Business, unusual

Engaging with the Myanmar junta is a short-sighted move

Months after a sham election that installed junta chief Min Aung Hlaing as Myanmar's civilian President, the military continues to wage war on its own people even as the world has largely looked away. More than a lakh people are estimated to have died since the 2021 coup, many in fighting between the junta and the anti-coup People's Defence Forces and ethnic armed organisations. The junta has also killed thousands of civilians in air strikes on villages in rebel-held areas to terrorise communities into giving up their resistance. With wars affecting Ukraine, Gaza, Sudan and Yemen, and Iran, the world has grown numb to such violence. The junta has exploited that indifference and a shifting geopolitical situation to act with impunity. Russia and China, its principal arms suppliers, have stood by it with the former supplying jets that were used to bomb civilians. Beijing, which tacitly allowed three ethnic armed organisations to launch an offensive in Shan and Rakhine States in late 2023, has since pressured two of them into ceasefires and returning seized territory. It also backed the January election. Since being sworn in, Min Aung Hlaing has visited India, Thailand, Vietnam and three other ASEAN member-states. ASEAN still swears by its Five-Point Consensus, which calls for an end to violence and dialogue. Yet, its members seem more than eager to do business with a regime that has flouted every point. Meanwhile, U.S. officials reportedly held secret talks with the junta in Tokyo in June and October, and a senior delegation met Min Aung Hlaing in Naypyidaw in September. Japan is reportedly pressing the Financial Action Task Force to take Myanmar off its blacklist.

The motives are not hard to understand. China wants an outlet to the Indian Ocean and security for its oil and gas pipelines. It has also played both sides, dealing with the junta and powerful rebel groups such as the Kachin Independence Organisation, whose territory is rich in rare earths and jade, and the United Wa State Army, which runs a massive tin mine. New Delhi wants to revive its stalled Act East policy, including the Kaladan Multi-Modal Transit Transport Project. The U.S. eyes access to mining vital heavy rare earths such as dysprosium and terbium, for use in electric vehicles and weapons systems. What these short-sighted overtures miss is that trade thrives in a country at peace, not one where armed groups are perennially battling for control. The junta which has killed its citizens and has scuttled every move towards democracy cannot deliver that peace. Unless the generals are made to answer for their war crimes, Myanmar will remain a war zone. It will be ruinous not only for its hapless people but also for businesses seeking to trade with it.

Coming of age

Binance's reaction to the hack shows how the crypto industry has matured

The recent hack at Binance, the biggest theft ever at the world's largest cryptocurrency exchange, has lessons for India. But Indian policymakers must be careful to learn the right ones. First, it must be understood that the hack is not an indictment of the crypto space itself. Being a crypto exchange did not make Binance more vulnerable than if it were, say, a bank. Hacking is now a daily occurrence across sectors and even small pharmaceutical companies often have to fend off millions of attacks a month. Of course, Binance must look into how it was hacked and prevent a recurrence, but the cat-and-mouse game between hackers and security software developers is a perpetual one. For every million, or even billion, attacks that are stopped, one will inevitably get through. The lesson for Indian policymakers is not that crypto is unsafe in itself; this incident does not prove that. Rather, it is about how Binance prepared for and reacted to the attack. Back in 2018, Binance had set up an emergency fund called the Secure Asset Fund for Users (SAFU) to protect user assets in the event of a security breach or platform-level incident. The fund was created for exactly this kind of incident, and was financed through trading fees that Binance collects from users. Since the $6.3 billion worth of assets stolen exceeded the SAFU's resources, Binance dipped into its own resources to restore about 95% of users' assets within four days of the hack.

