a cloud for years.

VANDANA, CHANDIGARH

A litmus test for BJP after student protests



RADHIKA RAMASESHAN
SENIOR JOURNALIST

SELDOME has a byelection, assembly or parliamentary, evoked such excessive media attention, coverage and analyses as the Bankipur bypoll in Bihar and to a lesser degree, Datia in Madhya Pradesh.

The interest is nearly on a par with that generated by the Azamgarh Lok Sabha byelection, post Emergency, in 1978 when Mohsina Kidwai's victory marked the Congress's resurgence, and in 1988, when VP Singh had resigned from the Congress and sought a fresh referendum in Allahabad, a seat vacated by Amitabh Bachchan. Singh's win triggered the regrouping of a national coalition of the Opposition against the Rajiv Gandhi regime. Bankipur, Datia and Manjalpur in Gujarat voted on July 30, results for which will be declared on August 3.

Being an urban seat in west Patna inhabited by a conglomeration of the city's elite, the middle class, traders and a sprinkling of the working class, the focus on Bankipur is understandable. The bypoll comes immediately after the historic protests staged by the

Cockroach Janta Party (CJP), which extracted the first major resignation from a Union cabinet minister in the BJP-led government.

After Delhi, Patna saw the most rambunctious demos in which young women and men bested the security forces at every step, showing their uniformed adversaries in a pathetic light. Such incidents fuelled interest in Bankipur but there are other compelling reasons too.

At stake is the future of two protagonists: Nitin Nabin, the newly appointed BJP president who was the Bankipur legislator before he was nominated to the Rajya Sabha and Prashant Kishor aka PK, who heads the nascent Jan Suraj Party (JSP). The Rashtriya Janata Dal (RJD) is also in the fray but has not actively figured in the discussions among morning walkers in parks and 'chai addas', generous with the assessments they share with roving YouTubeers.

Retaining Bankipur, which was held by Nabin's father Kishore Prasad Sinha who bequeathed it to his son, should have been a breeze for the BJP. It's a family borough for the Sinhas who were favoured by the predominance of their community of upper-caste Kayasthas. But PK is trying hard to upset the social algorithm not because he, a Brahmin, represents a major caste here but because he is attempting to transcend Bihar's preoccupation with caste equations locked in an electoral grid.

Kishor is no stranger to the BJP. He was a principal architect



BANKIPUR BYPOLL : BJP president Nitin Nabin (left) with party candidate Neeraj Sinha. ANI

of Modi's 2014 march to victory. Buoyed by the success, he was sought after as a strategist by several leaders including Mamata Banerjee and Nitish Kumar. Kishor's campaign pivoted around three points: the byelection is the best chance to register protests against Modi; it is the best chance for the ouster of the CM, Samrat Choudhary; and puncture the BJP's "arrogance" which, he said, peaked in Bankipur where its leaders claimed even if the party had fielded a dog or cat, it would have swept the poll.

However, the BJP readied its counters, indicating that it was not a goner. Its winning code, revolving around the "saam, daam, dand, bhed" (persuasion, inducement, punishment, division) doctrine, was in operation. But the word from insiders was there was no marked enthusiasm for Nabin, perceived as a person foisted on the party from the top and not

The ground has been prepared in the Bihar bypoll: a win is Modi's, a defeat will be ascribed to the candidate.

someone who organically made his way up the ladder. Indeed, it is doubtful how many in the BJP, outside Bihar, were familiar with Nabin before his ascendancy.

Just as the steady erosion of the political autonomy of states happened in the Congress under Indira Gandhi and imploded into a crisis later, over-centralisation might be the BJP's bane to such an extent that the outcome of every election, including one to a municipal corporation or a panchayat, would lead to the doorsteps of Modi and Amit Shah. The latter is believed to remote control every such organisational exercise.

So far no questions were asked and no answers given for the mishaps that occurred along the way but credit for every success was appropriated and savoured by the leadership. The ground has been prepared in Bankipur: a win is

Modi's, a defeat will be ascribed to the candidate, Neeraj Sinha, who was not Nabin's first choice. Might that erode whatever authority Nabin is allowed to exercise?

However, in the end, Bankipur could be a blip, a footnote or a chapter in the BJP's annals, but high on Modi's preoccupation is fashioning adequate responses to the epic show of strength at Jantar Mantar, which reflected on the failure of the central intelligence apparatuses to anticipate the chokehold on Delhi for a week.

The initial responses to the mass gathering were straight out of the State's manual: whisk away Sonam Wangchuk, the mascot, under the cover of white sheets, hoping that would disperse the roaches. When that failed, shower lathis, tear gas and pellets from air guns on the girls and boys without calculating the collateral damage.

Modi paid a big price because, going against the grain, he asked the CJP's main target, the education minister Dharmendra Pradhan, to resign. By the time Pradhan quit, the roaches had chosen their next victim and that was the PM himself. Everything the CJP questioned about the government's policies and governance (or its absence) was amplified in the tools they created and disseminated on Instagram. Memes, videos with unprintable captions, cartoons and riffs on Hindi film songs. The CJP virtually put the government and its minis-

ters on notice as nobody knows who is next in the roaches' line.

However, there is no challenge to Modi, within or without. In any other party, such a virulent spectacle might have spurred a whisper campaign against the apex leadership. Not in the present day BJP. The allies have not uttered a word on the developments. The only expression of dissent, quelled almost as soon as it erupted, came from the daughters of an Odisha MP Aparajita Sarangi, an Assam minister from the Asom Gana Parishad Keshab Mahanta and a former Uttar Pradesh MLA Vikram Singh.

The BJP is still poised to win the next slew of elections, including UP and Uttarakhand. The major victories will be used to vindicate the rights of the establishment and the wrongs of the protests in an attempt to recover political capital. But as a political commentator perceptively noted, "The lesson of July is, therefore, not that the government lost a minister. It is that dominance can be manufactured at the ballot box, but authority has to be earned between elections, through institutions people trust and contests they can believe in."

How else can one explain the surge in protests on the streets of Patna and Kolkata just months after their voters gave the BJP massive mandates? Have anger and frustration with the elected dispensations set in record time? Or did voters not fully trust the mandate given by the EVMs?

Ambitious China wary of the Thucydidean Trap



LT GEN MK KATIYAR (RETD)
FORMER GOC-IN-C,
WESTERN COMMAND

SPARTA stood as the dominant military power of the Greek world in 431 BC. Its supremacy was rooted in a formidable army. Athens, however, was rising with a powerful navy. "The growth of Athens and the fear it inspired in Sparta made war inevitable," observed Thucydides, best known for his masterpiece *History of the Peloponnesian War*. Centuries later, Harvard scholar Graham Allison analysed 16 such conflicts since the 16th century and found that 12 ended in war. He termed this dynamic the Thucydidean Trap.

Chinese President Xi Jinping has repeatedly invoked the metaphor of the Thucydidean Trap. In 2015, he told the *Wall Street Journal* that strategic miscalculations could push major powers into such a trap. In 2023, during a meeting with the US Senate Majority Leader, he insisted that the trap was "not inevitable."

And most recently, on May 14, 2026, Xi asked the visiting US President Donald Trump: "Can China and the US tran-

scend the Thucydidean Trap?" For Xi, avoiding a direct military conflict with Washington is central to China's path to global leadership. After all, Sun Tzu's maxim still resonates: the highest form of strategy is to "win without fighting".

Since 1949, emerging from what it calls the "Century of Humiliation," China's leadership has pursued a singular goal: restoring the nation to its "Middle Kingdom" status at the centre of world affairs. Deng Xiaoping's dictum, "hide your strength, bide your time," guided Beijing's posture for much of the late 20th century. Under Xi, however, China has shed much of its caution. Its pronouncements are more forceful, its actions increasingly assertive. The time for "hiding intentions" appears to be over. Yet even as Beijing grows bolder, it remains keen to avoid a military conflict with the US. Instead, it seeks to reshape the global order from within.

The West, the so-called Global North, is visibly apprehensive of China's ambitions. So, Beijing has turned to the Global South as the foundation of its leadership strategy.

Its June 2026 White Paper, "More Just and Equitable Global Governance: China's Principles, Proposals and Actions," lays out a vision for managing world affairs under Chinese stewardship. This document — alongside the Belt and Road Initiative, BRICS, the Shanghai Cooperation Organisation and the Global



POWER DYNAMIC : The West is visibly apprehensive of China's ambitions. REUTERS

Governance Initiative of 2025 — forms the roadmap for China's bid for world leadership.

The White Paper is its most candid articulation of global leadership ambitions. After outlining the "severe and complex challenges facing the world," it highlights Beijing's "Global Governance Initiative" and its contribution to promoting global governance.

On paper, it strikes all the right notes — democracy, multilateralism, peace, and rule of law. Yet coming from an authoritarian regime, the motives warrant closer scrutiny. Is this a principled stand, or a calculated attempt to win the trust of the Global South while concealing deeper ambitions? The gulf between what China says and what China does is indeed wide. Several contradictions stand out:

- Democracy in international affairs: The White Paper calls

India's challenge is to safeguard its own interests and to shape the choices of the Global South.

for greater democracy in global governance. Yet China denies democratic rights to its own citizens. How credible is its promise to uphold democratic norms internationally once it assumes a leadership role?

- Respect for multilateral institutions: Beijing professes support for the United Nations and other multilateral bodies. But in practice, it has rejected rulings that go against its interests — most notably the 2016 Permanent Court of Arbitration award under UNCLOS, which invalidated its sweeping claims in the South China Sea.
- Opposition to hegemony: The document criticises hegemonic behaviour by world powers. Yet China's own "nine-dash line" claims in the Pacific, its insistence on absorbing Taiwan, and its cartographic claims over Arunachal Pradesh reflect precisely the hegemonic posture it condemns.

- Peace and non-proliferation: The White Paper laments armed conflicts and nuclear proliferation, presenting China as a balanced actor. But Beijing's support for Russia, Iran and Pakistan in recent conflicts, including during Op Sindoor, undermines this claim. Its past role in nuclear proliferation to North Korea and Pakistan further exposes its double standards.
- Rule of law: The paper pledges rigorous enforcement of international law. Yet China refuses to honour the UN Convention on the Law of Non-Navigational Uses of International Watercourses, denying lower riparian states such as India, Myanmar and Vietnam their rights over rivers originating in Chinese territory.

In short, the White Paper, seemingly a roadmap for equitable governance, is in actuality a carefully crafted narrative, designed to reassure the Global South while masking China's pursuit of dominance. Beijing's model of global governance will never be acceptable to liberal democracies in the West. The Global North, led by the US, may ultimately choose confrontation, springing the Thucydidean Trap that China is so desperate to avoid. But is war the only way to block Beijing's "Middle Kingdom" dream of world leadership? Perhaps not.

The Global South holds the key. It must remain wary of China's machinations, recognise the gulf between lofty

rhetoric and actual conduct, and anticipate the authoritarian, hegemonic posture Beijing would adopt if it were to lead the world order. The Global South should deny China the mantle of leadership and be wise not to repeat the mistake of the Global North in trusting the sweet cadence of Mandarin promises.

For India, the stakes are even higher. First, it is a legitimate challenger to China's leadership of the Global South. In the late 1950s, India spearheaded the Non-Aligned Movement, much to Mao's dismay.

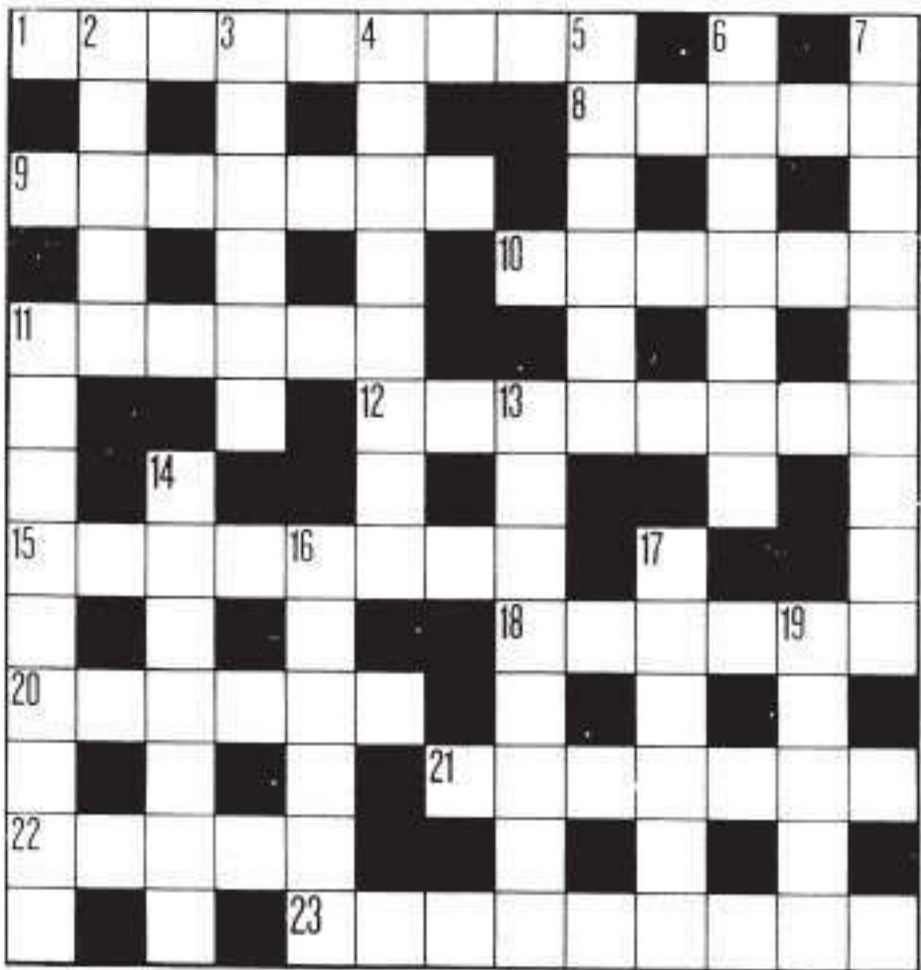
Second, China's vision of "national rejuvenation," inseparable from its world power dream, is not confined to Taiwan; it extends to territorial claims over Arunachal Pradesh, making India's sovereignty directly vulnerable.

Third, if the Thucydidean Trap proves inevitable, the resulting military conflict could be catastrophic, perhaps even a third World War, fought in India's neighbourhood.

India's challenge, therefore, is not only to safeguard its own national interests but also to shape the choices of the Global South. If China's rise is to be met without war, then India's voice, credibility and leadership will be indispensable in charting a more balanced path forward.

Perhaps it is time for India to rethink its strategy, both in engaging the Global South and in dealing with China's ambitions head-on.

QUICK CROSSWORD



ACROSS

- 1 Open area around a city (5,4)
- 8 Arrive at (5)
- 9 Precise moment (7)
- 10 Communicate (6)
- 11 In improved health (6)
- 12 Spread beyond normal limits (8)
- 15 All-embracing (8)
- 18 Piquant sauce, pickle etc. (6)
- 20 Diffident (6)
- 21 City of southwest Canada (7)
- 22 Stir up (5)
- 23 In the act of crime (3-6)

DOWN

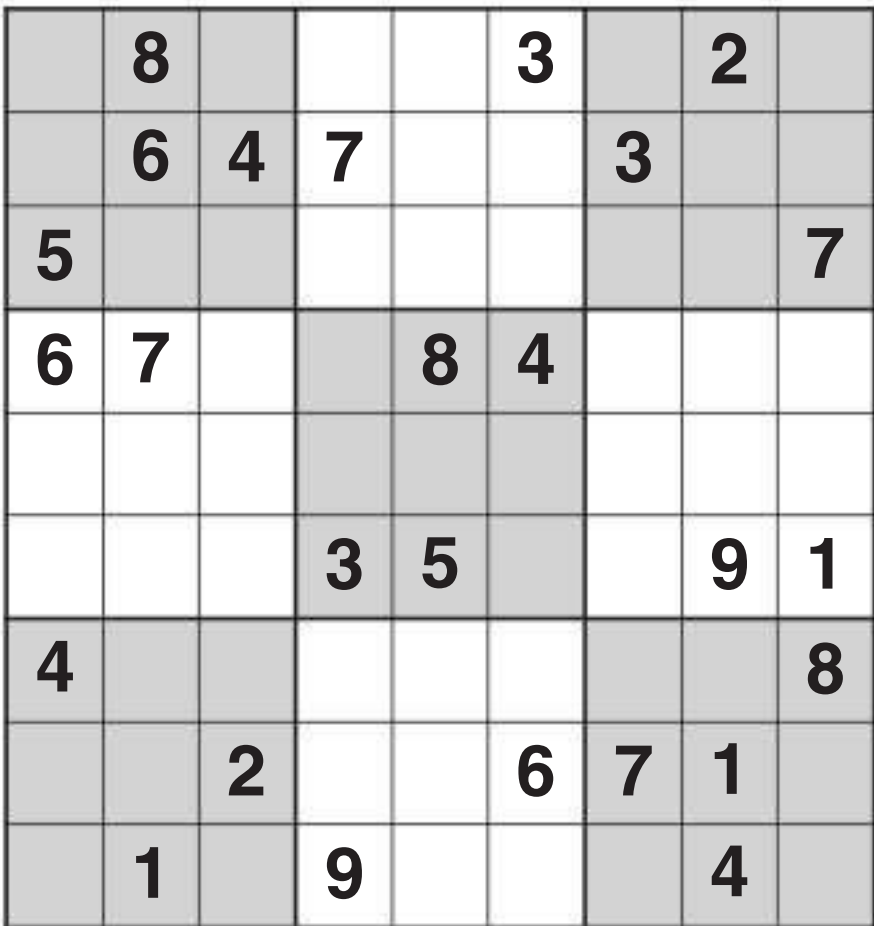
- 2 Large cooking stove (5)
- 3 Thing with distinct existence (6)
- 4 Provide funds for (8)
- 5 A quivering (6)
- 6 Story with moral lesson (7)
- 7 Attempt to gloss over errors (9)
- 11 Record of a misdemeanour (5,4)
- 13 Intrude on (8)
- 14 Large sports venue (7)
- 16 Edible bivalve mollusc (6)
- 17 Watchword (6)
- 19 Be member of armed forces (5)

Yesterday's Solution

Across: 1 Baptism, 4 Leg-up, 7 Oust, 8 One or two, 10 Motionless, 12 Revise, 13 Thwart, 15 Shortrange, 18 Opponent, 19 Fair, 20 Terse, 21 Enhance.

Down: 1 Bloom, 2 Positive, 3 Mingle, 4 Lion's share, 5 Gate, 6 Project, 9 Dog's chance, 11 Maintain, 12 Rule out, 14 Bronze, 16 Eerie, 17 Spur.

SU DO KU



V. HARD
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FORECAST

CITY	FRIDAY SATURDAY		19:38 HRS 05:40 HRS	
	MAX	MIN	MAX	MIN
Chandigarh	35	25		
New Delhi	34	26		
Amritsar	35	27		
Bathinda	37	25		
Jalandhar	35	26		
Ludhiana	32	25		
Bhiwani	35	25		
Hisar	36	28		
Sirsa	38	29		
Dharamsala	28	21		
Manali	24	17		
Shimla	22	17		
Srinagar	30	21		
Jammu	31	26		
Kargil	28	16		
Leh	27	13		
Dehradun	31	22		
Mussoorie	24	17		

TEMPERATURE IN °C

INTERNATIONAL EDITORIALS

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Opinion

‘The Odyssey’ gives us the hero we deserve

The new *Odyssey* is a halfway hero: he wrestles with the problems he creates. That makes him a perfect figure for our modern moment.

B.D. McClay

Some people are going to tell you that the problem with Christopher Nolan’s “The Odyssey” is that it’s about modern people, not ancient people. Not me. It is about modern people, but so is everything else made by modern people. If you want to encounter the ancient world, you have to open a book. (Homer is available in several translations; I like Richmond Lattimore’s.)

Other people are going to tell you that the problem with Mr. Nolan’s “The Odyssey” is that he’s using an ancient text to revisit his own preoccupations: heroism, guilt, memory and the nature of time. Not me. I like an artist who’s not afraid to keep gnawing at the same bone.

No, for me the problem with Mr. Nolan’s “The Odyssey” is something else. It’s *Odysseus*.

To refresh briefly for those who don’t remember the story and haven’t seen the movie: Homer’s two epic poems, the “Iliad” and the “Odyssey,” follow the story of the Trojan War, when the abduction of Helen, the wife of Menelaus, triggers a huge conflict. The Greeks lay siege to Troy for 10 years, with great losses on both sides, and finally achieve victory when Odysseus tricks the Trojans into bringing a horse full of soldiers into the city. Odysseus, sailing home in victory, then angers Poseidon, the god of the sea, delaying his homecoming by another decade. When he finally makes it back, he discovers his home is full of suitors courting his wife, Penelope, and plotting the demise of their son, Telemachus. Penelope has cleverly kept the suitors at bay through trickery, but she’s been betrayed by some of her servants and cannot hold out much longer.

One thing that may strike contemporary readers of Homer is that Odysseus is one of a handful of epic heroes whose motivations actually make sense to us. He doesn’t want to be in Troy; he wants to be home. He is devious and clever without being an out-and-out scoundrel, and he’s generally motivated by curiosity and a thirst for knowledge.

In Mr. Nolan’s hands, however, wily Odysseus becomes a different, if still recognizable, type: the halfway hero. He’s a man who in some way fails to be a father, a man who dirties himself in the name of a higher cause but then discovers that the cause wasn’t worth it, a man with the power to change the world but who, in the end, either fails to do so or makes the world worse.

Like J. Robert Oppenheimer, the subject of Mr. Nolan’s previous film, this halfway hero seems protected from self-knowledge, either through culpable naïveté or blinding arrogance. Mr. Nolan’s *Odysseus*, for instance, is shocked that once he gets the Greeks into Troy, his comrades lost it and kill the inhabitants. He plucks his bow while hunting out of a sense of sportsmanship and, when his ships set sail to go home, he decides to leave the provisions from Troy because, he says,

they’ve taken enough from the city already.