So, Binance used a stable source of revenue to finance an emergency fund, which it deployed when an emergency occurred. The system worked perfectly, also showing how maturely and responsibly the crypto space can be run. The Indian government and the Reserve Bank of India still view the private crypto space as the Wild West of techno-finance. This is no longer the case. Large crypto companies are employing prudential practices, safeguarding customers, and cooperating with law enforcement agencies. If the fear is that cryptocurrencies are not backed by any asset, then Indian policymakers can choose to allow only stablecoins, which do have real assets underpinning them. Indians are not at higher risk from cryptos than they are from fake stock market scams. The best defence is awareness. By refusing to regulate the crypto space in India and, indeed, taxing it at a prohibitive rate, the government is driving Indians towards either the black market, where such scams proliferate, or foreign exchanges. The government can take a leaf out of Binance's book and mandate an industry-maintained emergency fund. There is ample international legislation to emulate now. The point is, crypto risks have fallen and adoption is rising. Now is the time to regulate the industry.

On the Arunachal frontier, silence is not a strategy



Ashok K. Kantha

Subhas Chandra Bose Chair Professor of International Relations at Chanakya University, Bengaluru, and a former Ambassador of India to China

For some time, reports have circulated of transgressions by China's People's Liberation Army (PLA) in the Asaphila, Taksing and Longju areas of Arunachal Pradesh. The facts are neither clear nor officially acknowledged. Yet, there are signals that something out of the ordinary is happening along this stretch of the border. The matter warrants close attention.

The clearest signal came on October 22, 2026. Speaking at an Indo-Tibetan Border Police (ITBP) function, Director General Shatrujeet Singh Kapoor said: "In the past few days, a situation arose where face-off happened at several locations in Arunachal and it still continues." This was the first official confirmation of the scale of the problem. This daily reported, citing "government sources", that the two sides had been in a stand-off at Asaphila, near Taksing, since late July.

Following a brief face-off near Maja, close to Longju, the PLA reportedly returned in larger numbers and pitched tents about six to seven kilometres inside the Line of Actual Control (LAC), as India perceives it. The stand-off has persisted through meetings of the Working Mechanism for Consultation and Coordination on India-China Border Affairs (WMCC), the Special Representatives and Corps Commanders, and Chinese President Xi Jinping's visit to India for the BRICS summit (September 2026).

Official responses, several questions

Official reactions are telling. Neither side has denied the face-offs. On October 23, the spokesperson for the Ministry of External Affairs (MEA) referred questions about specific details to the Ministry of Defence. He added that the situation in the border areas "gets disturbed from time to time when Chinese forces diverge from established patrolling patterns". His Chinese counterpart said on October 26 that China "conducts normal border patrol and control activities to safeguard its territorial sovereignty and stability in the border areas".

The Arunachal Pradesh Chief Minister Pema Khandu was more direct. "No doubt transgression has happened. It keeps happening," he said on October 29, noting that China does not recognise the McMahon Line.

Local groups have also been persistent in raising concerns. In June, the Nah Welfare Society of Taksing informed the district administration that the PLA had built roads, bridges and camps on traditional grazing and hunting grounds. In August, a fact-finding team from a regional party said that Indian patrols were being denied access to some areas. The Army described the June reports as "incorrect and without any basis". The Director General of the ITBP's remarks now lend weight to these local voices.

Some perspective is needed. Chinese transgressions in the Eastern Sector are not new. In the past, however, instances of adverse Chinese possession south of the international boundary have been confined to a few pockets: the Namkha Chu and Sumdorong Chu valleys, and Longju. Elsewhere, the Line of Actual Control (LAC) coincides with the boundary. If China has now made deeper intrusions, established a presence in new areas, expanded its presence in existing pockets or prevented Indian patrols from accessing certain areas, this is a serious, though not unexpected, development. Many of us have cautioned that China could attempt in the Eastern Sector what it did in Eastern Ladakh in 2020.

India's silence on Chinese border intrusions risks emboldening Beijing and undermining New Delhi's position

Chinese commentators have been less coy. A day after the ITBP Director General spoke, one of them argued that the "bottom line" of China's approach was to enforce the "1959 Line". China, he wrote, had "largely achieved this goal" in the Western Sector and was "very likely to implement it in the Eastern Sector in the future".

China's claims, India's rejection

The so-called LAC of November 7, 1959, has no standing with India. In the Eastern Sector, China claims that it coincides with the "illegal" McMahon Line, except at Khinzemane. However, China defines that line by transposing coordinates from the 1914 maps onto present-day maps, ignoring the highest watershed, which was the basis of the 1914 alignment. This approach is entirely unscientific, and India has never accepted it.