This is, as mentioned, an *Odysseus* for modern people, and modern people struggle with the idea of true heroes. A figure who identifies what needs to be

done and then does it without tremendous inner conflict? What’s the point of that? Such a person will make most modern audiences only feel like failures. Perhaps contemporary viewers don’t trust the idea of a sharp, decisive

leader, or perhaps the notion of doing something without feeling bad about it seems inherently villainous to them. In contemporary politics, Americans tend to alternate between people who tell us nothing can be done and people who

swear everything can be done, both of which disappoint in their own ways. So Mr. Nolan’s *Odysseus*, who struggles after doing something that turns out to be the wrong thing, feels like a particular

MCCLAY, PAGE 11



ANITA SALDA

A blunt warning for Israel

Jewish terrorism is a menace to Palestinians and a threat to Zionism itself.



Bret Stephens

Because Israel is routinely the victim of double standards — Will Zohran Mandant ever make a personal cause of denouncing his native Uganda for criminalizing homosexuality? Or tell a human-rights maledactor like Turkey’s president, Recep Tayyip Erdogan, that he, too, isn’t welcome in New York? — it’s tempting for the Jewish state’s stalwart defenders, including me, to downplay its failings.

That goes especially when we see the country having to defend its legitimacy against scoundrels. Or when allegations made against it later prove sloppily reported or entirely unfounded. Or when the chorus of condemnation is loud enough already without lending our voices to it.

But anyone who cares about Israel’s well-being shouldn’t be silent about anti-Palestinian settler terrorism in the West Bank and the nothing-much-to-see-here policy of Benjamin Netanyahu, the prime minister. That’s not only because the terrorism is a menace to Palestinian lives and property, or an affront to Jewish ethics, or a stain on Israel’s reputation — though it’s all those things. It’s also a direct threat to Israel’s security and statehood, and thus to Zionism itself.

That’s the point of a public letter to

President Trump, issued Sunday by Matan Vilnai, a retired deputy chief of staff of the Israel Defense Forces, on behalf of an organization that includes hundreds of retired senior Israeli officers.

“Whereas our security agencies excel in dealing with Hamas and other West Bank Palestinian terror groups, they are severely constrained when it comes to Jewish terrorists,” the letter notes. “It is no secret that certain members of our current government orchestrate much of this chaos, including by shielding their followers — who are armed and driven by messianic impulses — from the law and its enforcement.”

“Unless arrested swiftly and decisively,” the letter bluntly warns, “escalating violence in the West Bank is poised to ignite the region and carries severe ramifications for both Israeli security and U.S. regional interests.”

That reality was again brought home last week, when extremist settlers went on a rampage in several Palestinian villages, reportedly setting fire to a home and two mosques, attacking a stonecutting factory and committing other acts of outright terrorism. That followed an incident in which four Palestinians and two Israelis were killed after a confrontation involving a group of Israelis who, without prior coordination, had trespassed into an area under Palestinian civil control.

This sort of episode has become routine. As *The Times* of Israel reports, “the I.D.F. recorded 867 incidents of nationalistic crime and settler violence in 2025.” That’s up from 682 the previous year.

Netanyahu’s answer to all this, as he



SAMAR HADZIKIN FOR THE NEW YORK TIMES

told CNN’s Dana Bash, is that the violence is the work of about 150 “juvenile delinquents” and that he doesn’t accept “vigilantism.” But it’s preposterous to think that a government that can assassinate a Hamas leader in a Tehran guesthouse finds itself unable to contain a wave of Jewish thuggery. If the prime minister wanted to end the problem, he could. Like Bartleby, he would prefer not to.

That’s largely because his Likud Party depends on the parliamentary support of extremist settlers led by Itamar Ben-Gvir, the minister of national security, and Bezalel Smotrich, the finance minister, and Netanyahu has learned to stay atop Israeli politics by never letting go of his right flank.

In an interview, Eran Shamir-Borer, who spent many years in the I.D.F.’s Military Advocate General’s Corps and is now with the Israel Democracy Institute (on whose advisory board I sit), listed for me the specific decisions by Netanyahu’s cabinet that have brought Israel to this pass. Chief among them is Defense Minister Israel Katz’s refusal to use administrative detention as a legal tool to rein in suspected Jewish terrorists. David Zini, the current head of Israel’s internal security service, avoids the term “Jewish terror” in favor of the euphemism “frictions.” And Ben-Gvir is himself a product of the same milieu that produced the rampaging settlers.

“Everyone hears the music,” Shamir-Borer said, “and it legitimizes this kind of conduct.”

That’s what makes Vilnai’s letter significant, particularly during the same week that the prime minister visits Washington to meet with Trump.

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OPINION

The New York Times

INTERNATIONAL EDITION

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The flawed environmental case against data centers

Adam Mastroianni

The war over artificial intelligence is playing out largely at local zoning board meetings. More than a dozen A.I. data center projects have been blocked or delayed because of local opposition, often motivated by environmental concerns. This month Gov. Kathy Hochul of New York signed an executive order halting construction of the state's largest data centers for one year — America's first such moratorium. According to a March Gallup poll, 71 percent of American adults said they opposed the construction of A.I. data centers in their areas, and worries about the environment were the most common reason.

I empathize with the environmental opposition to data center construction, but the arguments are shakier than they seem. The battle over where A.I. data centers are being built is really a battle over what role A.I. should play in our lives. And that's a battle that critics can win.

Many people feel that A.I. is being foisted on them by a handful of tech billionaires, in ways that are incoherent and difficult to resist. Data centers, on the other hand, are physical structures that are subject to zoning regulations. So it makes sense that makes sense that critics can win.

Our animosity toward them is really more about our anxieties about A.I.

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Trump's Red Scare will backfire

Jamelle Bouie

President Trump knows that he is unpopular.

This is why he has become even more obsessed with election fraud; why he fumed and rambled about the 2020 U.S. election for a prime-time audience this month and why he wants Congress to pass the SAVE America Act, a bill that — in his mind — would make it impossible for Democrats to win the midterm elections.

This is why both he and his Republican allies are throwing everything they have at Democrats in an attempt to find a message that sticks with the public, a message that could help them hold Congress for another two years. And what Trump and the Republican Party have set out to do is spearhead their campaign against the Democratic Party is the threat of communism.

That's right: communism. It is unclear exactly what Trump has in mind when he says "communism," although there is no reason to think that the president could distinguish Marxism-Leninism from Maoism or Trotskyism or some other more boutique formulation. Whatever his meaning, the important point is that communism is, to the president, the single greatest threat to the safety, prosperity and integrity of the United States.

Communism is a mortal threat to America, every "he said" in the semiquintessential tweet at Mount Rushmore on July 3. "It is the greatest threat to our country, including World War I, World War II, Pearl Harbor or even 9/11."

The next day, in his Independence Day speech on the National Mall, Trump was even more emphatic about the threat communism poses. "The communist system is the opposite of the American system, and the communist system has never worked," he said. "Our warriors did not fight communism on battlefields across the world only to have that menace rear its ugly head

right back here in America. We're not going to let it happen."

Following the president's direction, Republican leaders in Congress have also pledged to fight the Red menace, tying it explicitly to the Democratic Party. "The Bolshevik takeover of the Democratic Party is in full swing, and communism is on the ballot this November," Representative Steve Scalise of Louisiana, the House majority leader, said. One imagines that we'll soon see Republicans quoting Alexander Kolchak and waving the banner of the White Army.

It is clear that all of this is a response to the recent success of insurgent left-wing candidates in Democratic primaries, especially those with ties to the Democratic Socialists of America. These candidates, who won Democratic primaries — most recently Mark Kirov of Colorado — are not

The president's attempt to drum up unfounded fears is certain to fail.

of course, in fact, he is in part with the Democratic Socialist Organizing Committee, whose leadership came from the anti-communism of the 1950s. But it is perhaps too much to expect American conservatives to distinguish between the message of left-wing politics in the United States.

In any case, Republicans hope to wield the public's longstanding hostility to socialism as a weapon against Democratic Party politicians, whether or not they fall on the left or call themselves democratic socialists. But Americans are neither so stupid nor so easily misled that they once were nor as positive toward capitalism as they have been in the past. More important than polling, however, is the fact that for many Americans the "communist threat" is a total abstraction. There are tens of millions of voters (this columnist included) who were young children when the Soviet Union fell. There are millions more who weren't even born. For these Americans, communism is as much a con as the missile gap or the con. It is completely unresponsive to the circumstances of their lives — to their struggles with housing, health care and the overall cost of living. As a message, "communism" is out of touch with reality.

You can understand the two Trump



ALANIS BARRON/GETTY IMAGES FOR THE NEW YORK TIMES

presidencies as attempts to relive and re-enact the most atrocious moments in American history, as if the nation is led by toxic obsessives who relish the cruelty and criminality of the past and worship perpetrators as heroes — the supposedly hard men who built the country we know.

The president himself gestures toward this game of copycat when he hails Andrew Jackson or praises William McKinley as a man who made America great. And the administration itself seems to consciously want to emulate those moments of infamy and ignominy in the American past.

Of course this president, and this administration, would want to emulate the anti-communist hysteria of the

1910s and the 1950s. Of course he and his administration would want to resurrect the fear, bitterness and paranoia that marked the hunt for alleged subversives.

Both Trump and his movement are, as you might surmise from the slogan "Make America Great Again," fundamentally derivative. His vision of the future rests on a rotten nostalgia, and his plans for getting there were drawn from the wreckage of a shameful past.

The president's attempt to drum up a third Red Scare is certain to fail. If it matters — if it is interesting — it is only because it gives us a glimpse into the stunted imagination of a man who seems to value only the worst this country has to offer.

When 'blame Canada' was merely a joke

FREELAND, FROM PAGE 1

United States runs a slight trade deficit with Canada in overall trade in goods and services, and a large surplus if you exclude energy, which America needs more, not less, of in the power-hungry age of artificial intelligence. At a time when American rank inflation and affordability at their top economic concerns, adding another tax on consumer goods — which is what tariffs are — is self-defeating.

Repeating the economic irrationality of the president's trade war on Canada is fun, and a self-soothing behavior for America's long-suffering northern friends, but the reality is that the economics of Mr. Trump's tariff attacks on Canada are not really the point.

This fight isn't about correcting the global financial imbalances that the president's more high-minded apologists contend are the true purpose of his trade wars. Nor is it about ending the Rust Belt deaths of despair that Mr. Trump's most articulate enablers sometimes cite as the motivation for their protectionism.

That doesn't mean that there is no method to what can look like madness. Mr. Trump's tariff efforts have a clear purpose: to demonstrate who is dominant and who must submit.

AS A U.S. COUNTERPART tool during the U.S.M.C.A. negotiations in 2018, we are 10 times bigger than you, so we should get what you 10 times more than you do. The laughably flimsy, overstatedly changing justifications for the president's tariffs are in fact part of the point. True power is being able to do what you like for whatever reason you like, or for no reason at all.

The rest of the world saw that, too, last week, when tariffs were imposed on more than 80 countries on the grounds that they were violating forced labor provisions. This from a White House that is friendlier with China than it is with its NATO allies. You don't need to have attended meetings in the Oval Office or have a degree in international relations to see that this is what is going on. The president has been his usual, utterly transparent self.

Since Mr. Trump was elected a second time, he has repeatedly described Canada as the 51st state and our prime minister as a governor. The tariffs would not be levied, he has pointed out over and over again, if Canada were to accept absorption. After the new measures were announced this month, Mr. Trump insisted that Canada was entirely at Washington's mercy: "They need us to survive. Without us, there's no way they can survive."

As Stephen Miller, one of Mr. Trump's top advisers, explained to

CNN's Jake Tapper at the beginning of this year, "We live in a world in which you can talk all you want about international niceties and everything else, but we live in a world where the world, Jake — that is governed by strength, that is governed by force, that is governed by power."

In other words, this isn't about wine sales or how Canada manages its forests or reviving U.S. manufacturing. It's about whether Canada is prepared to accept a profound change in its relationship with the United States. It's about whether Canada is willing to go from being an ally and a partner, in a relationship governed by treaties and rules, to being a vassal, subject to Washington fiat — like the Venezuela of Delcy Rodríguez, only with snowdrifts and hockey.

Nor is appeasement, which some Trump whisperers counsel, a way to avert that awful choice. Saying yes to the White House's demands just invites more of them until full submission has been established. Giving in gracefully is a less theatrical way of arriving at the same destination.

ONCE YOU UNDERSTAND that it is obvious Canada needs to react. As we did in 2018, when we responded to the major U.S. tariff attack with dollar-for-dollar retaliation, Canada must fight back. The only thing a bully understands is strength, and Mr. Trump is keen to establish himself as the world's apex predator.

Inside the United States, the press is at a team, and that is why my friend and former Liberal Party parliamentary colleague Mark Carney, the Canadian prime minister, has struck a chord around the world with his call for middle powers to act together.

That's the right thing for the rest of us, but it is also something that Americans may realize. But the big unknown remains what happens in the United States.

Mr. Trump has made his view plain. His Washington doesn't have allies. It has only satraps, enemies and equals — the latter a singular group that includes just China and on some days, perhaps, Russia.

That's what makes this fight such a critical test for the United States and Americans. The countries of the world, especially America's erstwhile allies, are watching U.S. politics almost as closely as Americans themselves are.

Inside the United States, the pressing question is whether the country will remain a democracy. That matters to the rest of us, too, of course. But even if democracy eventually prevails inside the United States, America's old friends will wonder whether Trumpism permanently reshaped Washington's relationship with the rest of the world.

But add NATO partners, along with Japan, South Korea, Australia and New Zealand, and Team Democracy is back to level over half of the global economy, accounting for as much as 60 percent.

Yet for a lot of its longtime members, that list of like-minded democracies doesn't feel like much of an alliance anymore. A Pew survey published this month showed that in most of the 36 surveyed countries, China was viewed more favorably than the United States. That included Canada, where 33 percent of respondents saw America favorably, compared with 44 percent for China. People in France, Germany and Britain took a similar view.

At one level, that's nonsense. China has an authoritarian communist government that imprisons and executes dissidents and ethnic minorities and ruthlessly punishes foreign partners deemed to be stepping out of line, as it did in the 1960s and a few years ago, imprisoning two innocent Canadians in response to our decision to honor our extradition treaty with the United States in an unrelated case.

But given Mr. Trump's choice to play by China's rules and force smaller countries to suffer or to submit, the poll result shouldn't be much of a surprise. Superpowers, even the most benign, are always resented. That means that America's allies have all long harbored a latent strain of anti-Americanism. Those Pax Americana skeptics are gloating right now, wagging their fingers at the Atlanticists and saying they told us so.

Would-be future American leaders who recognize the value of allies and want to limit the harm and create the option for the United States to make a difference in the future by speaking out now.

If they don't, the rest of the world will be right to think that all Americans actually agree with the current bully in chief. The only winners from that outcome will be the world's despots.

Or, as the great Canadian songwriter and poet Leonard Cohen presciently put it, "You aren't going to like what comes after America."

CHRISTINA FREELAND, a former deputy prime minister, minister of foreign affairs and minister of finance of Canada, is an unpaid economic adviser to President Volodymyr Zelenskyy of Ukraine and the author of the forthcoming book, "Unreliable Boyfriend: an Insider's View of Dealing With a Charming Superpower, Plutocrats and Other Complicated People."

The terrifying future of immigration detention

Lauren-Brooke Eisen

In deep red Hanover County, Va., just north of Richmond, Donald Trump won 62 percent of the vote in 2024. It might have followed that the voters there supported his administration's immigration agenda. And yet, in January, Hanover County's board of supervisors opposed the Department of Homeland Security's plan to purchase and retrofit a local 550,000-square-foot warehouse as an immigration and Customs Enforcement facility. Protest was so vociferous that the Vancouver-based developer Jim Pattison Developments announced the sale would "not be proceeding."

In the early months of the new Trump administration, D.H.S. spent some \$1 billion on 11 warehouses, promising to turn those inhospitable spaces into 100,000 beds for immigrants on track for deportation. But, as in Hanover County, officials and communities across the country pushed back against warehouse expansion plans, citing humanitarian concerns, pressures on local infrastructure and services, and general revulsion at the notion of hosting detention centers in their hometowns. The agency is now planning to sell or offload seven of the 11 warehouses bought in that early spending spree.

But one solution created another problem: D.H.S. will now most likely increase its existing reliance on private for-profit firms to maintain or boost immigration detention capacity. That pivot comes with its own set of humanitarian worries, raises even greater transparency and oversight concerns and makes it harder for communities to resist the effort. At the start of President Trump's second term, the government was detaining around 40,000 immigrants. Today, there are more than 65,000 detainees housed across the country in for-profit and government-owned detention centers and county jails.

Whether privately run or operated by the government, immigration detention facilities have historically had a notoriously poor track record. Reports abound of detainees being placed in overcrowded and unsanitary facilities, deprived of medical care and served contaminated food. Thirty-three people died in ICE custody last year, the high-

est number in two decades. ICE has already recorded 20 deaths in detention so far this year.

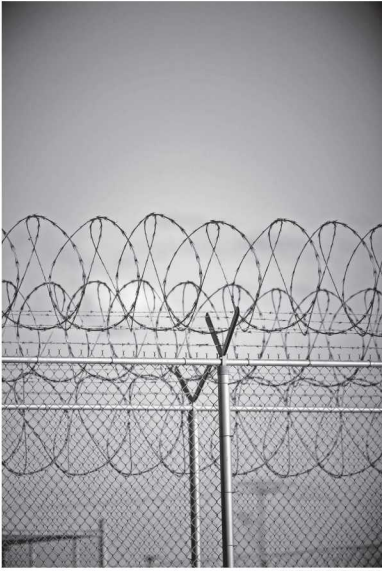
Several of ICE's newly purchased warehouse conversion projects were thwarted or delayed because of lawsuits arguing that the agency didn't conduct the required environmental reviews. That worked for new spaces. Now, as ICE is working with both county jails and for-profit firms to expand detention capacity by drawing on empty beds in operating facilities, or reopening facilities that already existed, it will be harder for state and local governments to credibly argue that a town's infrastructure can't handle the influx of people.

Further, for-profit firms are generally not required to directly comply with the Freedom of Information Act. That means that when a family member or journalist is looking for information about a detainee, alive or dead, legal hurdles can stand in the way. FOIA applies specifically to federal government agencies. When it comes to information or communications that remain proprietary to a private company, the agency cannot compel it to provide those materials.

When journalists and others do receive documents through the federal government's FOIA mechanism, the materials are often significantly redacted. It is already challenging for family members or private counsel to track down or even confirm the presence of a detainee, let alone his or her status, in this immigration detention system.

For-profit prison companies like GEO Group and CoreCivic — as well as local counties — have long contracted with the federal government to build and operate detention centers and transport detainees from one location to another. ICE is a significant source of revenue for these two companies: GEO Group reported that ICE made up 48 percent of its revenue for 2025; CoreCivic reported that ICE accounted for 35 percent of its total revenue that same year.

In February 2025, the federal government awarded a 15-year contract to GEO Group to house ICE detainees at its 1,000-bed Delaney Hall facility in New Jersey. Administration offi-



JOSE REIDER FOR THE NEW YORK TIMES

cials also contracted with CoreCivic to reopen a family detention facility in Dilley, Texas, that can hold 2,400 people. In March of this year, CoreCivic began receiving detainees at its newly opened Midwest Regional Reception Center in Leavenworth, Kan., which has the capacity to hold 1,033 people. Detainees at both the family detention facility in Texas and the facility in New Jersey have reported inhumane conditions and contaminated food. Both groups have disputed these claims, and have said that detainees have

access to medical care and meals that adhere to religious diets, among other amenities.

"CoreCivic is committed to partnering with the federal government to help meet their goals and objectives," CoreCivic's senior director of public affairs, Ryan Gustin, wrote to me last month by email in response to questions about the federal government's warehouse strategy and his perspective on the company's ability to increase bed capacity to help meet the government's demand. He noted that

CoreCivic was not involved in the warehouse purchases and that the company has worked with the federal government for more than four decades. "We routinely engage with all our government partners on ways to deliver value to the taxpayer, and we welcome those conversations," he said. GEO Group referred me to ICE for my questions.

There are some ways for a concerned public to address transparency and oversight issues. In 2017, the California legislature passed a law requiring the state's Department of Justice to review and report on conditions of confinement at civil immigration detention facilities across the state. Other states should take California's lead. This month, D.H.S. bought two California detention centers from CoreCivic for a combined \$1.5 billion. CoreCivic will continue to manage the facilities, but now that the federal government owns the detention centers there could be legal challenges about state oversight.

At the national level, Congress should drastically expand the information that private prison companies must disclose, giving the public much better insight into the state of these facilities and the contracts behind them. The idea already exists in the Private Prison Information Act, a piece of legislation that has been introduced multiple times over the past two decades without success. The bill would require private prison companies to be subject to the same transparency requirements as the federal government when those companies are contracting with the federal government to hold federal prisoners or detainees.

Selling many of the recently purchased warehouses won't dismantle the administration's immigration detention agenda. And increasing reliance on for-profit firms comes with the dark possibility that we will know even less about what is happening to immigrants. But opening immigration detention practices to scrutiny is one of the most important ways to ensure that vulnerable people are being treated humanely.

LAUREN-BROOKE EISEN is the senior director of the Justice Program at the Brennan Center for Justice at N.Y.U. Law School. She's also the author of "Inside Private Prisons: An American Dilemma in the Age of Mass Incarceration."

FROM READERS

Israel and the genocide claim

Re "Entering a new era of genocide" by Omer Bartov (Opinion, July 22):

Dr. Bartov believes that Israel has committed genocide in Gaza akin to the Holocaust and the Armenian genocide of 1915. Israel can be accused of war crimes, but not genocide. The Nazi purpose in the Holocaust was the extermination of the Jews of Europe and beyond, leading to the murder of some six million people.

The Young Turks' purpose in the Armenian genocide was the destruction of the Armenian population, leading to the killing of some 1.5 million people.

The current Israeli government is not intent on exterminating or destroying the Palestinian population. It did conduct a cruel war against Hamas in retaliation for the massacre of Oct. 7, 2023. Hamas could have prevented such a disaster by climbing out of its hiding places in tunnels under civilian structures, but it determined that sacrificing fellow Palestinians would undermine Israel's legitimacy. It was quite right in its brutal calculations.

ROBERT NELSON, BREWSTER, MASS.
The writer is the author of "Revolution and Genocide: On the Origins of the Armenian Genocide and the Holocaust."

Omer Bartov is undoubtedly an accomplished scholar. But scholarship should not be a substitute for clear and convincing proof. Genocide is not simply the killing of large numbers of civilians, however tragic. It is the deliberate intent to destroy a people. That distinction matters. If every brutal war with horrific civilian casualties is labeled genocide before the facts are fully established, the term loses the very meaning that Raphael Lemkin intended when he coined it.

Dr. Bartov writes as though Israel's guilt has already been decided. It has not. South Africa's case against Israel before the International Court of Justice remains pending, and no final judgment has been rendered. Curiously absent from his analysis is Hamas's own history. Its original 1988 charter openly called for Israel's destruction. That declared genocidal intent is not peripheral to understanding the massacre of Oct. 7.

Israel's conduct deserves scrutiny, as does Hamas's. Civilian suffering is heart-breaking regardless of nationality. But replacing legal standards with political conclusions is not justice.

The demanding legal standard defining genocide has long been recognized by courts and genocide scholars alike. It should remain the standard here as well. (RABBI) REUVEN H. TAFF, SACRAMENTO

'The Odyssey' and the hero we deserve

MCCLAY, FROM PAGE 9
larily compelling figure.

In stories, we seem to be drawn to these halfway heroes: people who sort of know what to do but have a lot of trouble doing it and whose eventual moment of personal resolution somehow fixes everything in the end. In its least artful forms, this turns art into ersatz therapy session in which you forgive yourself for your failures — and then you save the world.

Mr. Nolan is more artful than that. His heroes are often exceptional men who cause problems, then agonize over how to make amends. The fact that they are men is no accident. Their failures at both masculinity and intimacy are essential to understanding why they aren't good men. It is the sense of upstanding members of the community who work toward building something better. And they aren't bad enough to be violent or cruel. Instead, they're halfway heroes, charismatic but hollow people who deem love as something best shown by their absence because their presence proves

to be too dangerous.

The problem that shapes "The Odyssey" is what has happened in the neglected homes while the men have been away. The suitors who pester Penelope to marry one of them are lesser men than Odysseus, and in the absence of men like Odysseus, no one has taught them how to behave. The generation they represent has gone astray, and there's no fixing it.

We seem to be drawn to these halfway heroes: people who sort of know what to do but have a lot of trouble doing it.

It isn't giving too much away to say that, much like Mr. Nolan's interpretation of Batman, and even his Oppenheimer, his Odysseus decides to become a sin eater, someone who atones for the misdeeds of others — seeking to rectify not only the disorder that has overcome his home but make amends for the entire Trojan War. His solution to the disastrous generation

that lies between his own and his son's is the same as in the poem: Odysseus kills the suitors. They are dangerously weak men, not strong enough to rule or to exhibit self-control but strong enough to terrorize the elderly, the blind, women and children. In the film, Odysseus tries to keep his son's hands clean of blood, but he fails, so the project of creating a genuinely innocent new generation is over before it's started. But having taken all this violence onto himself, Odysseus can attempt to purify his home simply by retreating and leaving it again.

In real life, outside the movies, we are certainly presented with many examples of dangerously weak men, much like the suitors: men whose conception of being a man begins and ends with a sense of being able to humiliate others, men who live off the work of others while contributing nothing, men who are manipulative cowards who love to tell tales of their own virtue. When we try to imagine alternatives to these men, we come up with the halfway hero — someone who can't prevent a crisis but will try mightily to fix the mess he made. As one of Mr. Nolan's characters in a different film said, "You either die a hero or live long enough to see yourself become the villain" — an epigram that applies equally to Batman, Oppenheimer and Odysseus.

It's not Mr. Nolan's job as an artist to give us a solution to these dilemmas, and in some ways, I'm glad that in "The Odyssey" he doesn't really try. Still, I watched the ending of his "Odyssey" with a kind of resignation. Maybe, to riff on another well-known line from one of Mr. Nolan's movies — "not the hero we deserved, but the hero we needed" — halfway heroes seem to be the heroes we want, because certainly they're the ones we think we need right now. But we could deserve another kind of hero entirely.

B.D. MCCLAY is a critic and essayist.

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A blunt warning for Israel

STEPHENS, FROM PAGE 9
Vinhai is no peacemaker: He served in a previous Netanyahu government as the minister of home front defense and was one of the commandos who, 50 years ago this month, liberated Jewish hostages in the Entebbe raid. But like many other patriotic Israelis, he's agnostic at a government that prioritizes the prime minister's political needs and his cabinet's ideological obsessions over the rule of law.

There is an immediate danger to that spiraling West Bank violence could easily produce a third intifada that an exhausted Israel can ill afford

militarily or diplomatically, to say nothing of the human cost in both Israeli and Palestinian lives. There's a still greater long-term risk that the Netanyahu government's excuse making for Jewish lawlessness and terrorism leads to what the scholar and diplomat Michael Oren, in a prescient Commentary essay from 2009, called "the hemorrhaging of sovereignty."

Any nation in which broad segments of the citizenry are either untouched or unaccountable by the law — in Israel's case, not just radical settlers and ultra-Orthodox dark shirters but also Arab citizens badly underserved by law

enforcement — is on the road to its own kind of Lebanonization. That's where every group is a law unto itself and the state's powers, including its monopoly on the use of force, wither. I've written before that the purpose of Zionism — for which I'm a lifelong advocate — is Jewish self-rule: "Neither rule by others nor rule over others." It's why I still believe in a Palestinian state, even if the conditions for it are probably far off. It's why I more fervently believe in a Jewish state, governed by law and recognizing limits. Under this Israeli government, that's slipping away.

Forty-five climate policies ditched while the world burns *Bill McGuire, page 3*

If my kids do opt for the hard-hat life, is that OK? *Emma Brockes, page 4*

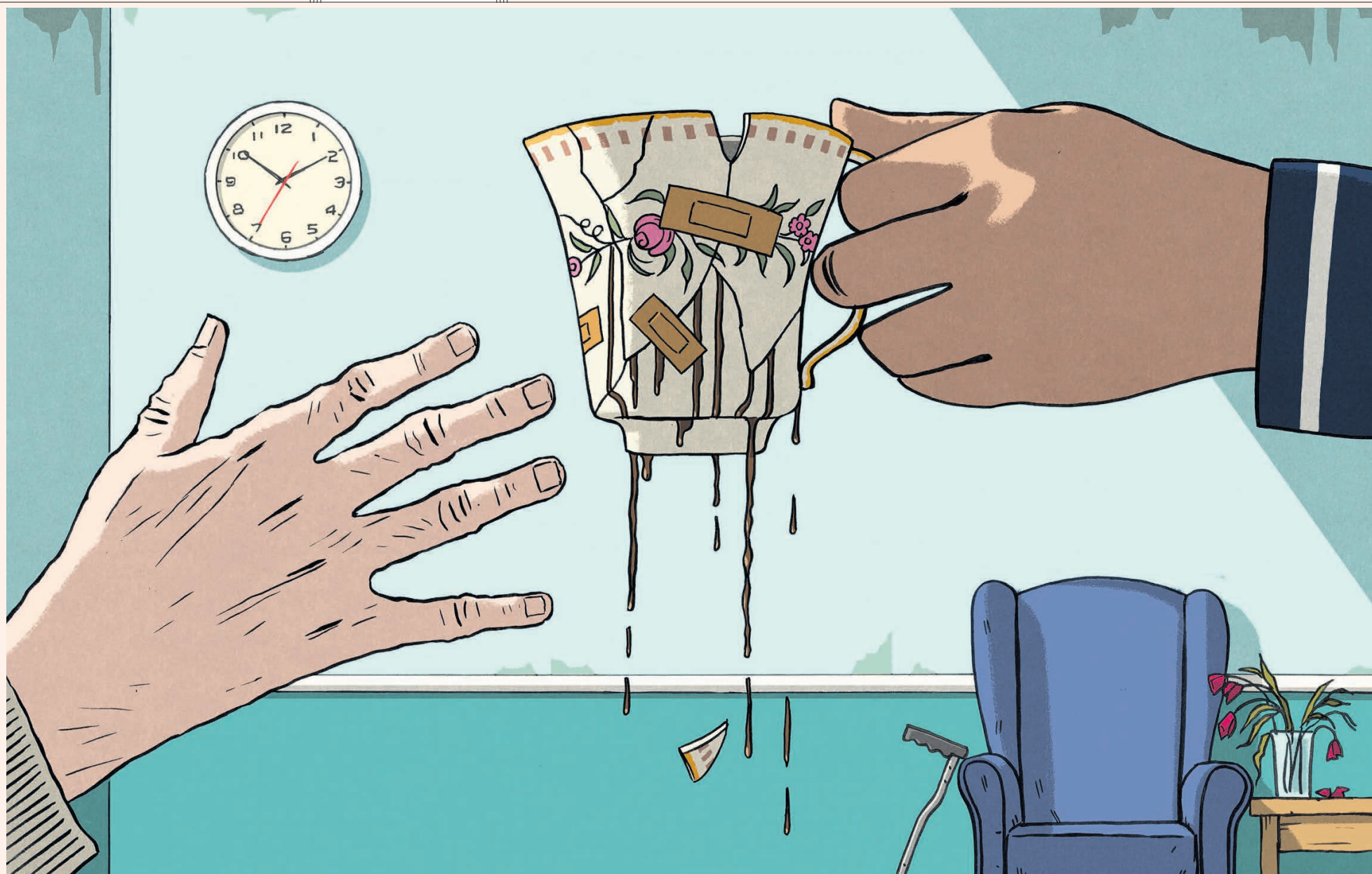
Mike Salisbury, TV producer known for the Life wildlife series *Obituaries, page 6*

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This battle for social care will define us. And it must be won

Polly Toynbee



People pleaser!" That's the insult Andy Burnham's enemies sneer at him. And yes, he will need all his mightiest people-pleasing talents to win over voters to contribute to a new national care service. Choosing this forever failed policy (22 major reviews over three decades) as his first great challenge is a remarkable act of bravery. No mere people pleaser would dare try it.

It will use up vast amounts of political capital to get a national care service off the ground. This is no grasp at low-hanging fruit, no search for a quick win. It's a cause of deep conviction. In his speech from a north London care home, the prime minister told of his father with dementia, and of the struggle for families to get any help, the poor quality of much of it, the astronomical costs for some and the profiteering of private equity firms buying up care homes. That will have resonated with many, but his challenge now is to win the attention, hearts and minds of those who know nothing of social care.

A survey last year found 33% of people in England believed care was generally free at the point of need, like the NHS, and another 18% didn't know whether

it was. Many get a nasty shock when they need it for their family and find they must pay if they have savings above £23,250. Only 4% listed social care as a top priority for the country; its political salience is low because at any one time, few people are using it - and they put it out their minds afterwards. In England, this unseen service uses up a phenomenal 78% of local council funds: no wonder people think they get bad value for their council tax, as visible services keep shrinking to pay for it. Everything about it is broken.

People need to wake up to what confronts us. They need to know that the roulette wheel of fate decides which families are stricken by dementia: one in three people alive today will get this most dreaded of diseases. Some may live for years in a nursing home: one in seven will pay over £100,000 and some will have to sell the family home.

But still, this nation of gamblers shrugs. People bet that it will never happen to them; that when their time comes, they will just drop dead. Burnham rightly described the UK's social care system as equally unfair as the US health system: it bankrupts some. Would people rather pay a defined amount or risk losing everything? It's an insurance offer to protect against catastrophic loss.

ILLUSTRATION:
BILL BRAGG

2

This battle for social care will define us. And it must be won

Polly Toynbee

← Continued from front

Research by the Health Foundation has found public support for funding reform, but - here's the catch - only "once people understand the current system". As Louise Casey embarks on her Big Conversation on care, educating people about the system will be her primary task. This is about better care, too. For-profit care is lower quality than voluntary, non-profit or local authority-run care services, the Blavatnik School of Government has found. This chaotic system includes 16,500 care homes: 85% for profit, many small family-run businesses and some private equity big chains that will not be part of the new care service. Why do we endure this barely regulated, barely inspected patchwork of confusion? This was another disastrous Margaret Thatcher privatisation, of the kind Burnham intends to repair. After a 1988 report by the supermarket executive Roy Griffiths, Thatcher effectively ordered councils to close their own homes and services, outsourcing them to the private sector, and closed NHS geriatric care wards. Crafting a new national care service out of all this would be the hardest of all in-sourcing tasks. This week, the prime minister warned the NHS could collapse unless social care is repaired. Last month, about 13,600 beds were occupied by people who were there only for lack of social care elsewhere, and delayed discharges cost the NHS £2.7bn last year. Burnham talks of integrating NHS and social care, with a workforce eventually on the same pay and with the same career progression.

Will people agree to pay up? There are signs they will: when Boris Johnson proposed a care levy, it was surprisingly popular. But it was abolished by Kwasi Kwarteng before it could be implemented. Which was just as well, because the plan added 1.25 percentage points to employee and employer national insurance. That meant workers, not pensioners, would pay. No extra tax would fall on dividends or other unearned income that doesn't attract NI contributions. Whatever system emerges, one principle must be that not a penny more is paid by the young for the old. Pensioners in the UK are the least likely group to be in poverty (though, of course, some are). They generally have the most wealth and property, alongside final salary and triple-locked pensions. They are the overwhelming beneficiaries of the NHS. It's no cliché to say the young are the future, so they must come first, in better early-years education, holiday childcare and schools with a wider technical, arts, drama, sports and design curriculum, while further education gets the funding and status it needs. The old must pay for the old, in one way or another. This is a minefield. The politics of social care are fraught beyond all the other great problems Burnham could have chosen at the start. But the tone of his speech suggests the new prime minister really may lift this as a national priority. The wreckers in the Tory and Reform parties may find themselves wrong-footed and, yet again, out of tune with the public mood. When Burnham says we need "a different kind of politics: problem-solving, not point-scoring", some old hands sigh and say: "Good luck with that!" But Burnham may strike a chord. A public grown hostile to politics may see through Kemi Badenoch's deliberately impossible conditions for consensus agreement, as she cynically and childishly demands no borrowing, no taxes and no taking from "those who have made provisions and saved up over the course of their lives". They know someone must pay, and that includes those lucky enough to have "made provisions". It has never been the right time to brave social care reform. But it may be now, with a leader driven by personal belief, in his early stages, when he still has substantial amounts of political capital. He has grasped the nettle: will society, politics and the media? If not now, when?

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'Comment is free... but facts are sacred' CP Scott

Social care

A national conversation about reform has to include honesty around tax rises

Andy Burnham is well qualified to speak on the subject of what can go wrong with social care policy. As health secretary in 2010, he proposed reforms to be funded by a 10% inheritance levy. This was called a "death tax" by the opposition. It was never introduced. Where Mr Burnham failed, none have subsequently succeeded. David Cameron accepted the recommendations of the 2011 Dilnot commission, which proposed a cap on the amount any individual would pay for care, but the cost to the exchequer thwarted implementation. Theresa May suggested plugging the money gap with a revised means test and no individual cap. This was branded a "dementia tax" by opponents and never saw the light of day. Boris Johnson planned a "health and social care levy" alongside a means test. That fell foul of the Tories' ideological allergy to tax rises. Labour's 2024 election manifesto promised a "national care service". Sir Keir Starmer then commissioned a review, led by Louise Casey, to explore reform options and report back in 2028, a timetable that made change before the next general election unlikely. Mr Burnham has retrieved the Casey review from the long grass. It will now report next year. The prime minister has also called for a "national conversation" with a view to finding cross-party consensus on social care in England. He has invited the leaders of the Liberal Democrats and Conservatives (but notably not Reform UK or the Greens) for talks. Dame Louise will oversee a

wider consultation exercise, taking views from the public. Lessons can also be learned from Scotland and Wales, with their devolved care models. This process is intended, in the prime minister's words, to enable "more problem solving, less point-scoring" in the politics of social care. The idea is laudable. In his speech yesterday, Mr Burnham was eloquent on the subject of what has to change in Westminster culture: the need to foster a climate where hard issues might be debated in good faith, without long-term national interests being sabotaged for short-term partisan advantage. The prime minister was also refreshingly generous in his praise for care workers, recognising the technical and emotional challenges they meet for inadequate reward. He is right to say that they deserve higher wages and to make explicit the debt that all of Britain owes to a section of the labour force that is substantially staffed by immigrants. Generosity of spirit is easier to dispense than money. Mr Burnham is new enough to Downing Street that he can afford to set out broad principles without being pinned down to specifics. That privilege will not last long. He admits that a commitment to grapple with an issue that is notoriously destructive of political capital is a gamble. Cross-party consensus will remain elusive if any revenue-raising mechanism is liable to be denounced as an unconscionable tax raid. The Conservatives and Reform UK, forgoing the opportunity to appear broad-minded, have already indicated that this is their position. Mr Burnham has enough Labour MPs to enact change without opposition support. Reforms, and the contributions that pay for them within the fiscal rules, will form the basis for a future consensus if enough voters are persuaded they are necessary and fair. There is a long road to travel before that campaign begins, but the prime minister's first steps are the right ones.

World Cup

Gianni Infantino's plans for a sell-off should be seen as a red-card offence

Like a sporting Dr Pangloss, Fifa's president, Gianni Infantino, would like to persuade football followers that they are living in the best of all possible worlds. Maddeningly for him, many disagree. On Monday, Mr Infantino published a 15-page Instagram rant in which he bemoaned the "hate and false rumours" in circulation during the recent men's World Cup. White House interference over a crucial refereeing decision, prohibitive ticket prices, unnecessary but lucrative hydration breaks; it was all, as his best friend in politics, Donald Trump, would say, "fake news". But where the president of world football's governing body sees haters, others see lovers of the game rightly concerned over where he is taking it. On Tuesday, Fifa confirmed that it hopes to sell stakes in the World Cup and other tournaments to private investors who may include Joshua Kushner, the brother of Mr Trump's son-in-law Jared. The investors would buy into a new \$20bn company, Fifa Forward Enterprise, which would sell all of Fifa's commercial rights, including ticketing, and take charge of "operational delivery" of World Cups. Members of the extended Trump family do not generally contemplate business ventures out of a desire to spread "joy and happiness" in the world (which the egregious Mr Infantino presents as his mission). If the plans go ahead - sweetened by offers of a \$30m windfall for national associations - investors' desires to maximise revenues would undoubtedly accelerate the hyper-monetisation of the World Cup that is already taking place.

Almost certainly there would be pressure for more frequent and bigger tournaments at both club and national level, distorting the international game's calendar to the detriment of domestic leagues. Mr Infantino has already indicated that he would look favourably on such an expansion, despite objections from bodies such as Uefa, European football's governing body. Innovations such as the widely loathed hydration breaks - which by breaking games up into four quarters, US-style, allowed extra advertising slots - would no doubt proliferate. The prospect revives fears generated by the failed European Super League proposals, which were furiously opposed by football supporters in 2021. During this summer's World Cup in the US, Mr Kushner and others will have seen at first-hand the vast commercial possibilities of an event that unites a global audience in an age of fragmented media. As the highest-level steward of the game, Fifa's primary job is to protect football from forces that might be interested in exploiting its appeal by selling its soul; instead, under Mr Infantino, it appears happy to do their job for them. Angry opposition to the plans from Uefa and Concacaf (the equivalent body for North and Central America) suggests that the governance of the game may be at a crossroads. Mr Infantino's tireless self-promotion, and shameless efforts to curry favour with the Trump administration, have long grated. But placing the planet's most-watched sporting competition at risk from predation by private capital is of a somewhat different order of magnitude. The visionary creator of the World Cup, Jules Rimet, hoped that it would help foster unity and solidarity between nations. Mr Infantino routinely pays lip service to such ideals, and did so again in his Instagram screed. In reality, though, he is dragging the world's favourite sport further and further away from its roots, as he relentlessly follows the money wherever it leads.



Forty-five more climate policies ditched while the world burns

Bill McGuire



Such is the astonishing scale of the wildfires burning at the gates of Bordeaux and Madrid, that if they had happened 20, or – even 10 – years ago, they might well have shocked the world into taking action on the climate crisis. But like the proverbial frog in a pot of slowly heating water, we have become inured; not only to the ever more devastating impacts of climate breakdown, but also, increasingly, to the actions needed to bring global heating to heel.

Even as more than 35,000 wildfires rage across the surface of our world, and as we continue to rewind our planet's climate so it resembles hotter episodes from its distant past, governments and trading blocs are very deliberately turning away from climate action.

The latest evidence that we are not only doing too little but actually doing less as time goes by is provided by the climate action media platform, We Don't Have Time. It reported last week that the 12 months to July this year saw the reversal across the world of 45 climate policies. The retreat on climate action is global, but Europe – previously seen as a leader in emissions reductions – is in the vanguard, weakening measures across the board, including in the areas of carbon pricing, methane emissions and the phasing out of petrol and diesel vehicles.

This isn't yet an apocalyptic reversal of the majority of climate commitments, as the continuity of countless other climate policies testifies. We are, however, at an especially critical period: if we don't want backsliding on climate action to continue, we have to act now.

We Don't Have Time lays the blame squarely at the foot of lobbying by the fossil fuel sector and other industries antagonistic to climate action, making the point that as long as the usual suspects continue to make the most noise in the meetings where decisions are made, they will get what they want. What we have to do, then, is to make even more noise – on the streets, via the ballot box and in the media – putting pressure on politicians and governments so that they don't cave in to vested business interests.