In the negotiations leading to the 1993 Agreement on the Maintenance of Peace and Tranquillity along the LAC, India accepted the concept of the LAC but specifically rejected the Chinese notion of a 1959 line. The LAC was the line of actual control on the ground as it exists, not a notional or historical alignment. In cases of Chinese transgressions, India pressed for the restoration of the status quo ante. The April 2005 Agreement on Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question goes further. In seeking a boundary settlement, Article V requires the two sides to take into account, among other things, "the actual state of border areas".

Chinese transgressions blatantly violate several border agreements that require both sides to "strictly respect and observe" the LAC and not to "overstep" it. Both sides are also committed to refraining from unilaterally altering the status quo. Compounding the problem, China has begun defining the LAC in terms of sovereignty, as the phrasing of its Foreign Ministry statements suggests. This runs contrary to the basic concept of the LAC. When the two sides first formally agreed to use the term in the September 1993 agreement, they explicitly stated that references to the LAC "do not prejudice their respective positions on the boundary question" (Article 6).

India, on the other hand, keeps referring to "different perceptions" of the LAC. In doing so, India lends a degree of legitimacy to Chinese transgressions and weakens its own position. Why should India make such a reference unilaterally, especially when Beijing has forcefully revived its "Zangnan" (South Tibet) narrative on Arunachal Pradesh? For India, there should be one perception of the LAC, which is India's perception. The 1996 Agreement referred to "different perceptions" of the LAC, but Article X also required the two sides to arrive at a "common understanding" of the "entire alignment" of the LAC through an exchange of maps. The "Eight-Point Consensus" of the Special Representatives, announced on August 26, refers to discussions on "ways to improve understanding of the LAC in appropriate areas".

The MEA spokesperson reiterated this formulation. India would be well advised not to formalise the idea of "improved understanding". Doing so would help China achieve what it has sought for two decades: to wriggle out of a formal commitment to establish a "common understanding" of the LAC through an exchange of maps and clarification of its alignment. Ambiguity over the LAC suits a party bent on salami-slicing.

None of this means that every transgression must be publicised. If transgressions follow the pattern of earlier behaviour, it is understandable that the government would not wish to highlight them. However, if the pattern changes, intrusions spill over into new areas, or, more seriously, adverse possession or a physical presence expands, the situation becomes far more serious. This was the litmus test applied in the past.

Hiding intrusions weakens border security

Nothing suggests that keeping such transgressions under wraps helps resolve them. It is incumbent on the government to bring them into the public domain, as it has done in the past. When Chinese forces moved into Wangdung in 1986, the matter was made public and discussed in Parliament. The government also acknowledged Chinese transgressions in Eastern Ladakh in 2020, though transparency has been inadequate since then. If India falls into a pattern of denials, obfuscation or conflicting signals, it will only encourage more blatant salami-slicing.

A related question is how India should respond. Should such transgressions be raised primarily at meetings of border commanders, or should they be taken up forcefully at the diplomatic level and, if necessary, at the political level?

Experience offers a clear answer. In September 2014, Prime Minister Narendra Modi raised the Chumar transgression with Mr. Xi on the first day of his visit to India. This was a key factor in China agreeing to restore the status quo ante. In Eastern Ladakh, by contrast, the status quo ante of April 2020 has yet to be restored, even after six years. India cannot allow China to get away with its playbook of incremental gains that, taken together, create a qualitatively new situation to its advantage.

If there are indeed Chinese transgressions beyond areas of persistent intrusion, particularly if Chinese forces are present in areas on India's side of the LAC or the PLA is preventing India's border forces from patrolling regularly, India would be better served by acknowledging this publicly. Candour will strengthen New Delhi's hand in dealing with Beijing, not weaken it.

In Tehran, a search for the future of West Asian security



Kabir Taneja

The Executive Director of the Observer Research Foundation (ORF) Middle East

More than eight months after the United States and Israel launched strikes on Iran, West Asia remains on tenterhooks, as the United States, Israel, and Iran continue to flirt with a resumption of military hostilities. Elections in Israel as well as the U.S. midterm polls offered an interesting pause, even as war rhetoric remained high. Amid these tensions, an alliance of Saudi Arabia, Türkiye and Pakistan, known as the "Mecca Agreement", arrived in Iran's capital in October to discuss regional security.

A large part of Iran's response since the U.S. and Israel began bombing the country in February 2026 has been to target American interests, including data centres, and military installations across the Gulf states. This forms part of Tehran's strategy of asymmetric warfare, shaped by its view of the conflict as an existential threat to the Islamic Republic, particularly following the killing of Supreme Leader Ayatollah Ali Khamenei in an airstrike.

Why now

The Tehran visit was perhaps one of the most consequential diplomatic moves initiated. From Riyadh's point of view, despite the official statement issued by its Foreign Ministry highlighting diplomatic efforts to disallow a return to military conflict in the region, the outreach had a singular aim: to prevent its conflict with the Houthis from escalating.

Riyadh's airport has been largely shut since October 10, after Houthi-launched missile strikes. A Saudi-led coalition responded with air strikes, but with limited impact. The Houthis have since gained further territorial control in the embattled country, as Saudi Arabia looked clueless on what to do next. Air campaigns against the Houthis have yielded limited results since 2015.

The delegation in Tehran was not led by diplomats but by defence and intelligence leaders from the three countries. It included Pakistan's Army chief, Asim Munir, a favoured military leader of U.S. President Donald Trump, who has also played a mediating role between Washington DC and Tehran. The main point of interest, however, was the Iranian delegation, led by Mohsen Rezaei took over the country's powerful Supreme National Security Council (SNSC) in August, succeeding Mohammad Bagher Zolghadr, who had replaced Larijani after his death in March. Rezaei's prominence in the talks also highlights where the nucleus of Iran's emerging power structure lies. The Islamic Revolutionary Guard Corps (IRGC) has taken centre stage as the country remains on a wartime footing, with multiple power centres vying for influence following the death of the Ayatollah. The IRGC's leading role is not surprising, given that it has always operated directly under the Supreme Leader's authority.

The 'Mecca Agreement' alliance's outreach to Tehran highlights competing visions for West Asian security

Conflict into leverage

Saudi Arabia, Türkiye and Pakistan travelling to Iran for this exchange came as a surprise to many, given that Tehran had struck several Arab countries in response to American and Israeli aggression. However, Iran would have sought such an exchange, as it stands to benefit from it. It has made no bones about its support for newer, region-led securitisation taking precedence over those operating under American auspices. The Mecca Agreement, signed in August and tested to its limits by October, has shown little appetite for collaborative military action in the region, despite comparisons with the North Atlantic Treaty Organization. Following its signing, Iran supported the initiative, with some reports even suggesting that Islamabad might seek Tehran's official membership. For Iran, however, being part of every forum and conversation about the future of West Asian security is exactly what it seeks. Tehran believes that the events of recent months, and its response to them – including the high-risk decision to target its Gulf neighbours – have created leverage that countries such as Saudi Arabia may now seek to address through dialogue. Iran's access to the Houthis, whom it has helped strengthen, is what Riyadh hopes to mobilise for de-escalation, while Pakistan and Türkiye play supporting roles and consolidate their own positions in another iteration of the proverbial "new West Asia".

The road ahead

Ultimately, for Iran, the crevasses created by a conflict that has not delivered the intended outcomes for the Trump administration present an opportunity to consolidate its position with the Gulf states. Many of its neighbours may grudgingly accommodate its demands because they have few alternatives. However, not all may agree with or support the Mecca Agreement's outreach. This could lead to greater divisions over how to engage with Iran within the construct of a regional security architecture for the future, particularly as Tehran is now widely seen as an aggressor – a label the IRGC will not mind, as it seeks to project Iran as a regional power – and remains a geographic reality to contend with. Iran has previously said it is willing to meet its Gulf partners "anywhere" and on any platform to discuss regional security. Although this remains conjecture, the idea of hosting the talks in Tehran may well have originated with Iran itself.