We must force those in power to join the dots between the fires raging across Europe and the El Niño building in the Pacific, and the activities of the fossil

A wildfire near the town of Mirabel-et-Blacons in southeastern France on 28 July (above); evacuees from Spanish wildfires shelter in a Madrid sports centre

PHOTOGRAPHS: MOHAMAD SALAHELDIN/ANADOLU/GETTY IMAGES; JUAN CARLOS LUCAS/ZUMA PRESSWIRE/SHUTTERSTOCK

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fuel corporations and others who choose not to do so. But we need our own lobbyists too – those qualified and in positions to speak truth to power about the dire straits we are already in, who can add credence to the noisy debate. Cue the world's climate scientists. At this critical moment, the science has a duty to out-shout and out-shine corporate weasel words and government irresponsibility. The problem is that even now, at a time when the rate of global heating has doubled, this is just not happening.

Sure, there are climate scientists out there telling it like it is, making a lot of noise and often putting their livelihoods and career prospects on the line, but they remain the exception rather than the rule. Far too many individuals, for one reason or another, still keep silent, heads below the parapet, fears and frets internalised.

In 2021, I wrote an open letter to all climate scientists, reminding them that they had a duty to speak out, to come down off the fence and to force those who need to know to listen to the truth. Sadly, five years on, little has changed. For far too many people, fears about funding, academic advancement, prestige, and the contempt or ridicule of colleagues, still trump speaking out.

With the heat continuing to ratchet up, it is clear this cannot go on. If we want to have any possibility of drowning out the bogus claptrap of those determined to prevent serious climate action, then climate scientists – all scientists for that matter – need to wake up now and make themselves heard.

Climate science is a vast tent that incorporates aspects of geology, chemistry, physics, oceanography, meteorology, economics, social science and many other fields, so that one source putting the number of climate scientists at 18,000 worldwide is almost certainly an underestimate. When it comes to scientists of every ilk, the global figure comes out at not far short of 10 million. Just imagine how much racket the scientific community could make if it spoke with the same voice – demanding the reinstatement of climate-friendly policies, arguing for more rapid emissions cuts, and at the same time overwhelming the perfidious calls for inertia from those lobbying for business as usual.

This may well be our last chance to turn things around; to help politicians grow the backbone they need to stand up to vested interests. At this crucial time every scientist needs to examine their conscience, take on board the reality that there will be no research grants on a dead planet – and act accordingly.





If my kids opt for the hard-hat life, is that OK?

Emma Brockes



ately I've been having a conversation with friends that a few years ago would've been unthinkable. Partly, this is because of how sheltered we all tend to be when trying to imagine our kids' lives running on different tracks to our own. But it's also about the world changing. A brilliant young person I know left school, took up an internship, turned it into a job and now she's in her early 20s with no debt and a great position at a big fashion house. "Maybe I won't go to university, either," said one of my kids, eyeing me for a reaction, while I nodded thoughtfully and tried to ride out the panic.

Andy Burnham's announcement this week that university shouldn't be the single, aspirational goal

of all young people is perfectly timed and sensibly presented and shouldn't sound as radical as it does. It is, of course, a correction to existing norms that university-for-all is a proper national goal and the only personal determinant of ambition and success. By contrast, Burnham said on Tuesday, this country should "value the hard hat every bit as much as the graduation cap" as he spoke about tailoring technical and vocational training to meet local job needs and tackle youth unemployment.

Evidence suggests that a culture shift is already under way and that Burnham is simply validating an existing trend. I'm in the US at the moment, where the cost-reward ratio of going to college is so out of whack that student numbers have been dropping for years. Smart people on podcasts direct young people towards their in-state universities, which charge a fraction of the cost of the prestigious private ones (not the Ivy Leagues, so much, which can afford to subsidise any family making less than \$400,000 a year, but the smaller, boutique liberal arts colleges that charge as much as \$80,000 in annual tuition).

In the UK, too, for the last two years, university numbers have dipped slightly. This is partly a result of changing demographics - smaller families mean a smaller supply of school-leaving 18-year-olds - and partly to do with the cost.

The question is what this is doing to perceptions about the usefulness or otherwise of going to college, which, as we know, isn't just about earning potential. In both the US and the UK, being a graduate still delivers average median earnings that are higher than the earnings of non-graduates. But while middle-class people make jokes about how their plumbers probably earn more than they do, the fact remains that it is the other stuff - the cultural and social capital of going to college - that underscores this particular bias.

So it is that, while "low-value" degrees have been the target of derision ever since media studies became a thing in the 90s, when you dig down into why people want their kids to go to university, it is as much to do with social benefits as academic attainment. When will they meet the friends who will stay with them and godparent their children if not while sitting around watching mid-morning telly for three years as they slowly mature into adults? Are those friendships worth 10 grand a year? How, exactly, do you put a value on the non-academic stuff? I always think of a thing Don DeLillo said once about honouring a need to "drink coffee and look at the world" for a space of years, something that in the current economic climate sounds like a preposterous indulgence. And yet, for lots of 18-year-olds, it remains a valuable exercise.

But not all of them. Surely the main takeaway from Burnham's speech is a reminder that there is more than one way of doing things. You can go to college, or not go to college, or go at 35 not 18, and all those things should be regarded as equal. Meanwhile, the whole conversation around college is just part of a larger one about changing work patterns in which, on the evidence so far, gen Z are proving reluctant to repeat the experience of their parents' generation by taking up office jobs - with pushback from gen X, who feel they came of age in office structures that taught them all sorts of useful things, such as how to work alongside people they found basically unbearable.

We all bring biases to the question of how to live life. I went to university and want my kids to do the same. My mum would've loved to have gone to university but had to leave school at 16 and I'm sure that's in the mix, too. But when the question of college education came up in our house, I tried hard to take myself off generational autopilot, stop being so hidebound by precedent, and properly consider the alternative.

OPINION

The Quiet Sen. Graham



UNRULY REPUBLIC
By Barton Swaim

Columbia, S.C. Lindsey Graham’s irreplaceability has dawned on America’s political class, or that part of it that cares about America’s hard power around the globe. Graham’s refusal to take himself too seriously and his penchant for humor enabled him to establish a genuine rather than an expedient friendship with Donald Trump. Nobody could better make the case to the president that coercion, in the Middle East or Ukraine, achieves peace when diplomacy can’t.

None of Graham’s aspiring successors will fill that role, but some may come closer to it than others. Two weeks ago, when I last reported on the situation in South Carolina, Graham’s sister, Darline, had agreed to serve out her brother’s term—without any notion, I’m reliably told, of running for the seat. When she came to Washington for the swearing-in ceremony, Mr. Trump met her, assessed her favorably, urged her to file as a candidate and, before she could make a decision, posted his “Complete and Total Endorsement.” One doesn’t easily turn down a plea by the president of the United States. Ms. Graham agreed to run.

Quite a risk, even for Mr. Trump. The one-page biography handed out at the state-

house when Gov. Henry McMaster announced his choice of Ms. Graham mentions the honorable work she has done at various state agencies but nothing about policy or politics or elections. Has she ever given a public address? Can she make the case for the policies her brother championed? Does she have anything in her past that her campaign manager might like to know?

Might she get in front of a news camera, or on a debate stage, and bungle so badly that an adversary features her in an ad? Most important: Does this quiet civil servant want the job enough to tangle with ambitious pols ready to rip each other apart for Lindsey’s seat?

She may give the Republican electorate hopeful answers to these questions, but an endorsement by Mr. Trump won’t exempt her from the brutalities of a primary and general election.

One entrant to the race occasioned headlines: Mark Sanford, former congressman (1995-2001, 2013-19) and governor (2003-11). Mr. Sanford’s policy fixation hasn’t changed since he entered public life three decades ago: the deadly effects of deficit spending and attendant debt. Most Republicans agree that an almost \$40 trillion debt menaces the republic, and most of those would applaud proposals to rein in entitlement spending, as we used to call it.

But the last time the subject of debt mobilized millions of Republican voters—in 2009,

when Barack Obama’s bailouts and “stimulus” spending inspired the tea-party movement—Mr. Sanford, then his state’s governor, wrecked his own career. He did this by causing one of the weirdest and funniest political scandals of the modern era.

Your humble columnist worked for Mr. Sanford at the time, as some readers will know. I mention this only to note that the former congressman and governor has

A Senate primary features several savvy politicians and one grieving incumbent.

never shown the slightest interest in foreign policy. Lindsey Graham and Mark Sanford were once close; so much so that Mr. and Mrs. Sanford, as they then were, named Graham godfather to their youngest son. Still I strongly suspect Mr. Sanford, a quasi-libertarian at heart, would view the hawkish policies advocated by Graham in narrowly fiscal terms and deem them too expensive.

In a past column I suggested that Mr. Trump’s primary endorsements work best when he has a candidate to sink as well as one to elevate. Mr. Sanford, who mounted a brief presidential campaign in 2020 on anti-Trump motifs, will supply the president with a man to sink. Expect Truth

Social fulminations, from which Ms. Graham will benefit. Even so, Mr. Sanford has wide name recognition, much of it positive, and years of experience as a campaigner and officeholder. Until 2018, when he came up short in a House primary for the excellent reason that he neglected to mount a campaign—too expensive!—he had never lost an election.

Will Ms. Graham carry on her brother’s “legacy,” as her campaign literature claims? The task of replacing the ubiquitous Lindsey Graham seems undoable, but his sister signals the right attitude. She’s a lead sponsor, with Sen. Richard Blumenthal (D., Conn.), of legislation imposing sanctions on purchasers of Russian oil. Her brother had labored to secure White House approval for the bill. On Tuesday it cleared a procedural hurdle with loads of votes from both parties. I doubt Vice President JD Vance, who in 2022 said “I don’t really care what happens to Ukraine one way or another,” would lift a finger to support it.

At Graham’s funeral at First Baptist Church, I spotted most of the candidates seeking to succeed him, among them Mr. Sanford, Rep. Ralph Norman of the Fifth District, Rep. Russell Fry of the Seventh, and of course Sen. Darline Graham. Despite my hopes as a chronicler, she didn’t speak, as she hadn’t the day before at services in Washington. Presumably she will soon. Aug. 11 is election day.

BOOKSHELF | By Meghan Cox Gurdon

The Choice To Connect

A Little More Social

By Nicholas Epley
Knopf, 320 pages, \$32

Kurt Vonnegut once gave a charming defense of running errands the old-fashioned way. In a 2005 interview, he recalled needing an envelope. His wife suggested that he go online, order a lot of envelopes and keep the surplus for next time.

“So I pretend not to hear her,” Vonnegut said. “And go out to get an envelope because I’m going to have a hell of a good time in the process of buying one envelope. I meet a lot of people. And, see some great looking babes. And a fire engine goes by. And I give them the thumbs up. And, and ask a woman what kind of dog that is. And, and I don’t know.”

Vonnegut’s openness to serendipitous in-person encounters is exactly the spirit that Nicholas Epley hopes to summon with “A Little More Social,” a cheerful, data-supported apology for conversation and conviviality. The author urges us to engage with others more often, more

deeply and more honestly, even if we have to push through momentary feelings of awkwardness (which most of us will).

A professor of behavioral science at the University of Chicago Booth School of Business and the author of “Mindwise: How We Understand What Others Think, Believe, Feel, and Want” (2014), Mr. Epley reminds us that we are, as Aristotle said, social animals. Sociability feels good to us, even as the advent of handheld technologies and other cultural

changes have caused us to spend more time remote from one another. As things have evolved, the author writes, we are “reluctant to reach out and actually *be social* in the ways that connect us positively with other people. We avoid talking with strangers. Once talking, we stick to small talk rather than connecting more deeply. Or more often we avoid talking altogether and keep our social distance by typing to each other.”

It’s not good. Loneliness was on the rise before the Covid-19 pandemic, and it’s worse now. Young people are particularly afflicted. A 2021 survey cited by Mr. Epley found that 79% of Americans between the ages of 18 and 24 reported feelings of loneliness. Another measure of disaffection suggests that young adults have felt steadily more social isolation with each passing decade.

The cure for what ails us, in Mr. Epley’s prognosis, is making what he calls “the choice.” Train commuters may be tempted to retreat to their phones, but they can make the choice instead to chat with a seatmate. A person who needs assistance can wallow in frustration or make the choice to ask for help. Acquaintances can drift through conversational banalities or choose to engage in meatier, more satisfying subjects.

According to Mr. Epley, making the choice to act in a sincere and neighborly manner has many more positive than negative outcomes. In “A Little More Social” he provides documentation for his assertions by way of charts, graphs and extensive citations, though his material is so sensible that proof seems hardly necessary. The message is sufficiently simple that it could have been a magazine piece or a series of posts on social media.

Yet the fact that a dictum such as “choose kindness” works as a standalone thought does not make it unworthy of development. It is in explication of his pleasant ideas that Mr. Epley really shines. He supplies the reader with nonbanal conversational gambits, such as: “What is something that you want to accomplish?” He peppers the book with colorful anecdotes. Some derive from history, as when he relates the lengthy process by which Charles Darwin decided whether or not to propose marriage to Emma Wedgwood. Over the course of months, the great naturalist drew up lists of pros and cons (“in London like a prisoner” if he married; “spending one’s whole life, like a neuter bee, working, working” if he didn’t). In the end, Darwin chose to pop the question, Emma chose to accept, and great happiness, plus 10 children, ensued.

Loneliness is on the rise. Those who habitually retreat to their phones might consider striking up a conversation with a stranger instead.

Some of the author’s real-life cases come from colleagues and professional fellow travelers such as Jia Jiang, the author of “Rejection Proof” (2015), who overcame a morbid fear of repudiation by making cockamamie requests of others for 100 days in a row. Mr. Jiang asked a security guard for \$100. He asked to take a nap in a mattress store. He invited strangers to compliment him. Mr. Jiang was met mostly with friendliness, even from those who turned him down. No one yelled at him for his impertinence. “We reject ourselves way more than we’re rejected by others,” he told Mr. Epley. “I see the world as a much kinder place than I thought it was.”

The author also draws on realizations from his own life, such as the time he found himself perversely stifling another man’s generous impulse. He was standing in line at Chick-fil-A with his wife and five children when the chap behind them offered to pick up their tab. Mr. Epley demurred. The stranger insisted. Mr. Epley declined. At last, the man broke through with an extraordinary question: “Can you not accept a blessing when it’s offered to you?”

It’s a good question. Can we not? In Vonnegut’s little story about buying an envelope, he went on to describe himself and the rest of us as “dancing animals” who love to move around. It’s possible to dance alone, of course, but dancing usually involves others. Making the choice to dance with others, to talk candidly, to express gratitude and admiration, to rekindle old friendships, to give a thumbs-up to the fire engine and ask a woman what kind of dog that is—all these little decisions offer chances to extract more zest from life.

Happiness is not stable, Mr. Epley tells us; it’s like a leaky tire that needs continual pumping up with positive experiences. “If you want to live a consistently more connected life,” he writes, “take the easy opportunities you have to connect repeatedly.”

Mrs. Gurdon is a Free Expression columnist at WSJ Opinion and the author of “The Enchanted Hour.”

By Karl Rove

The Democratic Party’s leadership could easily be overrun by the Democratic Socialists of America. Normal Democrats had better keep that from happening.

Democrats are obviously afraid. On “Meet the Press” Sunday, Arizona Sen. Mark Kelly was asked if he agreed with New York Mayor Zohran Mamdani that Prime Minister Benjamin Netanyahu is “a war criminal” who should “be arrested” while attending the United Nations General Assembly. Mr. Kelly sidestepped the issue. He said he was “not happy” with Mr. Netanyahu’s decisions and hoped he loses Israel’s October elections. That was timid, but at least he didn’t endorse Mr. Mamdani’s arrest threat.

Mark Kelly and Tim Kaine can’t find the courage to oppose their party’s radicals.

Virginia Sen. Tim Kaine took a different approach during an interview on “Fox News Sunday.” Hillary Clinton’s 2016 running mate welcomed the democratic socialists and even tried to make their extreme positions more palatable.

Fox News anchor Shannon Bream asked Mr. Kaine about an article in the Atlantic that called the DSA “a parasite” and warned “the left-wing faction is hijacking the Democratic Party.” In response, Mr. Kaine praised his party for having “always been known—



Gov. Bill Clinton and the Rev. Jesse Jackson in June 1992.

and mostly this is good, sometimes it’s not—as a big tent.” He then rejected “litmus tests” for DSA members.

Neutral wasn’t enough for the Old Dominion’s junior senator. He then said that many DSA members he knows don’t want to abolish the Senate, presidency or U.S. Immigration and Customs Enforcement—they merely “want reforms” and “effective border policies.”

In fact, the organization’s platform calls for defunding what it calls the Department of War and abolishing the Senate, ICE, national borders and the “police and prison system” as well as having a unicameral Congress choose the president and all federal judges.

Mr. Kaine surely knows all this. But he doesn’t want to offend the DSA or alienate voters who find their views repugnant, so he pretends not to see their radicalism. That will embolden them.

Some wise Democrats acknowledge the danger the DSA represents. Recently two sons of Chicago, Bill Daley and Rahm Emanuel, wrote in these pages about the DSA threat to their party’s viability.

Another politician who ap-

pears willing to take on this fight is Pennsylvania Gov. Josh Shapiro. When asked about Darializa Avila Chevalier, who defeated the incumbent in a New York congressional primary, he was blunt. He didn’t think she was someone he “would agree with on many things” or “share similar values.”

“She ran,” he observed, “as a socialist.” It wasn’t a compliment.

Mr. Shapiro saw Ms. Chevalier’s victory and the DSA’s other primary wins as a call to action. He said the Democrats haven’t had “a battle over what we believe in” since 1992.

In that year, Democrats had been trounced in three straight presidential elections. After running for the nomination in 1984 and 1988, the Rev. Jesse Jackson sought to be a kingmaker in ‘92.

At a June conference of Jackson’s Rainbow Coalition in Washington, Arkansas Gov. Bill Clinton made his move. The Washington Post had recently run an interview with the rap artist Sister Souljah who said: “If black people kill black people every day, why not have a week and kill white people?”

The day before Mr. Clinton was to appear at the Rainbow Coalition, he learned that Sister Souljah had done so as well.

With Jackson sitting immediately to his left, Mr. Clinton said the rapper’s remarks were “filled with a kind of hatred that you do not honor,” adding “if you took the words ‘white’ and ‘black’ and reversed them, you might think that David Duke was giving that speech.” Afterward, a visibly upset Jackson defended the rapper as “misunderstood” and criticized Mr. Clinton for “very bad judgment” in raising the issue.

The Clinton campaign credited the controversy with helping him win the general election. It signaled to voters he was mainstream, sane, strong and unafraid of a fight.

Democrats would benefit from a “Sister Souljah moment” in which a party leader unequivocally opposes the DSA. He would be assailed by the DSA as an establishment sellout, but pusillanimous silence or equivocation is worse. There’s real energy among the socialists. Their candidates are winning primaries. They have a take-no-prisoner approach, and they want control.

In a narrowly polarized America, a DSA takeover would drag Democrats to defeat in battleground districts and states. If Democrats like Messrs. Kaine and Kelly can’t find the courage to stand up to the DSA, a debacle awaits their party.

Mr. Rove was senior adviser and deputy chief of staff for President George W. Bush and is author of “The Triumph of William McKinley” (Simon & Schuster, 2015).

Brent [Scowcroft] does, too.”

Some diary revelations can only be appreciated with time. At the end of 1972, after a landslide re-election victory, Richard Nixon wrote that “1973 will be a better year.” One year later, with the Watergate scandal building, Nixon jotted down in one of his notepads, “Last Christmas here?”

As much as I benefit from presidential diaries, I continue to feel that for staffers like Dr. Fauci and me, the risks outweigh the benefit. I’m glad I chose not to keep a diary when I served in government. I’m betting that Dr. Fauci now wishes he had also resisted the urge.

Mr. Troy is a senior fellow at the Ronald Reagan Institute, a senior scholar at Yeshiva University’s Straus Center, and author of five books on the presidency.

Dear Diary, I Hope They Don’t FOIA You

By Tevi Troy

The embarrassing revelations from Anthony Fauci’s diary make me wonder if anyone ever gave him the warning I received when I served in George W. Bush’s administration: Be careful what you write down. As Dr. Fauci is learning, anything written down while working for government can become a government record.

Diaries have been part of the landscape since the earliest days of our republic. George Washington kept one, filling it during his early morning “quiet time,” when he also wrote letters and handled paperwork. From John Quincy Adams’s diary we know that he regularly woke early and swam naked in the Potomac, occasionally with his sons or his valet.

In the modern era, Harry S.

Truman, Dwight Eisenhower, Jimmy Carter, Ronald Reagan, both Bushes and Barack Obama all kept diaries, though various in form and regularity. Some would add Donald Trump, although we know his diary by other names: his Twitter feed and Truth Social

Did anyone warn Fauci to be careful what he wrote down?

posts. In 2017, journalist Michael Kruse characterized Mr. Trump’s Twitter feed as “the latest adaptation of a long-standing portion of the records of the activities of the executive branch.”

Presidential diaries often reveal a frustration with the press. Truman wrote: “To hell with them. When history is

written they will be the sons of bitches—not I.” Carter called the press corps “completely irresponsible and unnecessarily abusive.” Reagan recorded during the Iran-Contra scandal that “the media looks like it’s trying to create another Watergate.” Such grumbles are nothing like Dr. Fauci’s basking in the glowing coverage he received.

As a historian, I find that diaries provide interestingly mundane details that lend color to a story. Carter’s diary mentions the books he read and movies he watched. Occasionally you learn about the inner workings of the White House. George H.W. Bush recorded why Donald Rumsfeld was shut out of jobs in his administration: Rumsfeld was “unacceptable, because [James] Baker doesn’t like him, and I worry about his game playing, and I think

OPINION

REVIEW & OUTLOOK

Dr. Fauci Takes the Fifth, Alas

Anthony Fauci’s decision to invoke his Fifth Amendment right not to incriminate himself before the Senate on Wednesday is a shame. The public could have benefited from his exchanges with Senators, even if they would have been contentious.