The months ahead will remain tense in West Asia. Recalibrating a long-standing security order is often a chaotic process. The U.S. will not exit the region, but it may have to share space. Mr. Trump will be fine with this. Whether a U.S. accustomed to hegemonic dominance will accept it remains to be seen.

LETTERS TO THE EDITOR

Conditional use

The Supreme Court's decision permitting green crackers for two days within prescribed timings in Delhi-NCR is welcome. However, effective implementation and enforcement during these hours remain crucial. Such directives should extend to other metropolitan and urban areas rather than serve merely as temporary damage-control measures. Environmental protection must go beyond regulatory restrictions and become a shared public responsibility, fostering a culture in which concern for the environment is integral to collective thinking and practice in India.

Rushita Avula,
Hyderabad

INDIA bloc stir

The stir in New Delhi, by almost all the major Opposition parties, has had one salutary effect — bringing them all together against the divisive tendencies of the BJP. It has made the people realise that they cannot be cheated of their rights or disenfranchised through foul means. The protests make it clear that the Chief Election Commissioner must go and that free and fair elections are essential. The voters' list of 2024 must be restored, and a fresh one prepared through a fair, lawful process. Although impeaching the CEC under the present parliamentary composition may be difficult, fresh polls based on a corrected roll are essential to restore a truly democratic Parliament.

N.G.R. Prasad,
Chennai

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

The elephant in the classroom



Jean Drèze

Visiting Professor at the Department of Economics, Ranchi University

The Cockroach Janta Party (CJP) has done us all a good turn by drawing attention to the dismal state of school facilities in large parts of the country. Even the modest norms of the Right of Children to Free and Compulsory Education Act, 2009 (better known as the Right to Education Act or the RTE Act) are yet to be met in a large number of schools. Contrary to the impression given by official statistics, such as the Unified District Information System for Education, India's schools are still rife with leaky roofs, clogged toilets, broken handpumps and missing playgrounds.

Hopefully, the audit of government schools initiated by the CJP will help to identify the underlying structural failures. It is not just a question of spending levels. More importantly perhaps, corrupt contractors have been allowed to make plenty of money from shoddy work. Further, no effective systems are in place to ensure regular repair and maintenance of school facilities. In Jharkhand, even the small school funds normally available for this purpose have been discontinued in the last two years, making it difficult to deal with the simplest of maintenance problems such as buying mops and brooms.

Having said this, it would be wrong to conclude that teaching standards cannot improve in government schools without better infrastructure. There is, in fact, vast scope for improvement, starting with more active teaching. Far too often, children are left to mill around or sit on their own for hours on end. The lack of active teaching is the main reason why so many children learn so little at school, condemning them to join the ranks of low-paid casual workers later in life.

On non-teaching duties

Teachers, for their part, complain that non-teaching duties constantly encroach on teaching time. There is, no doubt, some truth in this, but it is not the whole truth.

Section 27 of the RTE Act clearly states that no teacher is to be deployed for "any non-educational purposes" other than the population census, disaster relief and election-related duties. The loophole, of course, is that "educational purposes" is an elastic term. Under the garb of educational purposes, teachers have been assigned all sorts of non-teaching tasks such as taking digital attendance, extensive record-keeping, helping children to open Aadhaar-linked bank accounts, generating APAAR (Automated Permanent Academic Account Registry) numbers for them and so on. Record-keeping work, in particular, has ballooned with the Aadhaar-augmented double burden of physical and digital records.

The missing part of the truth is that a teacher's timetable is supposed to have substantial space for non-teaching tasks. The RTE Act prescribes a minimum of 45 hours of work per week for school teachers. It also has an implicit norm of at least four hours of classroom teaching per day in primary schools – 800 hours over 200 days, as a minimum. Thus, over a six-day week, a primary-school teacher has up to 21 hours to spare for non-teaching tasks, outside classroom hours. Even after deducting, say, one hour a day for class preparation, 15 hours would remain for other education-related tasks every week. Without denying that teachers have excessive non-teaching duties, one may question the claim that these duties generally prevent teachers from teaching for the minimum duration prescribed by the RTE Act.