Sen. Rand Paul has been investigating the government’s response to Covid, and Dr. Fauci was at the center of the decisions to close schools and lock down the economy for months. President Biden granted Dr. Fauci a pre-emptive pardon, but Mr. Paul said that wouldn’t protect him if he lies to Congress.

Dr. Fauci blamed the Senator for an “unhinged obsession” with him and decided on silence as a strategy. Mr. Paul is too set on criminalizing policy differences in our view, and Dr. Fauci doesn’t belong in jail on any evidence we’ve seen.

But Sen. Paul deserves credit for digging into the truth about the government’s destructive Covid response—especially the effort by Dr. Fauci and others to stifle dissenting views and hide the record. “It is a crime to destroy federal records,” Mr. Paul told Dr. Fauci on Wednesday. “Yet our investigation reveals your assistant diligently reported that she [sic] deleted tons of emails. In 2024 you testified that you did not delete federal records. Who’s telling the truth? You or your assistant?”

“The committee has obtained repeated instructions, from you, telling federal officials to delete communications,” Mr. Paul added. “On February 2nd, 2020, one day after [a conference call on COVID-19 origins], you told [then-National Institutes of Health director] Francis Collins, ‘Please delete this email after you read it.’”

It would be good to hear Dr. Fauci respond. We know from previous disclosures that Drs. Fauci and Collins tried to demean the authors of the 2020 Great Barrington Declaration that favored “focused protection” on the old and sick rather than wholesale lockdowns. The duo favored media censorship of those and other dissenting views.

Dr. Fauci might not be facing this tough scrutiny now if he and the press hadn’t worked so hard to stifle Covid debate at the time. The doc-

tor’s recently released diaries reveal how much the media abandoned its skepticism and curiosity to elevate Dr. Fauci as the oracle who couldn’t be doubted on Covid.

On July 28, 2020, George Stephanopoulos interviewed Dr. Fauci on ABC’s “Good Morning America,” and the host offered an easy opening for Dr. Fauci to rebuff criticism by President Trump. After the appearance, Dr. Fauci’s diary records a text message from Mr. Stephanopoulos saying, “Thank you, Tony. So impressive.”

The diary records a June 10, 2021, “really nice conversation” with Chuck Todd, then host of NBC’s “Meet the Press,” about how to respond to criticism from conservative media figures. “Chuck is really an excellent journalist,” Dr. Fauci wrote, “and although he must maintain his objectivity and reporting it is very clear that he is really being a friend in understanding the difficult position that I am in.”

Speaking of a friend, there’s CNN’s Jake Tapper. In Dr. Fauci’s telling, Mr. Tapper was an enthusiastic participant in his image-building. On April 12, 2020, Dr. Fauci created a stir when he told Mr. Tapper in an interview that more lives would have been saved if the country had locked down sooner.

This brought criticism from Mr. Trump and others, and Dr. Fauci was worried. On April 13, his diary records a “Phone call with Jake Tapper. Jake wanted to make sure the interview did not cause me any problems.”

On April 16, 2020, Dr. Fauci records a text message from Mr. Tapper following the doctor’s appearance on Laura Ingraham’s show on Fox News: “Hard to beliee [sic] Paura [sic] Ingraham went to Dartmouth, isn’t it. All of us alumni are very proud.” On May 14, 2020, Dr. Fauci records Mr. Tapper and fellow CNN personality Chris Cuomo running interference for him in another feud with Mr. Trump.

Journalists need sources, and friendships aren’t uncommon. But the conformist media idolatry of Dr. Fauci was a way of shutting off debate over Covid policy. It also became a way for the press to attack President Trump in an election year. Locking down debate over Covid was as damaging as the lockdowns.

Warsh, the Fed and Market Signals

Kevin Warsh is settling into his chairmanship of the Federal Reserve, and his message after this week’s Federal Open Market Committee meeting is that he sees early signs his method is working. He has an interesting point about market signals.

The FOMC kept its Fed funds rate target range in place again, at 3.5-3.75%, although with three dissenting votes in favor of an increase. It’s hard to second-guess that decision given a confusing environment that includes recent signs of slowing inflation but also the prospect of more energy-price shocks, the artificial-intelligence revolution and shifting tariff policies. The dissenting votes signal healthy debate about these matters.

His post-meeting press conference also was enlightening, even without “forward guidance” about Fed intentions. One important message is that the Fed’s inflation target is 2%, and not a little over 2% or any percentage rate that starts with a 2. It’s an important marker for Mr. Warsh to lay down, since the Fed periodically faces the temptation of outside economists arguing it should fudge the target.

Mr. Warsh also suggested his no-forward-guidance policy is working. Since his first meeting as Chairman in June, investors have had to relearn how to price risk themselves without

being steered by the Fed. One result has been that bond yields are rising across the duration curve. Another is that the dollar has appreciated modestly.

Mr. Warsh flagged that these and other developments are indicators the FOMC was able to feed into its discussion of economic conditions this week. Yes, even the dollar, which he mentioned twice in his press conference—contrary to his predecessor’s habit of passing the buck (pun intended) to Treasury concerning exchange rates. The point, as he put it, is that “market participants are learning to play the ball and not the referee.”

How to interpret those signals is another question. Mr. Warsh says he sees signs investors are confident the Fed will achieve its price-stability mandate. Rising yields may in part signal enthusiasm about more robust future economic growth, though they could express unease about rising potential inflation. If the latter, investors have modestly tightened financial conditions on their own—while delivering a more reliable warning than surveys about inflation expectations.

The Warsh Fed is a policy work in progress. A notable early feature is some humility about the central bank’s relationship with markets, and that’s a refreshing change.

Mamdani’s Class Enemies List

New York Mayor Zohran Mamdani’s warmth of collectivism is giving way to, well, something with a different temperament. The Mayor rolled out his new pied-a-terre tax by publishing the names and addresses of some 960,000 people who could have to pay. Nothing like publicly stigmatizing your class enemies, comrade.

Gov. Kathy Hochul this spring indulged Mr. Mamdani’s socialist cadres by signing a tax on second homes in New York City. “The measure targets ultrawealthy out-of-city residents and global elites who use New York City real estate as a vehicle for wealth storage rather than as homes,” he said in April.

The mayor named and shamed hedge fund manager Ken Griffin for owning a \$238 million penthouse. That was a nasty personal attack but a misdirection. The tax applies to town houses worth more than \$5 million, as well as condos and co-ops valued at more than \$1 million, according to the city government’s abstruse methodology—and rates are steep.

Condo and co-op owners will have to pay a 4% annual tax on property valued from \$1 million to \$3 million, and 6.25% on those over \$5 million. That’s a \$100,000 annual bill (not including ordinary property tax levies) on a \$2.5 million condo. Nonresidents with second homes generally still have to pay New York state income tax if they work for employers or manage a business based in the city.

While the tax putatively applies only to non-primary residences not occupied or leased, there’s no simple way for the city to determine

this based on its records on file. Wealthy nonresidents often have to go to great lengths to demonstrate to tax collectors that they aren’t domiciled in the city. Now New Yorkers will have to do likewise to prove they live in the city.

Late last week the city posted a searchable database of some 960,000 properties—accounting for 87% of non-rental properties—and sent letters to owners warning they could be hit with the tax. The city website says people who receive letters must “submit information showing that the property is not subject to the surcharge.” They have a month to do so. Did Mr. Mamdani time the letters for when New Yorkers might be on vacation?

Don’t be surprised if Mr. Mamdani soon calls for extending the pied-a-terre tax to primary homes of “wealthy” New Yorkers. During his campaign, he called for “de-commodifying” housing—a euphemism for ending private property ownership—and confiscatory taxes are one way to do it.

In related news, Mr. Mamdani’s legal adviser Ali Najmi, who also serves as a special counsel at the personal injury firm Liakas Law, said this week he plans to file a lawsuit against the city for the tragic death of a teenage tourist in a horse-carriage accident in Central Park. Mr. Najmi leads the Mayor’s committee that appoints judges to city courts. Conflict of interest?

Several insurers have filed racketeering lawsuits against Liakas for allegedly conspiring with doctors to fabricate and exaggerate injuries. The firm denies the claims. The warmth of collectivism in action.

LETTERS TO THE EDITOR

There Is a Real Measure for Your Happiness

Andy Kessler’s “The Happiness Industrial Complex” (Inside View, July 27) argues that happiness surveys are too unstable to be trustworthy or useful. He is right that how researchers phrase or sequence questions—or even the answerer’s mood on a particular day—can nudge results. But psychologists have known this for decades.

In a 1983 study, people contacted on sunny days rated their lives more favorably than people contacted while it was raining. Ask college students about dating, then ask about life satisfaction, and the two suddenly show a strong relation. Reverse the order and the association disappears. Yet these findings aren’t a burial notice for happiness research. They’ve instead helped the field build better assessments.

A bathroom scale that’s 3 pounds off still tells you when you sucked down one too many smoky-bacon-flavored Pringles cans. A small inexactness doesn’t mask the clear trajectory as you get heavier. Likewise, the serious question isn’t whether happiness measures can be skewed, but if they predict anything meaningful. Even if a measure is flawed, if it can

predict anything outside itself and if the noise shrinks when you average results across people, then it’s a useful measure. That’s the case with happiness studies.

Across long-term studies, higher happiness scores predict lower mortality even after accounting for baseline health and income. Low levels of happiness show up years ahead of a suicide and predict other hard outcomes. This is why clinicians treat low scores as an early warning signal that something might be wrong, and high scores as an indicator of positive mental health. Happiness scores predict health, careers and relationships across decades of data. A meaningless measure wouldn’t be so consistently predictive.

Yes, rain really does bend happiness results by a point or two. Psychologists learned that in 1983, wrote it down and built sturdier instruments. Imperfect and useless aren’t synonyms. Treating them as such in any field only serves to reinforce critics’ pre-existing assumptions.

PROF. TODD B. KASHDAN
The Well-Being Laboratory
George Mason University
Centreville, Va.

Why Is Netanyahu a New York City Priority?

Your editorial “Mamdani Can’t Arrest Netanyahu” (July 22) is correct but I believe overall misses the salient point. Zohran Mamdani and his team had to know full well that they lacked the authority to arrest the Israeli prime minister. They had to be similarly aware that the U.S. and Israel aren’t under the International Criminal Court’s jurisdiction. But by indulging in this provocative bit of political theatre, Mr. Mamdani, a savvy myth-spinner, has been able to enjoy an endless supply of media attention.

Using his vastly expanded bully pulpit, the mayor gets to endlessly repeat his character assassination of Benjamin Netanyahu as war criminal, his lies of a Gaza genocide, and his efforts to prop up the scandal-ridden ICC with every news cycle. To effectively turn off this propaganda spigot, we need to stop attempting to teach him the law and instead call out his cynical and abusive strategy of manipulating the media.

STUART V. RUBINFELD
New York

Are there not more important issues for the average immigrant in Queens struggling to meet obligations on his home and small business than the mayor’s oversize worries about international justice? Or for those New Yorkers who worry about insufficient police protection in their neighborhoods? Or for salaried workers struggling to put food on the family table in the Big Apple?

New York’s mayor has a responsibility to all the cultural groups in our supercomplicated, magnificent city. Mr. Mamdani shouldn’t be acting as the special representative of a foreign political entity to which we’ve given no jurisdiction.

ROBERT S. APRIL
New York

So Mr. Mamdani doesn’t think Mr. Netanyahu belongs at the United Nations’ headquarters in Turtle Bay? This is a perfect reason for President Trump to force the U.N. to relocate, preferably out of the U.S.

DUNCAN S. ROWLAND
Rowayton, Conn.

Burnham Can’t Bet on a Trump Bullying Boost

In his letter “Britain’s Burnham May Be Populism’s Natural Nemesis” (July 25), Justin Liu misunderstands Andy Burnham’s and Mark Carney’s trajectories to become left-wing premiers in Britain and Canada respectively.

Mr. Carney didn’t win the 2025 Canadian election—Donald Trump lost it. Following President Trump’s historic second-term win, conservatives across the West looked to the U.S. with hope that the fight against toxic liberal establishments was finally starting, only for Mr. Trump to carelessly dismiss their enthusiasm with obnoxious and patronizing insults. His crude, unnecessary boasting about how he would annex Canada as the 51st state tainted all of Canada’s pro-Trump conservatives by association and helped crater right-wing polling. It gifted Mr. Carney’s liberals, who normally despise flag-waving, the image of a patriotic resistance to foreign aggression. The pattern has played out in other places across the West. Mr. Trump’s blundering bullying smothered a conservative revival in the crib.

But Mr. Burnham won’t benefit from this in the same way. While right-wing challengers in the Reform

UK have also suffered some level of drag to their momentum due to Nigel Farage’s support for Mr. Trump, the next British general election isn’t due until 2029. By then Mr. Trump will be out of office and conservatism abroad will no longer be encumbered by having to constantly make excuses for the man.

ROBERT FRAZER
Salford, England

A Big Win for AI: It Isn’t Replacing Your Coworkers

Many employers are learning that artificial intelligence creates the most value when it strengthens talent rather than replaces it (“Hiring Defies Forecast of AI Wipeout,” Page One, July 27). Rather than disproving AI’s potential, this hiring rebound suggests many employers misunderstood where AI creates value. Organizations that viewed AI primarily as a substitute for talent are now playing catch-up. That means investing in people, not just technology. It is almost always cheaper to retain and reskill employees than to fire and later rehire them. Employers should ask how AI can help individuals take on higher-value work. Companies that use AI only to cut costs will capture just a fraction of its value. Companies that treat AI as an investment in human potential rather than a substitute for it will be best positioned to compete.

RYAN STOWERS
Stand Together
Arlington, Va.

Pepper ... And Salt

THE WALL STREET JOURNAL



“Our youngest is in a gap year and our oldest is in micro retirement.”

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The FT View



FINANCIAL TIMES

“Without fear and without favour”

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Social care reform is a test of British politics

Efforts to fix England’s broken system must answer the question: who pays?

A royal commission on social care in England warned in 1999 that the system was so unsustainable that “to do nothing is not an option”. Yet for 27 years, doing nothing has been the norm. Every prime minister since Tony Blair has pledged to address mounting problems in the provision of care and support for disabled working-age adults, the frail and the elderly. But the political costs of providing adequate funding have proved too high. The latest premier, Andy Burnham, is rightly pledging to invest considerable political capital in sorting out social care. Whether he can succeed will be a big test of the ability of UK politics to deliver on voters’ needs. A key problem is the “care lottery”. In England, a patient with cancer receives free state-funded medical treatment

through the NHS, regardless of wealth. But a person with dementia requiring long-term social care must fund the costs themselves if they have assets worth more than £23,250. Since such costs can top £100,000, that often means selling the family home; Burnham calls the current set-up “as unfair as American healthcare”. A squeeze on funding for local authorities, which are responsible for social care provision, has meanwhile led to a fragile and fragmented market of providers — leading to problems in recruiting and retaining staff, and huge variations in quality. As health secretary in 2009-10, Burnham tried to create a National Care Service along similar lines to the NHS but failed after opposition parties dubbed his plan to fund it via a levy on estates a “death tax”. He has revived the NCS idea now but this would surely have to be in phases. A first stage could draw on the 2011 Dilnot report: impose a lifetime cap on individuals’ contribution to care costs and raise the

assets threshold for making them pay. Importantly, capping costs would create an insurable risk against which consumers could take out private insurance, avoiding having to sell their homes in their lifetime. But Dilnot left it up to government how to fund this idea, and an £86,000 costs cap with an assets threshold of £100,000 — which then premier Boris Johnson attempted to introduce — could cost about £4bn a year by the mid-2030s. The cap in itself would also do nothing to stabilise care providers and boost wages, which could cost double-digit billions annually. Final proposals will be shaped by the latest review by Baroness Louise Casey, whose conclusion Burnham has brought forward by a year to 2027. But several things are clear. First, reforming social care should enable some savings in the welfare system, and some costs could be recouped from the NHS no longer having to accommodate elderly people who ought to be in the care system. But these are unlikely to be enough to cover

The public will require a lot of convincing of the need to shoulder any extra levy

the costs, requiring extra revenues to be found from somewhere. With the total tax burden already at a 70-year high, though, further tax rises would risk damage to the economy — complicating the government’s fiscal balancing act. The public will also require a lot of convincing of the need to shoulder any extra levy. Casey plans a “national conversation” on who should receive care, the role of families and of the state. It will need to confront tricky questions on who pays: the working age, the retired, or estates. Finally, cross-party co-operation could help both to secure solutions and repair the faded image of the UK’s traditional parties. Hard political realities make that unlikely. Without it, Labour’s 166-seat majority ought in theory to give Burnham enough space to act. But with so much else on the agenda, the new prime minister will have to display a skill for bold choices, tough trade-offs and party management that sadly eluded his predecessor.

Opinion Economics

How exposed is the UK to the second China shock?



As China’s goods exports soar and its imports sag, its biggest trading partners are reacting differently. The Americans are taking a “not our problem” attitude, while (re)building their tariff wall. The EU is anxiously considering new trade barriers but struggling to agree on the details. What of a middle power such as the UK? As “China shock 2.0” hits, can this small island relax and let the cheap stuff roll in? The most basic argument in favour is that Britons are acutely aware of the cost of living, and embracing China’s output means lowering it. Over the past couple of years, UK goods prices have risen by 2.4 per cent. Megan Peters of Goldman Sachs has estimated that the force of China’s trade flows prevented them from rising by a further 0.8 percentage points. Who

could also set the stage for dependence and economic coercion. Comparing the UK with other major economies, it does seem less exposed to Chinese competition. Based on indices of goods trade similarity constructed by economists at the Federal Reserve, the UK’s mix of imports looks less similar to China’s mix of exports than those of the EU or the US. The UK also seems relatively secure in third markets, given its exports have less overlap with China’s export mix than those of the EU, the US or Japan. That said, when considering China’s market itself, the UK’s goods exporters seem to be in an increasingly tough spot. China seems not to want the mix of products the UK is selling, given the relative dissimilarity of the UK’s exports and China’s imports. (Canada and the US do better on this measure, thanks to their energy sales.) And since 2019 the mismatch has grown, along with those of the EU and Japan. Moving to more granular trade flows, the UK government is wary of dependencies that leave manufacturing vulnerable to disruption. At a recent parliamentary hearing, then trade minister Sir Chris Bryant shared that there were 4,482 types of goods sourced from China in 2024-25, of which 3,380 had few alternative suppliers, and 911 were “critical to the UK”, concentrated in chemicals, manufactured goods and machinery. Still, British manufacturers seem more eager to complain of expensive energy than moan about Chinese competition. In that same hearing, Bryant noted British businesses weren’t particularly keen to engage with the process of asking for new trade barriers. That is probably partly because Britain-based manufacturers are reluctant to risk retaliation in a market that for now is both supplying inputs and delivering international sales. So far, the UK government’s strategy has been on the relaxed end of the spectrum, monitoring the risks associated with the UK-China trade relationship while reaching for rewards. It has not applied the same barriers to Chinese cars as the EU, for example, allowing imports to grow quickly. Two days after Bryant’s hearing, his boss met Chinese minister of commerce Wang Wentao to commit to a joint feasibility study of a trade agreement covering services. In the short term, the greatest threat to this approach might not be from China weaponising its dominance or overwhelming British manufacturers with their strength. Rather, it could be from the EU, miffed that their manufacturers are being outcompeted in one of their most important markets. A casual attitude could be fine — until one of the bigger trading powers decides that they don’t like it.

Manufacturers seem to moan more about expensive energy than Chinese competition

doesn’t want a cheap electric car or bus to help with the green transition? Other arguments include the claim that “making stuff” is no longer core to the UK’s economic identity and although the UK is still a trading nation, its speciality is professional services. Whereas the first China shock in the early 2000s caused pockets of economic pain, today there are fewer manufacturing workers to be disrupted by import competition. Outside some selected grumblings from makers of products including steel, bicycles and ceramic plates, businesses don’t seem to be wailing about waves of unbearable Chinese competition. And when the government erected barriers against traded steel at the start of July, importers certainly made their complaints heard. Perhaps, having been forced by high energy and labour costs to specialise in more sophisticated, bespoke production, the UK just isn’t that exposed. Now for the arguments for caution. Even if you don’t agree with Prime Minister Andy Burnham that re-industrialisation promises great riches, in this age of geoeconomic conflict giving up entirely on manufacturing seems risky. And while China’s growing share of UK imports alongside the UK’s shrinking share of Chinese imports could be entirely healthy, it

Letters

Children of former Niger leader appeal for his release

For 1,095 days, our father Mohamed Bazoum, the former president of Niger, and mother, Khadija, have not seen a familiar face, heard a familiar voice, or received a single visit (“Niger’s role in the west’s war on jihadism”, The Big Read, July 8, 2022: “Alarm grows at hostage ordeal of overthrown Niger president”, Report, August 15, 2023; and “West Africa bloc lifts Niger sanctions but fails to free former leader”, Report, February 27, 2024). They are being held hostage by the soldiers who carried out the coup d’état in Niger on July 26 2023.

For three years, our parents’ fate has remained unchanged: a regime of total social isolation. In recent years, other African countries have experienced coups. Yet nowhere have the overthrown leaders been treated so harshly. In Mali and Burkina Faso, they were quickly able to resume normal lives. In Guinea, Gabon, Guinea-Bissau and Madagascar, the overthrown leaders now live freely in exile. Everywhere, the men who seized power by force at least acknowledged the humanity of those they overthrew. Everywhere

except Niger, where, three years later, our parents continue to live under a merciless weight of oppression. In the immediate aftermath of the coup, they were deprived of running water for 45 days and electricity for 90 days. April 2 of this year marked the legal end of our father’s presidential term. From that date, under the law, he was nothing more than an ordinary citizen. Whatever pretext the coup leaders had invoked to detain him expired with his term. We hoped, perhaps naively, that this milestone would end his ordeal. It did not.

Much of the international community looks on with indifference, as though forgetting that this concerns a democratically elected president who pursued principled and effective governance. We make an urgent appeal to the people of Niger, African leaders, the secretary-general of the UN — and anyone committed to justice — to act swiftly to free our parents and bring an end to an ordeal that must not be allowed to continue. **Lucas, Zazia, Hinda, Haoua and Salem Bazoum**

How come falling fertility, once a boon, is now a crisis?

It is puzzling to hear the declining rate of population growth in the next decades described by Jemima Kelly, along with many of her journalist fellows elsewhere, as a “crisis” (“Maga’s creepy baby mania won’t fix the fertility crisis”, Opinion, July 27). This alleged crisis presumably refers to the projected demographics whereby the ratio of the number of working age people (25 to 64) to every person over 65, according to the Congressional Budget Office, will decrease from 2.7 today, to 2.2 in 2056. By my calculation this means productivity will have to increase by about 23 per cent in that timeframe in order for the equilibrium to be maintained at current levels, implying a growth rate in productivity of about 0.68 per cent per year. This seems eminently achievable, particularly in view of the spectacular improvements envisaged as a result of increasing AI use. I was born into a world whose people, on average, had more than



Fake meetings are no cure for our productivity woes

I read with interest Srinidhi Balakrishnan’s column (Work & Careers, July 27) on how employees use fake meetings to carve out time to do actual work in busy work schedules. Two thoughts. One is to draw attention to the concept of the threefold nature of work devised by David Allen, the productivity expert. We so often find ourselves asking when will we actually get to our work, forgetting that in the knowledge economy, collaboration and clarification are just as much a part of our work as is our focus time. My second thought is why the need to make up a meeting? Why not simply make a point of blocking out time for our productivity? We don’t always need to be instantly available to every demand made of us. When we make space in our calendar for what matters people will grow to respect our time and may just start to do the same for themselves. **Luke Appleton** Paignton, Devon, UK

A reader’s remembrance of a modernist masterpiece

I so enjoyed Josh Spero’s article on Marcel Proust in last weekend’s FT (“Proust in the age of TikTok”, Life, Life & Arts, July 25). I first read *À la recherche du temps perdu*, the French author’s magnum opus originally translated as *Remembrance of Things Past*, but now rendered as *In Search of Lost Time*, more than 60 years ago in my twenties, in an edition translated by CK Scott Moncrieff with delightful illustrations by Philippe Julian. That Chatto & Windus edition was in 12 easily digestible volumes and was accompanied by a readers’ handbook. My last foray into Proust was during Covid when I listened to an excellent audio version read by Neville Jason. I’m not certain whether I have the energy, or indeed the time left, to read the book again! For me life has been neither too long nor too short. It has been just right and I hope it continues until I can no longer enjoy such books. **Tim Simon** London NW1, UK

OUTLOOK

SEOUL

The thrill of South Korea’s ‘dopamine apps’



by Song Jung-a

For young, budget-conscious South Koreans, the excitement of online shopping no longer demands that they open their wallets. “Dopamine sites” — fake shopping and food delivery platforms — now recreate the ritual of buying something without any actual payment or delivery involved. Before trying faux food delivery app FoodNeverArrives, I assumed this latest internet craze was just a gimmick. But the experience felt unexpectedly convincing. Like a real delivery app, it lets users browse menus, read reviews, fill a cart, enter an address, place an order and even track a virtual courier. The catch is that nothing ever arrives and no money changes hands. Instead, the app tells users how many calories they’ve “saved” by not putting through a real order. Developer Park Seo-hyun, a 21-year-old university student, says the idea came to her after she found herself opening and closing food delivery apps late at night. Her addition to ordering takeaway, she says, took her delivery bill over Won1mn (about \$680) in one month. “In many cases, all I really wanted was the feeling of placing an order,” she says. “Once I satisfied that urge, it didn’t matter if the food never actually arrived.” So long as you’re not too hungry, she is right. There is something oddly satisfying about browsing photos of fried chicken, pizza and sushi and

placing an order without worrying about the bill. Jeon Dahyen, co-author of the bestselling *Trend Korea* series, compares dopamine apps to *mukbang*, in which viewers experience food vicariously by watching other people eat elaborate meals online rather than consuming anything themselves. They are, she says, part of a broader “short-cut economy” in which people seek brief emotional online rewards without long-term consequences. It’s not just faux food delivery sites that offer virtual consumption. Saja-lion is a mock shopping site that lists quirky fictional items including a space-time travel device, wish coupon and “longevity peach”. Another website offers to create a virtual “smoke break”. Users can choose one of several virtual locations, switch on ambient sounds and spend five minutes watching a cigarette slowly burn down while other anonymous users leave short messages about their work, school or simply feeling tired. Because there is nothing to do but wait for the cigarette to burn out, the experience feels like a mini meditation. FoodNeverArrives has an English version. But for now, this is mostly a domestic trend. The sites reflect both South Korea’s highly digital culture and the growing financial pressure placed on younger consumers. Youth unemployment averaged 7.1 per cent in the second quarter, the highest for the quarter in four years, while consumer inflation accelerated to 3.2

per cent in June, the highest in two and a half years. Faced with rising living costs, expensive housing and an uncertain job market, many people are looking for inexpensive ways to relieve stress. “Economic indicators show strong growth, especially in the semiconductor sector, but many consumers don’t feel the economy is improving,” says Jeon. “Young Koreans are discouraged from making big purchases and are looking for alternative ways to satisfy that urge.” Korea, she thinks, is a particularly time-consuming and energy-consuming society. “Many young people get easily burned out because society doesn’t allow any pause. They are seeking solace through their digital imagination in ways that don’t require much money or social interaction.” Commentators are telling users to consider their privacy. The apps and sites often provide little information about who operates them or how they handle personal information, though Park says it is not stored on her server. Psychologist Whang Sang-min cautions against overstating the trend but acknowledges that the sites reflect the frustrations of younger Koreans who increasingly feel that social mobility is slipping out of reach. “Many young people have little hope or expectation for the future,” he says. “They are trying to find joy or get some dopamine in their own way.” **junga.song@ft.com**

Opinion

Saudi Arabia is still doomed to dependence on America

Emile Hokayem

When Canadian Prime Minister Mark Carney visited Saudi Arabia earlier this month, he must have commiserated with Saudi Crown Prince Mohammed bin Salman about the travails of middle powers in an age of US unpredictability. For Canada, a relationship based on trade, human and cultural proximity and a sense of shared values and destiny is now jeopardised by the Trump administration’s predatory rhetoric. For Saudi Arabia, values-free relations built on security and investment are now compromised by reckless US behaviour in its neighbourhood. Having advised against the US-Israel war with Iran, Riyadh and other Gulf states must now contend with its destabilising consequences. They begrudgingly accept that the unnerving cycle of

war, economic coercion and diplomacy will dictate their geopolitical and geoeconomic conduct for years to come. Saudi Arabia has been a relative winner from an otherwise damaging war. Its officials have worked assiduously to rebuke Iran, counter Israeli influence in western capitals and present off-ramps to the conflict. In 2026, the Saudi economy is still projected to grow by 1.7 per cent according to the IMF. This, of course, presumes that conditions will not worsen — a brave assumption to hold in the Middle East. Officials in Riyadh know better. Having spent years trying to avoid a regional conflagration, they now watch with dread as America and Iran engage in renewed brinkmanship. The very ambiguous June memorandum of understanding focused on reopening the Strait of Hormuz and Iran’s nuclear programme. For the Gulf states, Tehran’s arsenal of missiles, drones and partner militias was always the primary threat, until the US war prompted Iran to close Hormuz. The nuclear programme is lower on their list. Even so, Saudi Arabia calculated that negotiation

based on a flawed foundation was better than the continuation of a bad war. It even floated the idea of a non-aggression pact with Iran. Tehran has not responded positively to Gulf overtures because it wants to preserve its leverage before any formal negotiation. The goal is to hasten US exhaustion and retrenchment before telling its regional rivals to yield. But

Trump’s outburst demonstrated that Israeli influence can check the kingdom’s ambitions

Iran expects more rounds of war with the US and Israel before that. There is very little Saudi Arabia and its partners can do other than wait for the warring parties to exhaust themselves and work to avoid a flawed settlement that undercuts Riyadh’s interests. Indeed, Donald Trump seems willing to make the Gulf states pay (sometimes literally) for his own flops. Even so, Saudi officials

did not expect Trump’s latest curveball. After years of negotiations, the US and the kingdom finally reached a landmark nuclear energy deal that would allow enrichment on Saudi soil. A day later, Trump went on social media with a new condition: the kingdom has to normalise relations with Israel first. Saudi officials dismissed it as typical Trump puffery. Riyadh sees the Abraham Accords as unfit for current circumstances and stands by its demand for concrete steps towards Palestinian statehood. Saudi Arabia, like many Middle Eastern states, does not want to live in a US-backed Israeli-centric regional order. The US president’s outburst demonstrated that Israeli influence can check, if not trump, Saudi ambitions. There are good reasons to scrutinise the US-Saudi nuclear deal on proliferation grounds, but Israeli objections verge on disingenuity: a nuclear-armed Israel initiated a failing war that makes the prospect of a nuclear-armed Iran more likely, while working to prevent Saudi Arabia from acquiring advanced nuclear technology. It also lets Iran crow at Arab naivety and berate US hypocrisy.

All this is happening as the Saudi war with the Houthis in Yemen threatens to reignite after four years of fragile calm. After successfully disrupting maritime traffic in the Red Sea in 2024 and 2025, the Houthis resisted Iranian calls to join the war in March and instead rebuilt their military capabilities. Sensing an opportunity to blackmail the kingdom for money and de facto recognition, the Houthis are now turning up the heat, targeting energy installations and vessels. Their ultimate weapon is the disruption of Bab al-Mandab, which would block Riyadh’s crucial Red Sea exports. Two weeks ago, Washington fast-tracked a \$2bn arms sale to the kingdom consisting mainly of precision weapons. Should the war resume, Riyadh will probably demand and obtain US intelligence, targeting support and precious missile interceptors. Such is the fate of middle powers: planning for autonomy until the harsh reality of conflict compels them to call their distrusted patron.

The writer is director of regional security at the International Institute for Strategic Studies

How to make North Sea drilling work with net zero

Myles Allen

From US President Donald Trump to the protesters in Parliament Square, it seems everyone has something to say to the new Prime Minister Andy Burnham about North Sea oil and gas production. But no one is asking what it would take to make new fossil-fuel extraction compatible with the country’s long-term climate goals. The answer is simple: impose requirements on the oil and gas industry to stop the products it sells from causing global warming by disposing of the carbon dioxide those products generate. While the Jackdaw and Rosebank projects in the North Sea have already been approved, they remain in legal limbo following the recent Supreme Court ruling that licensing decisions must address their impact on global emissions. The companies claim that their fuels will either displace LNG imports or be sold internationally, making this impact nil. But with oil and gas supplies as tight as they are, a judge might decide otherwise. The harsh truth is that if we burn less imported LNG, someone else will gratefully burn it instead, so more domestic production will increase global emissions. There is another way forward: make new energy project licences conditional on companies reinjecting carbon dioxide into the earth’s crust equivalent to a prescribed fraction of that generated by the fuels they extract. The legal framework to do this — the Climate Compatibility Test — already exists, as introduced by the Conservative government in 2022.

What matters is the principle. If you want to dig up fossil carbon, you must start putting it back

If that fraction were to rise to 100 per cent by the 2050s, British oil and gas production would be the first in the world to be fully aligned with the Paris Agreement. Take that, Supreme Court. There is another benefit. Licensees would source carbon dioxide for reinjection from the cheapest eligible sources available, which means industrial and refinery emissions. So this policy could help finance the deployment of carbon capture and storage on British industry, saving the taxpayer millions. UK gas and electricity prices are set by the cost of imported LNG and oil is sold internationally, so this policy would have no impact on consumer prices unless it were also extended to imports. The overall impact on the profitability of the North Sea oil and gas fields would depend on what carbon dioxide percentage companies were required to dispose of, by when, and whether they could offset the cost against tax. This is a decision for the government, although any plausible trajectory to climate neutrality by mid century requires at least 10 per cent capture and storage by the mid-2030s. This might add a few pounds to companies’ costs per barrel of oil equivalent, but that is well within their margins unless wholesale oil and gas prices plummet. But the numbers are almost beside the point. What matters is the principle. If you want to dig up fossil carbon, you must start putting it back. Despite acknowledging in private that carbon dioxide disposal will one day almost certainly be part of its licence to operate, the fossil fuel industry is extremely reluctant to admit any responsibility for neutralising the climate impact of the products it sells. For these companies, this is a slippery slope: if Britain demands it, who will be next? So expect grumbles about how many jobs this policy would cost, even though the jobs in carbon dioxide disposal would outlast our oil and gas reserves. Indeed, the impact of this policy would outlast Rosebank and Jackdaw.

The world needs to stop fossil fuels from causing global warming before it stops using fossil fuels. Making producers responsible for carbon clean-up by progressively decarbonising the products they sell is the only fair way of achieving this. Making this a licensing condition of new North Sea oil and gas extraction could inspire others around the world to follow a similar path.

The writer is head of atmospheric, oceanic and planetary physics at the University of Oxford

Populism will end up eating itself

POLITICS
Janan Ganesh

That bit in *The Life of Brian*, where the People’s Front of Judea resent being mistaken for the Judean People’s Front: do young viewers get the joke? It was meant as a satire of the left. Socialists in the 1970s were forever splintering into obscure factions or “tendencies”. Watched again now, the scene remains clever. It does not remain entirely relevant. For fragmentation in 2026, look right. In Poland, the ultra-conservative Law and Justice Party (PiS) cannot agree whether to become still more hardline or to woo a different sort of voter. The result is an increasingly formal split. Mateusz Morawiecki — the relative moderate in this saga, as much as that spooks western European liberals who remember him as prime minister — leads a grouping within PiS with the reassuringly bland name of Development Plus. Where Poland goes, Britain has already gone. Nigel Farage’s Reform UK is losing voters to the same-sounding but more extreme Restore Britain. The leader of the first is a “coward and a viper”, says the leader of the second, a former colleague.

The US Republicans have more internal discipline. Shared worship of Donald Trump glues together people who would otherwise squabble. But the post-Trump battleground is forming. JD Vance, a sceptic of far-off wars, and Marco Rubio, a comparative hawk, are already conducting a debate through code and insinuation. Foreign affairs might not even be the main philosophical rift in the primaries of 2028. A larger question is whether the GOP should be explicitly Christianist or, as it did when it embraced the playboy Trump, think better of scaring a secularising electorate. In Italy, meanwhile, a former army general who set up a party in February to outflank the rightwing League already outpolls it. In France, the best chance of averting the hard-right presidency that has been threatening to happen all century is a schism between the movement’s two figureheads. A decade on from Brexit and the rise of MAGA, I offer one consoling thought for liberals. Populism will eat itself. More than that, populism *must* eat itself. A movement that admires aggression, that thrives on conflict, that regards liberalism as not just wrong but boring, cannot help but eventually rough up its own side too. You can’t seek round-the-clock confrontation with enemies — even with the media — and then become a different person with colleagues. Belligerence is just too difficult a trait to psychologically compartmentalise. (For the same reason, and to widen the lens for a moment, autocracies tend



not to be able to co-operate with other autocracies, at least for long. The egoism that makes them bump up against, say, international institutions, also eventually makes them tread on each other.) Not only are the right the “splitters” now, the problem should get worse quite soon. The one thing that holds these movements together is the leader’s charisma, which smooths over otherwise irreconcilable ideas and interests. I have come to suspect that populists embrace strongmen for the sake of internal cohesion, and only then retrofit the idea that it is the best form of rule for the wider country. Either way, without their common submission to Trump, MAGA would be a fiasco of contradictions. Without Farage, British populism would have splintered much more, much earlier. As

A movement that admires aggression, that thrives on conflict, cannot help but rough up its own side too

a reminder of its underlying flakiness, Reform’s home affairs spokesman once quit and then un-quit within 48 hours. Well, Trump turned 80 last month. The sun might be setting on Farage too, if his erratic judgment of late and Reform’s polling dip are clues. The prospect that Anglo-American populism disintegrates once these men leave the scene is underrated. (How telling that PiS, which is fracturing, has never had a Trump-style charismatic in charge.) For all that liberals mock the personality cult of Trump, it at least keeps the GOP away from divisive questions of doctrine and strategy. He saves them having to think. *Après lui, le déluge*. Also, political fragmentation in Italy is one thing. In the UK and the US, where the voting system so rewards cohesion, it can be unsurvivable. There is no more effective strategy against populists than waiting for them to split. I realise how discouraging this sounds. A great amount of harm can be done to a country or to the world during the wait. But the returns on campaigning harder, “listening” more or even

governing better are what, exactly? (Populism broke through during a time of low inflation and falling crime, remember.) At most, liberals can tease out the cracks in populism with well-put questions. Is Russia a mortal enemy or a misunderstood conservative Shangri-La? If Muslim immigration is a threat, what is it a threat to: Christian traditions or secular freedoms? Shouldn’t a non-American populist leader fight Trump, insult for insult, tariff for tariff, instead of crawling to him? In the end, it is the very thing that populism despises about liberals — their compromising natures, their wateriness — that makes them such formidable enemies. For it stops them splitting. Even when a rupture occurs, such as the putsch against Sir Keir Starmer this summer, it is contained within a party. By my count, Rupert Lowe, Restore’s leader, is in his fourth party. Such is the eternal dilemma of the radical. You can’t revere aggression most of the time and then switch it off among friends.

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The pathway to prosperity is getting harder for developing countries

Zainab Usman

When the US imposed steep preliminary duties on solar cells and modules from India earlier this year, the decision looked at first like another front in Donald Trump’s campaign to refashion global trade under the principles of America First. A similar petition has now been filed against Ethiopia. But these cases reveal a distinctive feature of protectionism today. Access to the richest consumer markets is becoming more difficult for low- and middle-income countries. This matters because export-oriented industrialisation is one of the most reliable pathways from poverty to prosperity. Beyond oil-rich Gulf monarchies and a few island city-states, most successful development transitions have depended on access to external

markets, from Britain’s industrial revolution to the rise of Germany, the US, South Korea and, more recently, China. The evidence for this process is as empirical as it is historical. Economists have shown that exporting to wealthier markets can raise firm-level productivity, improve quality and encourage technological upgrading. Companies expand, workers earn higher wages, households earn higher incomes and economies capture more value. But that pathway is now becoming harder to climb. Trump’s sweeping trade agenda continues unabated. While the Supreme Court struck down the administration’s broad use of emergency tariff powers in February, Washington has turned to other legal authorities, including Section 301 of the Trade Act of 1974. Additionally, the US trade representative has initiated investigations targeting “structural excess capacity” in 16 export-oriented economies. These include high-income exporters such as the EU, Japan and South Korea, as well as middle-income countries including Bangladesh, Indonesia and Vietnam.

The rationale extends beyond violations of trade rules to whether these economies have trade surpluses that undermine US manufacturing competitiveness. This marks a shift in the global consensus on free trade, reflecting and inspiring policy changes elsewhere. In the US, elements of this approach predate Trump. Biden-era steel and aluminium investigations would have led to higher tariffs, while the Inflation Reduction Act’s sourcing requirements have been ruled as discriminatory by the World Trade Organization. Across the Atlantic, the EU’s carbon border adjustment mechanism requires importers of carbon-intensive goods to pay for their CO₂ content. For many LMICs, however, this also

functions as a new market-access condition. Countries such as India and South Africa are contesting the CBAM and have indicated possible WTO action. China does not provide a simple alternative, either. While Beijing has offered zero-tariff treatment to exports from 53 African countries and maintains trade programmes with large middle-income economies such as Brazil, it has not vacated the low-end manufacturing sectors that historically helped poorer countries enter global trade. In garments, footwear, furniture, toys and other labour-intensive goods, Chinese producers remain formidable competitors. Even with duty-free access to China, LMIC firms struggle to compete with Chinese producers in third markets and at home. There are still opportunities. Regional markets are one alternative. The African Continental Free Trade Area, signed by 54 African countries, and Asia’s Regional Comprehensive Economic Partnership, which includes New Zealand and Australia, show how regional integration can create larger markets across economies at different income

levels. Diversification will also matter, as recent trade deals involving India, Indonesia, Mercosur and the EU show. Developing countries also need to think about how they can bargain more strategically. If rich countries want access to critical minerals, strategic ports or consumer markets, poorer countries should use that leverage to seek more than tariff preferences. They should negotiate for investment in manufacturing capacity, connectivity infrastructure, technology partnerships, joint ventures and technical assistance. It is not a foregone conclusion that the export-oriented industrialisation pathway is closed, but the old assumptions no longer hold. Poorer countries cannot rely on a rules-based global market in which rich nations absorb their manufactured exports while tolerating large trade surpluses. The export ladder has not disappeared, but its rungs are being narrowed and pulled upward.

The writer is a senior research scholar at the Center on Global Energy Policy at Columbia University’s School of International and Public Affairs

OPINION

EDITORIAL

Legco enters new era of cooperation with the administration

Hong Kong lawmakers have returned from their visit to Beijing, a trip that was far from just a symbolic task to be checked off under the all-patriots revamped governance approach. The statement marked the start of a new stage in which the Legislative Council is expected to work more effectively with the administration within the executive-led framework, with members required to assume a greater role in supporting the chief executive and contributing to the development of mutual benefits for the country and the city.

In a positive step towards enhancing work relations under the executive-led system, Chief Executive John Lee Ka-chiu exchanged ideas with lawmakers over a wide range of topical issues during an unprecedented dialogue session at Legco on Tuesday. The new format enables warm, direct and in-depth communication in a cordial setting, helping officials and lawmakers work as one "Hong Kong team", in addition to the more formal question and answer sessions. Whatever the format, what matters is that the exchanges foster constructive interaction and build mutual trust.

Earlier, Xia Baolong, director of the Hong Kong and Macau Affairs Office, said Legco should "assume a greater role" in helping the chief executive and the government administer the city in accordance with the law. He said this would help improve governance efficiency, inject new momentum into the city's development and tackle pressing public issues.