The time clash arises from the fact that many teachers have a habit of completing non-teaching tasks during classroom hours. Sometimes this is forced on them, for instance when teachers are summoned to the Block Resource Centre during school hours, or when they receive WhatsApp messages asking them to submit reports "immediately". Sometimes teachers themselves perform non-teaching tasks during classroom hours to avoid long work days. Whoever is to blame, the fact is that no clear demarcation is being observed between teaching and non-teaching time in many schools, with teaching time becoming the casualty.

A new understanding is needed, where classroom hours are well-defined and sacrosanct. If non-teaching duties are excessive, that is an issue that needs to be resolved between teachers and the school education department. Children cannot be held hostage to this conflict. Most teachers are likely to support this understanding, if it goes hand in hand with better infrastructure, a reduction of non-teaching duties, and some clerical assistance.

The cart and the horse (infrastructure and work culture) will have to move together. The first step is to stop tolerating the injustice being done to millions of children who are stuck in dysfunctional schools.

If non-teaching duties are excessive, that is an issue that needs to be resolved between teachers and the school education department. Children cannot be held hostage to this conflict

Delhi needs better slum rehabilitation policy



Surbhi Sachdeva

Senior Resident Fellow at the Vidhi Centre for Legal Policy. All views are personal

The Delhi Assembly recently passed a law shifting the cut-off for recognising *jhuggi-jhopri* (unplanned slum settlements) clusters from January 1, 2006 to January 1, 2025. The Centre says the new rehabilitation push could benefit roughly four lakh families; a necessary correction to an arbitrary exclusion. However, much more is needed to guarantee a smooth relocation process.

Delhi's soon-to-be notified 2026 slum rehabilitation policy should begin with one principle: the unit of rehabilitation is not a flat, but a household's urban life – work, school, care, neighbours and commute. Indian courts have said as much for decades. In *Olga Tellis*, the Supreme Court connected shelter location to livelihood; in *Sudama Singh* and *Ajay Maken*, the Delhi High Court required meaningful engagement, surveys and proper rehabilitation rather than treating residents simply as encroachers. Delhi therefore needs an enforceable "in-situ first, relocation last" rule. Where relocation is genuinely unavoidable, no demolition should occur until a serviced home is ready within a reasonable livelihood catchment, with public transport, schools and health facilities functioning from day one.

Delhi should also learn from Mumbai's successes, and perhaps more importantly, its shortcomings. The Supreme Court's 2024 *Yash Developers* judgment identified recurring failures in Maharashtra's slum-rehabilitation regime such as disputes over eligibility, developer selection, transit accommodation, weak remedies and regulatory accountability. The Bombay High Court's 2026 'performance audit' proceedings have since confronted the same system, including developer delays, opaque selection processes and transit rent defaults. The takeaway is straightforward: a slum policy cannot become a land monetisation policy with a welfare annexure.

Modelling the model

If Delhi uses a public-private partnership model, the State must retain control of the outcomes. Developers should face transparent pre-qualification, audited financial capacity tests, project-specific performance bonds and milestone-based deadlines. If developers are mandated to reserve a certain part of the land for existing slum dwellers and allow for the "free sale" of the remaining land, safeguards should ensure the quality of materials, infrastructure, and development in the rehabilitative area as this has emerged as a recurring issue in other cities.

Mumbai's recent experience itself points towards stronger financial-capacity scrutiny and advance protection of transit rent. Delhi should go further: transit rent should be escrowed in advance, with automatic penalties, and replacement of defaulting developers. Every project should have a public dashboard showing households surveyed, eligibility decisions, appeals, construction milestones, transit payments and expected possession. Residents should receive independent legal and technical assistance before consenting to redevelopment.

The policy should, therefore, offer three routes chosen on a settlement-by-settlement basis: incremental in-situ upgrading with secure tenure where land and safety permits; low- or mid-rise redevelopment where rebuilding is necessary; and relocation only where occupation is demonstrably untenable or when the land is required for an overriding public purpose. Odisha's Jaga Mission offers a useful counter-example; created around a statutory land-rights framework, it has combined tenure security with community-led infrastructure, upgrading slums rather than making demolition and rebuild the default.