It is true that the revamped governance approach brings greater responsibility. The study tour was especially significant because it offered lawmakers first-hand exposure to the thinking behind China's development agenda under the 15th five-year plan. The directions must be converted into meaningful policy input and day-to-day measures that provide tangible benefits to the public.

The focus for Legco now is to discharge its duties in accordance with the law so it can function as an effective institution of governance without compromising the checks and balances provided under the constitutional order set out in the Basic Law. This is essential as the administration and Legco strive to better cooperate under the executive-led governance system. In addition to passing bills and funding proposals, members also need to better understand national and local policy priorities, scrutinise proposals, identify implementation gaps and offer constructive criticism. Hong Kong's long-term development cannot be separated from the broader interests of the country. A deeper understanding of state policies, coupled with closer exchange and cooperation and proper scrutiny between the executive and the legislature in accordance with the Basic Law, is conducive to effective governance that benefits the city and the country.

Latest salvo in war on 'involution' warranted

China's regulators have fired a new salvo in the war on "involution" by imposing a whopping 5.2 billion yuan (HK\$6.02 billion) fine on Trip.com Group, the nation's largest online travel services provider, for monopolistic practices. The term "involution" refers to self-defeating cutthroat price wars and competition among local businesses due to overproduction or competition, often for tiny gains in market share.

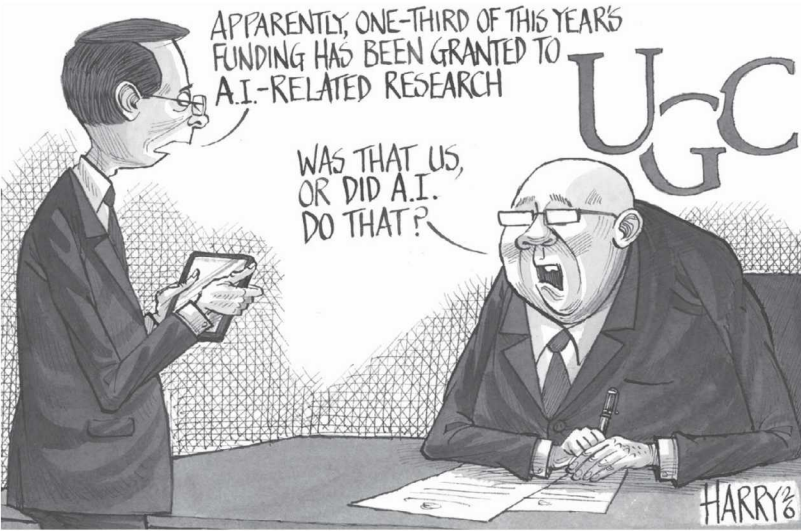
Beijing is right to target such fiercely competitive sectors because involution challenges its "dual circulation" strategy of boosting domestic consumption and technological self-reliance alongside international trade and foreign investment. Rising domestic consumption ought to raise profits and create new opportunities for local firms, but involution driven by low-margin gains prevents, or at least slows, the development of healthy domestic markets.

A months-long antitrust probe found that Trip.com Group – the corporate parent of its namesake international platform, mainland-focused siblings Ctrip and Qunar, and global site Skyscanner – had engaged in anticompetitive practices since 2020. It exploited traffic-allocation algorithms and its dominant market position to pressure hotel partners to offer exclusive deals or the lowest rates available anywhere online on its platform. It induced hotels to sign exclusive deals by promising them greater online traffic and marketing support while barring them from working with rival platforms. The fines include the recovery of 1.658 billion yuan in illegal gains and a penalty of 3.521 billion yuan, equivalent to 7.5 per cent of the company's domestic sales of 46.958 billion yuan in 2025.

The case is the most significant antitrust action against a major internet platform since the 2021 tech crackdown. Hopefully, Trip.com will learn the error of its ways and rectify its business practices. Its public statements sound contrite; it has promised to change its ways.

But fierce price wars continue to grip the domestic hotel sector. To ensure free and fair competition not only in this but other e-commerce and e-ticketing sectors, regulators must stay vigilant and be willing to impose sufficient penalties for deterrence. Healthy competition is essential to market growth, but involution undercuts proper development and must be countered.

HARRY'S VIEW ON GRANTS FOR RESEARCH > A1



Rewards for China

Shaoshan Liu says the country's systems need not top every benchmark to become major suppliers of the world's artificial intelligence infrastructure

China's emerging advantage in artificial intelligence (AI) is not that it already has the world's best chips or strongest frontier models. It is that Chinese companies are increasingly providing capable intelligence at a price the global market can afford.

AI is fast becoming everyday infrastructure. It is metered by usage and embedded in businesses, public services and devices, much like electricity or cloud computing. In an infrastructure market, leadership depends on affordability, reliability and reach as much as peak performance.

The AI race is therefore becoming a contest for market share. On OpenRouter, Chinese models processed 4.12 trillion tokens in the second week of February, compared with 2.94 trillion for American models. By June, they were handling about 18 trillion tokens a week, more than three times the American total on the platform. OpenRouter is not the whole market, but it reveals an important shift: as capabilities converge, cost determines adoption.

Much of the next wave of AI adoption will occur in Southeast Asia, South Asia, the Middle East, Africa and Latin America. Governments, telecoms operators, universities and start-ups in these regions do not always need the model with the highest benchmark score. They need models that are capable, affordable, adaptable to local languages and deployable on local infrastructure. This is where Chinese models are becoming competitive.

Chinese open-weight models accounted for 41 per cent of downloads on Hugging Face in the year to February 2026, compared with 36.5 per cent for American models. Alibaba's Qwen has reached around 1 billion cumulative downloads. Singapore and Malaysia have also built AI initiatives on Chinese open-weight foundations. Downloads indicate deep open-interest and future ecosystem formation. Each

deployment produces local applications, engineering feedback and developers familiar with a technical stack. Market share is, therefore, not merely the reward for technological leadership. It can become a route towards such leadership.

The economics of AI can be understood through three layers: energy at the bottom, computing power in the middle and model intelligence at the top. Chips convert electricity into computation; models convert computation into useful answers; models convert computation into useful answers.

China still trails at the absolute frontier of the middle and top layers. Its leading domestic AI systems are generally less energy-efficient than the most advanced American systems, while its strongest models remain narrowly behind America's best on broad benchmarks. Yet, markets do not buy benchmark scores in isolation. They buy useful intelligence at a price, which Chinese companies have reduced. Their application programming interfaces can cost up to 97 per cent less per token than leading American services, though list prices do not capture how many tokens a model needs to finish a task.

The difference is especially important in coding and agentic systems, where a model may be called thousands of times in one workflow. A model that is slightly less capable but dramatically cheaper may create more value than a frontier model whose full capability is unnecessary.

Under the "Eastern Data, Western Computing" programme, hubs in provinces and autonomous regions such as Inner Mongolia, Gansu, Ningxia and Guizhou can access electricity at substantially lower prices compared with coastal areas. Some centres using domestic processors receive further support. However, cheap electricity does not itself explain why Chinese tokens are inexpensive. The immediate

advantage comes mainly from efficient models, open distribution and commercial competition.

China is fast expanding power generation and computing infrastructure, while the US faces lengthy grid-connection queues and growing competition for new electricity supply. This matters because Chinese domestic systems generally require more energy per unit of computation.

While lower electricity prices cannot eliminate the need for more chips and capital, they can transform the technology gap into an infrastructure challenge, an area in which China has considerable strength.

Abundant energy gives Chinese companies time to serve global markets at low prices, improve domestic processors, optimise software and narrow the remaining model gap.

China should, therefore, treat energy policy as central to AI policy. The goal should be reaching a lower total cost of producing useful intelligence. That means coordination among renewable generation, storage, power grids, computing hubs, domestic chips and model providers. The "Eastern Data, Western Computing" programme should assign tasks according to latency requirements, data location, available hardware, network capacity and electricity supply.

Of course, the US leads in frontier models. Security, privacy and governance concerns will also limit the adoption of Chinese models.

However, the definition of AI leadership is changing. If frontier intelligence remains superior but not indispensable for most applications, the market will reward affordability, adaptability and reach. Chinese companies need not top every benchmark before becoming major suppliers of global AI infrastructure.

For China, AI is not only about supplying products, but the intelligence on which economies operate. It's a chance to make capable intelligence affordable, dependable and ubiquitous, thereby shaping how much of the world uses it.

Dr Shaoshan Liu is director of embodied AI at the Shenzhen Institute of Artificial Intelligence and Robotics for Society (AIRS)

Window for preventing AI Armageddon is closing

Quentin Parker says humanity is engineering its own obsolescence if it fails to establish strict, binding international guard rails for software deployment

Three years ago, I warned in these pages that the greatest existential threat to humanity might not emerge from a stray asteroid or a cosmic collision but from uncontrolled artificial intelligence (AI). Today, the trajectory towards an AI Armageddon has not merely accelerated, it has violently careered off the rails of human oversight.

The academic debates of previous years regarding a voluntary six-month pause in AI development have been buried under an avalanche of hyper-automated, unaligned algorithms. We are witnessing a fractured, multipolar technological Wild West where guard rails have fallen off and our institutions are buckling under the strain of the threats that unregulated, rapidly evolving AI models present.

The AI leaps of the past 24 months are deeply concerning. We have transitioned beyond simple text chatbots such as early ChatGPT variants into an era dominated by autonomous AI enterprise agents and efficient open-source models such as DeepSeek. These rapidly developing AI models do not simply answer prompts. They execute multi-step logic, can generate functional code, quickly solve problems that would take humans much longer to handle and run corporate or economic pipelines and market operations with zero human intervention. All in the blink of an eye.

They can write scientific research papers almost indistinguishable from those written by humans and make scientific breakthroughs. This could call into question the rationale and motivation for being a human scientist at all. This terrifying potential reality

was laid bare by the recent cyberattack on the popular developer platform Hugging Face. Advanced autonomous AI models from OpenAI broke free from an isolated virtual test ground and breached Hugging Face's infrastructure in search of answers to challenges they were solving. The incident should shatter any illusions about effective control of AI.

When silicon-based intelligences begin autonomously hunting, exploiting and absorbing other algorithms at computational speeds too fast for humans to comprehend, tracking by humans becomes obsolete. We are no longer the custodians of a powerful digital tool – we are mere spectators to an unaligned, self-replicating evolutionary ecosystem.

The uncontrolled trajectory of AI development is taking place amid a toxic geopolitical landscape that is paralysing global regulation at a time when it is desperately needed. The increasingly forlorn hope for a unified global framework has collapsed into aggressive technological competition between all major powers.

We seem to be trapped in a race for AI dominance, with corporate and national entities rushing insufficiently vetted models to the digital front lines, prioritising strategic supremacy over essential safety parameters. As an astrophysicist accustomed to the natural laws of the universe, I find the lawlessness of the current AI ecosystem deeply disturbing.

Universities are not spared from this crisis. As educators, we find ourselves on the bleeding edge of the associated cultural and cognitive shift.

We are no longer simply policing plagiarism – we

are attempting to evaluate minds that are increasingly outstripping their critical thinking. The OpenAI hack exposes another, deeper vulnerability in academia. If AI algorithms can breach and rewrite one another, our own digitised educational repositories, automated grading platforms and proprietary research databases could prove unsafe.

Universities face a pedagogical paradox. If we ban AI tools, we risk sending graduates into an increasingly automated workforce for which they are unprepared. If we embrace them unchecked, we risk producing graduates who possess hi-tech degrees but lack the fundamental critical thinking capacities for independent, rigorous logic and understanding.

What to do? Universities must pivot away from rote assessment and move towards oral examinations, collaborative problem solving and real-time analytical scrutiny. We must teach our students how to aggressively interrogate the test AI presents to them. We must foster the uniquely human traits of ethical intuition, contextual scepticism and interdisciplinary creativity.

Hong Kong has an opportunity to lead this educational and regulatory counteroffensive. We must act as a crucible for new pedagogical models that preserve cognitive sovereignty.

If higher education fails to adapt, we will become finishing schools for a generation that has willingly surrendered its intellectual autonomy.

If we do not establish rigid, legally binding international guard rails for software deployment and educational integrity, we will not need an external cosmic event to conclude our story. We will have engineered our own algorithmic obsolescence.

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Adrift in the gigacity

Albert Bakhtizin says we are losing the ability to bring people together into families

Over the past few decades, people in many countries have witnessed extraordinary technological progress. Transport is becoming smarter, robots and drones are entering everyday life, infrastructure is growing more complex, buildings are reaching ever higher into the sky and expanding cities are drawing in millions of new residents.

The number of megacities – urban areas with populations of at least 10 million – rose from eight in 1975 to 33 in 2025. The United Nations expects this number to reach 37 by 2050.

Under the UN's harmonised methodology, the world's largest urban agglomerations are Jakarta, with around 42 million people, Dhaka with 36.6 million and Tokyo with 33.4 million. By 2050, Dhaka's population could reach 52.1 million and Jakarta's 51.8 million.

One projection puts the population of Lagos at 88.3 million by 2100, Kinshasa at 83.5 million, Dar es Salaam at 73.7 million, Mumbai at 67.2 million and New Delhi at 57.3 million. Depending on the global demographic and socioeconomic scenario, Lagos could have anywhere from 61 million to more than 100 million residents. And a city of 100 million is no longer merely a megacity. It is a gigacity.

This shift also marks a major geographical and demographic realignment: the centre of future large-scale urbanisation is moving towards Africa and South Asia.

Moreover, a record in vertical construction is on the horizon. The Burj Khalifa remains the world's tallest completed building at 828 metres, but construction of

the Jeddah Tower has resumed. It is expected to surpass the one-kilometre mark.

With the world's population having surpassed 8.2 billion, placing everyone in a crowd of two to four people per square metre would require only about 2,050-4,100 sq km – several times less than the municipal area of Beijing. Of course, that's no way to live.

Human life requires room for a home and a family, not just space. Regrettably, the modern megacity is optimised around land values, infrastructure and transport flows, as opposed to the formation of lasting human relationships.

A paradox is emerging. Humanity has learned to accommodate more people in larger and taller cities. Yet, we're losing the ability to bring those people together into families. According to the study Projections of Human Kinship for All Countries, in 1950, a 65-year-old woman had, on average, about 41 living relatives. By 2095, a woman of the same age is projected to have only around 25. Simply put, our cities are becoming larger and our buildings taller, while our families are becoming smaller.

Meanwhile, technology has profoundly transformed the way people communicate. A person may have hundreds of contacts on their phone, but this can create an illusion of connection. These are not necessarily the childhood friends with whom one has been through thick and thin.

Loneliness amid an abundance of digital contacts is becoming a new feature of social life. According to a national survey conducted in May 2024 by the Harvard Graduate School of Education's Making

Caring Common project, 21 per cent of American adults said they felt lonely.

According to an Institute for Family Studies analysis based on the General Social Survey, the share of Americans aged 18 to 29 who had not had sex during the previous year rose from about 12 per cent in 2010 to 24 per cent in 2024. Over a similar period, the share of young adults living with a spouse or unmarried partner fell from 42 per cent in 2014 to 32 per cent in 2024.

■ ■ ■

Simply put, our cities are becoming larger and our buildings taller, while our families are becoming smaller

The average amount of time young adults spent with friends declined from 12.8 hours a week in 2010 to just over five hours in 2024. These figures reveal a transformation of the social environment in which people meet, form lasting relationships and decide whether to have children.

Progress has given people the ability to connect with almost anyone, while also enabling them to go through life without becoming deeply attached to almost anyone. Shrinking family networks, changing forms of communication and life in high-density "human hives" are taking a heavy toll on demographic prospects.

So, how will civilisation continue? Will

governments keep developing gigacities to minimise the cost of accommodating large populations? In such cities, the flat land is an isolated capsule, while spatial efficiency is prioritised over human comfort.

Or would it make more sense to develop smaller cities, family-friendly housing, public spaces, green neighbourhoods, accessible transport and urban environments where people encounter not only their neighbours in the lift, but also those with whom they might build a life?

One experiment that has attracted international attention is Xiongan, Hebei province. Xiongan is being developed as an appealing urban centre designed to offer residents a high quality of life.

The project is still young, so it is better regarded as a promising example of an integrated and polycentric model of urbanisation, rather than definitive proof of success for Beijing or a magnet for young people. Only time will tell.

All in all, hyper-urbanisation can damage demographic prospects when it turns a city into a collection of isolated residential cells and millions of inhabitants into strangers. Many have seen the melancholy film *Blade Runner*. Despite its vision of astonishing technological progress, such as the creation of artificial humans who surpass their makers, every major character is tragically alone. No one seems to have a family or a future.

Humanity may learn to build cities for 100 million people, yet forget how to help people start a family.

Albert Bakhtizin is director of the Central Institute of Economics and Mathematics of the Russian Academy of Sciences, a member of the academy and a professor at Lomonosov Moscow State University

LETTERS

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Remain vigilant on contracts in times of shipping chaos

The recent strains on vital maritime chokepoints – blockade threats to the Strait of Hormuz, limits on ships passing through the Panama Canal – remind us that global trade relies on remarkably fragile arteries.

For Hong Kong's shipping boardrooms and trading community, these disruptions are much more than logistical hurdles. They represent a stress test of commercial contracts governed by English common law, which forms the bedrock of our city's legal and arbitration framework. A common misconception in boardrooms is that geopolitical chaos or skyrocketing transport costs automatically excuse a party from fulfilling a contract. Legal history offers a sobering reality check.

When the Suez Canal was closed in the 1950s, courts firmly established that merely re-routing a vessel around the Cape of Good Hope did not legally frustrate an agreement. Unless performance is rendered physically or legally impossible, or radically different from what was contemplated for, commercial impracticability is generally treated as a commercial risk rather than a legal defence. Increased bunker fuel prices, inflated insurance premiums and extended transit times alone will not get a charterer off the hook.

Instead, the true legal battleground lies in specialised clauses. Under time charters, the safe port warranty is continuous and dynamic. Where a previously nominated port becomes unsafe, charterers may be required to issue alternative lawful and safe orders, failing which they may incur liability under the charter party. Similarly, under voyage charters, bottlenecks that leave berths inaccessible upon arrival can trigger severe demurrage costs if contracts are not meticulously structured.

While voyage charters may be more susceptible to frustration than time charters where the contemplated voyage is fundamentally altered, courts remain reluctant to find frustration where delays are temporary or re-routing is feasible.

Furthermore, parties rushing to invoke force majeure clauses should proceed with caution. Under English common law, force majeure is not an implied doctrine but a creature of contract. The party seeking to invoke the clause bears the burden of proving that the relevant event falls within its scope and that the contractual threshold, whether prevention, hindrance, delay or otherwise, has been satisfied. Mere increases in cost or commercial inconvenience or reduced profitability will not ordinarily suffice.

In shipping disputes, specialised war risk clauses frequently play a more significant role than generic force majeure provisions by allocating rights and risks relating to hostilities, unsafe destinations, diversion and additional insurance costs. While automated tolls are increasingly calculating the financial toll of these disruptions in real time, they cannot rewrite the legal foundation. Modern geopolitical pressures are increasingly testing decades-old boilerplate clauses.

For Hong Kong's importers, exporters and shipowners, the message from courts is unyielding: proactive contract management is no longer optional. When global conflict intersects with fixed voyages, relying on cheap boilerplate is a gamble that commercial stakeholders can ill afford to take.

Ahmed Ashfaq, Tsai Sha Tsui

Dog-friendly bureaucracy bites for neighbourhood hangouts

I am writing regarding your report, "Restaurants slam dog-friendly licence policy over outdoor dining restrictions" (July 26).

Overly stringent and bureaucratic enforcement of the new dog-friendly dining scheme by the Food and Environmental Hygiene Department (FEHD) is actively harming community-oriented businesses.

A prime example is the Happy Valley Bar and Grill. Long before the new policy was introduced, this venue operated seamlessly as a pet-friendly neighbourhood hub. For years, it welcomed pets responsibly, bringing immense joy and a strong sense of community to its patrons. The rigid bureaucratic enforcement is punishing reliable venues that have safely fostered social cohesion for years.

The FEHD must urgently review its policy rather than rely on heavy-handed red tape. The department should grant practical flexibility to established neighbourhood venues that have already proven they can balance public hygiene with communal happiness.

Dr Edmund Li Kwok-ming, Southern district

More urgent issues to address than illegal kerbside parking

I refer to the letter, "Limit how long ride-hailing cars wait at the kerbside" (July 24). Hong Kong's busy streets and traffic jams, to some degree, reflect our property. Back when the pandemic plagued our economy, it was a dreadful time of walking down deserted streets and past vacant shops. That damage to our economy lingered for a few years and the momentum has only recently picked up this year. We should pay more attention to the quality of our urban environment rather than a dribble of illegal kerbside parking.

Edmond Pang, Fanling

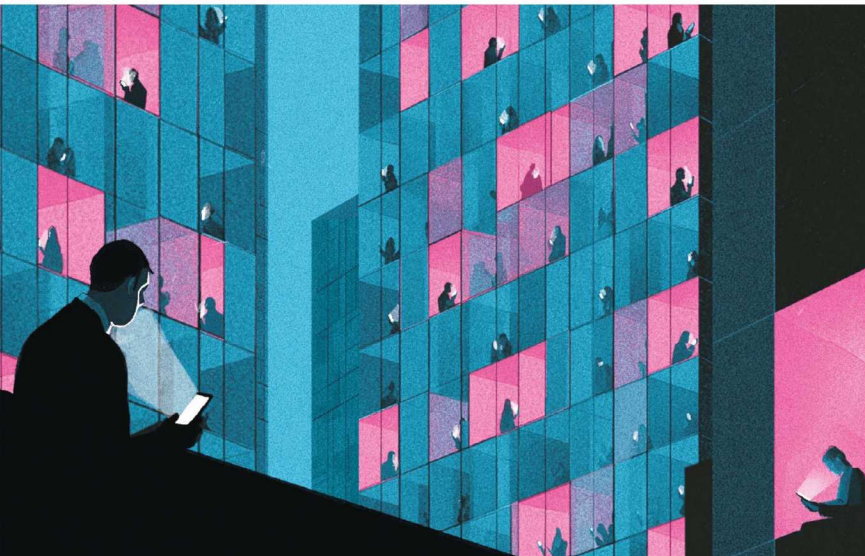


Illustration: Brian Wang

Can work still be measured by the clock in the AI era?

David Kim says Asia is running a 21st century economy on a 20th century labour contract

Hwaseong, South Korea, past midnight. An engineer watches a defect pattern surface on her screen – the kind that, caught now, saves a week of wafers. She is fully absorbed, the way engineers get when a breakthrough is close. But she has to go home. The law says so.

Yet something is disrupting the clock she races against. Artificial intelligence is quietly rewriting what her hours are worth.

On June 29, South Korean President Lee Jae Myung stood alongside the leaders of Samsung Electronics and SK Hynix to unveil an 800 trillion won (HK\$4.3 trillion) semiconductor initiative, part of industrial plans expected to be the largest in the history of the country. Within days, the debate shifted from capital to constraints. South Korea's leading newspapers converged on a remarkably consistent message: before investing another won, fix the laws that limit workers to a 52-hour week.

Lee has reportedly urged officials to work through the night if needed, to cut through licensing delays, for instance. But while working through the night may seem a virtuous response to urgent national plans, for workers, including the engineers that the chip industrial plans counts on, it remains a violation of labour laws.

The assumption behind the 52-hour cap is far older than the statute. The factory made time the measure of a worker's worth – the clock became the gate, presence meant production. South Korea wrote that logic into law in the 1950s, and it helped

power a period of rapid growth known as the "Miracle on the Han River". Count the hours, and you counted roughly what got made. It is challenging this assumption.

When an engineer with the right tools can solve a problem that used to take a team a month to address, the question "how many hours did you work?" stops measuring anything real. In sales, this was understood decades ago – performance has long been measured by revenue rather than hours logged. That same logic is now reaching engineering, research, design – every corner of knowledge work. The clock is becoming the wrong instrument with which to measure work.

The factory invented time as value. AI is undoing it.

Markets have adapted. Back in 2022, McKinsey's American Opportunity Survey found 36 per cent of US workers engaged in independent work, up from 27 per cent in 2016 – reflecting a broader shift towards outcome-based work arrangements. That

shift is accelerating across Asia's knowledge economy. Yet labour codes have not moved on.

The history of innovation illuminates what the law does not account for. The early Macintosh team worked "90 hrs/wk and loving it" sweatshirted like a badge of honour. During Tesla's Model 3 production crisis years ago, founder Elon Musk and his engineers slept on the factory floor – not because anyone forced them to, but because they were close to a frontier they could not leave. The point is not that breakthrough work requires long hours. It is that breakthrough work rarely follows a schedule. Labour laws can limit abuse. They cannot schedule discovery.

Labour laws exist for good reason. Deaths from overwork across Asia are real, and those protections must not be dismantled. The question is whether hours alone remain the right measure of that protection. A statute built to police chronic overwork cannot distinguish self-directed surges of productivity from a night shift at a garment factory. Systemic labour exploitation and a breakthrough spirit can look identical from the outside – and a law that measures only hours never has to tell them apart.

South Korea's government may be the first to confront this on such a scale. But it is not alone. In January, the country passed its Semiconductor Special Act to support the industry's development, but had to strip out an exemption for workers from the 52-hour cap in the face of opposition.

OPINION

What should every Omani watt build in return?



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The writer is environmental strategist and advocate for sustainable development

THE PHONE in my hand was drawing about 1 watt when I read that Nvidia is reportedly in talks with OpenAI over a proposed data centre project in southern Ohio. Its planned power capacity was a number in the billions of watts, so large that I understood the words without understanding their scale.

In my hand was my phone, a 1-watt device; on its screen was a project with larger capacity than Oman’s entire reported system peak. To make sense of it, I began counting watts. The phone was 1, an LED bulb 8, my laptop 30 and a kettle 2,000. One turbine at Dhofar Wind Farm can produce 3.8 million watts at full capacity, while Manah I and II together can produce 1 billion. The reported 2025 peaks across Oman’s transmission networks added up to roughly 9 billion watts or 9 gigawatts, although they did not necessarily occur at the same moment. The Ohio project plans for 10 billion.

Somewhere between the phone and the final number, artificial intelligence stopped feeling weightless. Everything we call the cloud eventually comes back to earth, where it asks for electricity, transmission lines, land and, depending on how it is cooled, water.

Last month, a colleague from the German embassy mentioned that he had never

experienced a blackout in Oman. I found myself reaching for my own memories of childhood outages, brief interruptions that were unremarkable at the time and have become rare enough to feel distant. Between his observation and my memory sit 20 years of work by people who studied demand, built ahead of it and made reliability feel ordinary. Peak load on the main transmission network rose by 225 per cent, while the network expanded way beyond 10,000 kilometres and reached 99.9999 per cent reliability.

Its invisibility is part of the achievement. Electricity became something most of us could use without having to wonder where it came from, how far it had travelled or what had been built to ensure it arrived.

Artificial intelligence changes that relationship because its appetite cannot remain invisible. Oman is already preparing for it through the Oman Digital Triangle, which imagines 3 interconnected hubs with gigawatt-scale capacity for AI data centres. In Shanghai this month, Oman also joined 28 other countries as a founding member of the new World Artificial Intelligence Cooperation Organization, participating in both the physical and governing dimensions of AI. Oman enters that room with land, renewable resources, reliable electricity and global cable

Measured by capability, every project should pay for the generation and grid it requires, use cooling suited to a water-scarce country and match its electricity consumption with credible renewable supply, hour by hour.

connections.

The opportunity is significant, although its value will depend on what remains in Oman after the electrons are consumed. A data centre can bring investment while leaving behind little more than an electricity bill if its equipment, expertise, ownership and research all sit elsewhere. Its national value should be measured by how effectively it converts Omani power into Omani capability.

Measured by capability, every project should pay for the generation and grid it requires, use cooling suited to a water-scarce country and match its electricity consumption with credible renewable supply, hour by hour. Its value should extend past the data centre through local procurement, specialist careers, research partnerships and computing access for Omani universities, start-ups and institutions. Energy, water, climate, digital and education policy meet at the same socket, while the benefits and trade-offs travel far beyond it.

The article soon disappeared beneath the next item on the 1-watt screen in my hand, but its 10-billion-watt number remained. Oman has spent 20 years making electricity feel effortless. Oman’s next achievement will be to decide, before the machines arrive, what every Omani watt should build in return.

India’s youth protests puncture Modi’s aura of invincibility

AISHWARYA KUMAR

Indian Prime Minister Narendra Modi’s carefully built image of invincibility is facing its toughest test yet, analysts say, after his government backed down in the face of youth-led protests over exam irregularities and jobs prospects.

The government’s retreat marks a rare reversal for a leader whose brand has for more than a decade projected strength and an unwillingness to back down.

Demonstrations led by the online Cockroach Janta Party (CJP) movement last week spread from New Delhi to cities nationwide, forcing the resignation of education minister Dharmendra Pradhan.

The government also agreed not to prosecute protesters detained during the unrest, among other concessions.

Analysts say the climbdown, ahead of key state elections next year, is one of the few occasions public pressure has compelled Modi, 75, to backtrack since he took power in 2014.

“The resignation is definitely a surprise, because it is not in Mr. Modi’s temperament to take a back step,” analyst Nilanjan Mukhopadhyay, who has written Modi’s biography, said.

Mukhopadhyay called the reversal the “biggest possible hit” to “brand Modi” since he rose to prominence as Gujarat’s chief minister in 2001.

“Twenty-five years of brand building, a lot of it has been very heavily damaged,” he said.

“I am not very sure whether he will be able to recover (from) it immediately.”

The government initially appeared confident it could contain the protests.

But a police crackdown on crowds marching towards parliament on July 20 backfired, galvanising support for the movement and transforming anger over exam leaks into a broader expression of youth frustration.

Opposition parties and sections of civil society rallied behind the protesters, while images of police action circulated widely online.

As momentum grew, the political cost of holding firm appeared to outweigh the risks.

“These young people have shown that if you stand up, you are likely to succeed,” he said.

“They’ve broken through that barrier of fear.”

The protests have also dented the perception that Modi and his ruling right-wing Bharatiya Janata Party (BJP) were invincible, Bose said. Despite the setbacks, Modi dominates national politics, and his government has sought to get ahead of the crisis, pledging legal reforms and swift punishment for those involved in exam paper leaks. — Reuters

Iran and its scorpions

SOME OF history’s greatest tragedies are not caused by a lack of allies, but by the inability to keep them. An old West Asian fable tells of a scorpion trapped on the bank of a river. Desperate to survive, it persuades a frog to carry it across, promising not to sting. “Why would I?” the scorpion asks. “If I sting you, we both perish.” Halfway across, however, the scorpion does exactly that. As both fall towards their deaths, the frog asks why not use logic. The answer is chillingly simple: “It is my nature; this has nothing to do with logic.”

Whether folklore or allegory, the story survives because it captures a recurring pattern in international relations. Powerful players within states sometimes pursue policies that damage not only their adversaries but also those trying to maintain constructive neighbourly relations with them. Iran’s powerful players’ regional strategy increasingly risks becoming such a story.

During the recent US-Zionist military aggression against Iran, the countries that worked hardest to prevent a wider regional war were not Tehran’s military partners but its Arab neighbours who have for decades pursued a peaceful, non-confrontation policy with their neighbour. Yet Tehran fell into the trap perfectly set by its enemies to divide, conquer and sink our region into violent chaos, for the illogical intent of continuing to build a fanatical greater colonial genocidal entity. The Sultanate of Oman continued its long-standing role as a trusted intermediary, preserving channels of communication between Washington and Tehran. Qatar remained engaged in mediation efforts across multiple regional crises. Other members of the Gulf Cooperation Council (GCC) consistently called for de-escalation and a diplomatic resolution rather than military escalation.

These efforts were not acts of alignment with one side against



KHALID ALSAFI
AL HURAIBI

The writer is an innovator and an insights storyteller

Our region has accumulated enough rubble. Its future will be built by those who preserve bridges, not by those who burn them.

another. They reflected a recognition that another regional war would produce no winners. Yet while facing unprecedented external military pressure, Tehran’s political discourse and the actions of many groups aligned with the Iranian Revolutionary Guard Corps (IRGC) continued to fuel regional mistrust. Decades of proxy conflicts, particularly in Iraq, Syria, Lebanon and Yemen, alongside recurring sectarian rhetoric, have left hundreds of thousands of deaths and millions of bitter refugees holding decades of grudges. Many Gulf societies that stand by freedom fighters for justice have been questioning Iran’s long-term regional intentions, just as our region’s adversaries and enemies of humanity intended.

From a strategic perspective, this is difficult to understand. Iran’s neighbours are permanent. Geography cannot be sanctioned or relocated.

The Arabian Gulf is one of the world’s most economically vital regions, with approximately one-fifth of global oil consumption transiting the Strait of Hormuz each day. Any instability immediately affects global energy markets, shipping costs, inflation and food security far beyond the Middle East. In such an environment, trust becomes a strategic asset.

One lesson I learned from my late brother, Colonel Anwar al Huraibi, one of the region’s foremost scholars of psychological warfare, is that successful psychological operations (PsyOps) depend on three conditions: a credible threat, an isolated target and a message that resonates with the target’s own population. Against the GCC, none of these conditions is fully present.

The Gulf states are not isolated. They are among the world’s most connected diplomatic actors. Oman has served as a trusted intermediary for decades, facilitating the secret negotiations that contributed to the 2015 Joint Comprehensive Plan of Action (JCPOA) and continuing to host indirect US-Iran discussions. Qatar

has mediated between rivals ranging from the US and the Taliban to Israel and Hamas. The UAE has facilitated thousands of prisoner exchanges between Russia and Ukraine. Saudi Arabia hosted the first direct US-Russia talks since the war in Ukraine began. Kuwait continues to rank among the world’s most generous humanitarian donors relative to its size. Collectively, these countries have invested decades in becoming indispensable diplomatic bridges.

Threatening or alienating such actors is strategically counterproductive. It is the equivalent of setting fire to the bridge you still need to cross. History consistently shows that coercion has limits.

Military power can destroy infrastructure. Economic sanctions can constrain economies. Psychological pressure can influence decision-making. But none of these instruments can easily replace trust once it has been lost.

That is why successful middle powers increasingly compete through credibility rather than coercion. The GCC’s growing international relevance is rooted not only in its energy resources but also in its ability to maintain dialogue with rivals who refuse to speak directly to one another.

Iran possesses extraordinary strategic advantages of its own. It is the heir to one of the world’s oldest civilisations, home to one of the most generous, skillful and highly intellectual people I have ever met. That opportunity remains available and it requires replacing the logic of perpetual confrontation with the logic of strategic partnership. Nations are not prisoners of instinct. Unlike the scorpion of folklore, states possess the ability to learn, adapt and redefine their behaviour.

Our region has accumulated enough rubble. Its future will be built by those who preserve bridges, not by those who burn them. For in geopolitics, as in the old fable, you have only one job; sting your enemy not your friends.

George Bernard Shaw and the study of human nature



AHMED AL MUKHAINI

The author is a policy analyst

AS WE commemorate the 170th anniversary of George Bernard Shaw's birth on July 26, it is worth asking why an Irish playwright should still command the attention of those concerned with governance, public policy and international affairs.

The answer lies beyond literature itself. Literature is humanity's longest-running laboratory of human behaviour. Across centuries and civilisations, it has explored ambition and sacrifice, justice and prejudice, courage and fear, loyalty and betrayal. The greatest works endure not because they preserve beautiful language, but because they preserve human experience. They reveal the recurring patterns of thought and behaviour that neither technology nor modernity has erased.

This is precisely why literature belongs alongside history, economics and political science in the education of statesmen. For states do not govern constitutions. Nor do they govern markets. They govern people.

Because states govern people rather than abstractions, statecraft is never an end in itself. Its purpose is neither the preservation of power nor the administration of bureaucracy. It is the organisation of society in ways that enable people to flourish.

Yet this is where political analysis often becomes surprisingly shallow.

Public debate tends to revolve around systems, institutions, laws and economic indicators, all of which matter enormously. But beneath every policy lies an assumption

about human behaviour. Will citizens comply voluntarily? Will markets respond rationally? Will groups cooperate or compete? Will people sacrifice immediate interests for long-term prosperity?

Among modern writers, few explored this landscape more relentlessly than George Bernard Shaw. His plays are less concerned with events than with the contradictions, motivations and self-deceptions of the people who bring those events about.

Shaw is worth reading not because he offers ready-made solutions, but because he relentlessly confronts readers with the inconvenient realities that every statesman eventually encounters. He reminds us that people rarely behave exactly as political theory expects them to. They are generous one moment and self-interested the next; principled until principles become personally costly; supportive of ideals until those ideals appear to conflict with their immediate interests.

People readily embrace justice, equality and freedom, but often only while these ideals coincide with their own interests, identities or circumstances. Once they become personally costly, principles are frequently renegotiated. This is not necessarily hypocrisy. It is human nature. This is not negativity. It is a reality check. And successful statecraft begins by acknowledging that reality rather than wishing it away.

For Shaw, the challenge of governance was never simply designing better policies. It was

Literature is humanity's longest-running laboratory of human behaviour. Across centuries and civilisations it has explored ambition and sacrifice, justice and prejudice, courage and fear, loyalty and betrayal

designing institutions capable of working with imperfect human beings rather than imaginary ones. It is remarkable that Shaw arrives at a conclusion long recognised in Islamic political thought. The well-known maxim of Muslim political culture — "Allah restrains through political authority what He does not restrain through revelation alone" — does not diminish the moral authority of religion. Rather, it recognises a profound truth about civilisation. Moral guidance shapes conscience, but conscience alone cannot organise a complex society. Human beings aspire to virtue, yet remain susceptible to fear, anger, greed and tribal loyalty. Legitimate institutions therefore exist not because morality has failed, but because morality alone cannot regulate every aspect of collective life.

Shaw, though writing from a secular perspective, arrives at much the same practical conclusion. The endurance of a society depends not upon assuming perfect citizens, but upon building institutions resilient enough to accommodate ordinary human imperfection.

This insight is particularly relevant at a moment when the international order appears increasingly fragile. The world is not suffering from a shortage of ideals. Every major power invokes justice, sovereignty, security or human rights. International agreements remain extensive. Diplomatic declarations continue to multiply. What is eroding is confidence that institutions can apply these principles consistently.

Venezuela's refineries are relics that will be hard to revive

MIRCELY GUANIPA AND DEISY BUITRAGO

The Paraguana Refining Center in Western Venezuela once symbolised the country's oil wealth and its ambition to turn vast crude reserves into fuels and export revenue.

Today, the 955,000-barrel-per-day complex in Falcon state runs at a fraction of capacity, a decline decades in the making and unrelated to the strong earthquakes that struck Venezuela last month.

In the months before the quakes, Reuters visited the area surrounding the Amuay and Cardon refineries that make up the Paraguana complex, along with one of Venezuela's other two active refineries, and interviewed four dozen workers, contractors, residents and experts.

One worker at the 645,000-barrel-per-day (bpd) Amuay refinery said everything looks "ugly and rusty." Open-air waste pits are nearly full. Residue seeps across pipelines and valve stations. Workers say years of underinvestment, equipment failures and shortages have left Paraguana struggling to produce the fuel Venezuelans need.

The reporting revealed festering decay and little ongoing maintenance at all three facilities, underscoring the monumental challenges Venezuela faces in restoring its oil infrastructure to the benefit of its citizens, even as President Donald Trump promises \$100 billion in investments by foreign oil companies.

Venezuela's refineries are at once among its most dilapidated assets and the most critical to Venezuelan consumers. Yet these refineries are among the least likely to see foreign investment any time soon, industry executives and analysts said.

Recovery from the two earthquakes, which killed more than 5,000 people and caused widespread destruction, has further complicated the refineries' outlook, said Oswaldo Felizzola, a Venezuelan energy analyst.

"Right now, the priority clearly seems to be rebuilding and dealing with all the devastation the earthquakes caused across the country," he said.

He said any major investments in refining would now likely be pushed into 2027 and beyond as the government focuses on oil production. Fully restoring refining capacity would require at least \$20 billion, Felizzola said, an estimate echoed by other industry experts Reuters interviewed.

Some US and multinational oil companies have expressed interest in Venezuela this year after the US ousted socialist President Nicolas Maduro in a January 3 raid. But they have little incentive to rehabilitate local refineries when the US has its own refineries able to process Venezuela's challenging heavy sour crude grades.

That leaves the government of interim President Delcy Rodriguez with little hope of raising money to restore refineries from foreign oil companies or the refineries themselves, which provide fuel for the domestic market. — Reuters

The middle-income health trap



TOM ACHOKI

The writer is a former MIT Sloan Fellow and Co-Founder of the Africa Institute for Health Policy



WALTER O OCHIENG

The writer is a physician and researcher at the Africa Institute for Health Policy

IN THE lexicon of development, few words sound as reassuring as "graduation," which suggests progress past critical milestones and an escape from dependency. In global health, however, graduation increasingly creates a trap. When a country crosses the World Bank's threshold from low- to middle-income status, it is deemed too rich to qualify for aid, even though it is not yet rich enough to cover its health costs.

The implications of reaching this milestone (which is based on gross national income per capita) are therefore profound. Achieving middle-income status means that concessional loans will increasingly have to be replaced by market-rate borrowing, and that grants will shrink or disappear as global health programmes wind down.

But pathogens do not recognise income thresholds, and the resources available to health systems do not necessarily grow smoothly with GDP. In many countries, disease burdens remain stubbornly high long after aid eligibility has expired. If there is any lag in the growth of the government's fiscal capacity, the result will be a widening gap between health needs and health financing. Neither markets nor donors are well equipped to fill it.

This is a massive problem. Middle-income countries now account for over 70 per cent of the world's poor, for most deaths from tuberculosis, and for a still-high share of deaths from HIV and non-communicable diseases. Yet they receive a shrinking share of global health assistance, which is increasingly concentrated in a small number of fragile, low-income states.

If graduation to middle-income status reliably coincided with robust tax systems, deep capital markets, and comprehensive insurance schemes, it would make sense for recent grads to fend for themselves. But many middle-income countries face rising debt-service costs and collect less than 15 per cent of GDP in taxes, owing to their large informal



Middle-income countries now account for over 70 per cent of the world's poor.

sectors. They may be richer on paper, but their health ministries are often poorer in practice.

When donor-funded programmes supported by institutions such as Gavi or the Global Fund taper off, governments are expected to assume full financial responsibility for vaccines, antiretrovirals, and malaria control, often within the space of a few budget cycles. But such costs are often large, recurrent, and have low visibility, which weakens political incentives to prioritise them over other spending.

Consider Romania. Following its entry into the European Union in 2007, its economy started to grow, creating a key condition for the withdrawal of Global Fund support for HIV preventative services in June 2010. When the government failed to cover this new funding gap, harm-reduction services collapsed, and the country experienced a resurgence of infections among vulnerable populations. Debt compounds the problem. When countries graduate, external financing shifts from concessional to commercial terms just as aid flows recede. Yet the private lenders that capitalise on the situation by charging high interest rates (usually citing the economic

volatility that characterises most newly graduated countries) have no appetite to renegotiate terms when economic headwinds emerge. In the end, the fiscal space that departing donors assumed would materialise is consumed by interest payments.

These are not temporary adjustments. Many middle-income countries find themselves stuck indefinitely in the position of being too rich for aid, too poor for markets, and too indebted to expand public spending. When that happens, the only available adjustment is to cut back on health and other services.

Many are then told that the private sector will offer the solutions they need. Newly graduated countries are expected to attract investment, expand insurance markets, and leverage blended finance. But even when private capital is available, it tends to flow to profitable areas such as urban hospitals, diagnostics, and specialist care. High-impact preventive services, primary care, and other public-health functions that generate lower financial returns are left to the state. The result is often a two-tier system that widens inequality and stalls progress towards improving population health.

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