Finally, the 2025 cluster cut-off must not become a new documentary trap. Settlement recognition should not depend on every resident being able to produce perfect documentary proof. Research on earlier Delhi schemes found that eligibility rules could exclude a substantial proportion of residents – precisely the households most likely to be displaced again.

Success should not be measured by acres "cleared", tenders issued or towers inaugurated, but by whether families are still securely housed near their livelihoods, and whether children remain in school, maintenance is affordable, and if no one has been pushed into a new informal settlement. Delhi has moved the date. Now it must move the model.

Where relocation is genuinely unavoidable, no demolition should occur until a serviced home is ready within a reasonable livelihood catchment, with public transport, schools and health facilities functioning from day one

Fewer students are borrowing a lot more for education

While the number of education loan accounts has declined by 15.2%, the total amount borrowed has nearly tripled

DATA POINT

Gauri Singavarapu

Over the last 10 years, the number of students availing educational loans has shrunk while the money borrowed has sharply risen, an analysis of quarterly data published by the Reserve Bank of India on outstanding credit of scheduled commercial banks showed.

The number of student loan accounts declined by 15.2% from 25.76 lakh in June 2016 to 21.84 lakh in June 2026.

However, in the same period, the average amount of loan outstanding per education loan account increased by 178.2% from ₹2.6 lakh to ₹7.25 lakh, an indication of rising costs of education, as observed by the 372nd report of the Parliamentary Standing Committee on Education, Women, Children, Youth and Sports.

Chart 1 shows how the total number of student loan accounts have seen a decline over the 10-year period.

Although there is marginal improvement in the total number of accounts in the last three years, the increase has come from students going for bigger-sized loans over ₹2 lakh.

While such loan accounts have increased by 31.6% from 14.31 lakh in the 10-year period, the number of accounts in the smaller loans category of up to ₹2 lakh have drastically declined from 11.44 lakh to just three lakh, which is roughly one-fourth of their previous size between June 2016 and June 2026.

Less loans but bigger

Chart 2 shows the corresponding growth in the average outstanding amount per loan account. For smaller loan accounts, the size has remained fairly the same.

Driven by the increased size of loans in the above ₹2 lakh category, from ₹3.82 lakh to ₹8.25 lakh, the overall average of amount outstanding per student loan account has increased from ₹2.6 lakh to ₹7.25 lakh – an increase of 178.2% as mentioned earlier.

An analysis of education loans in different slabs shows how loans of bigger sizes have increased noticeably in the last 10 years. Loan accounts in the range of ₹25,000 to ₹2 lakh accounted for 41.2% in June 2016. This share dropped to just 13.6% in June 2026 **(Chart 3)**.

The data also showed that the share of education loans in the total amount of credit given by scheduled commercial banks have come down over the years. As per the RBI's data, education loans accounted for 0.93% of the total share in June 2016. This came down to 0.74% in June 2026. This is despite the total outstanding amount under the education loans increasing from ₹67,175 crore in June 2016 to ₹1,58,468 crore **(Chart 4)**.

While inflation would have contributed, by a small extent, to the loan amount increasing in size, the declining share of education loans along with the declining number of loan accounts indicate that fewer students are borrowing a lot more for education than they did in 2016.

Education more affordable?

Education becoming affordable or more students joining government-run institutions that offered free education or at subsidised costs are unlikely to be the factors behind the notable decline in the number of student loan accounts. This is inferred from the All India Survey of Higher Education's (AISHE) annual reports showing that the number of students entering government-run colleges has remained fairly the same over the years, with 2023-24, the latest year for which the report is available, in fact showing a decline **(Chart 5)**.

Moreover, the estimated budget of the Department of Education has also come down from being 1.46% of India's budget in 2016-17 to 0.99% in 2025-26.

Costlier affair?

The data were sourced from the Reserve Bank of India's reports on scheduled commercial banks, which include all the major public and private sector banks. Rural banks and non-banking financial companies are not included. Gauri Singavarapu was interning with The Hindu



CHART 1: While the number of small loan accounts have declined, the large loan accounts have increased

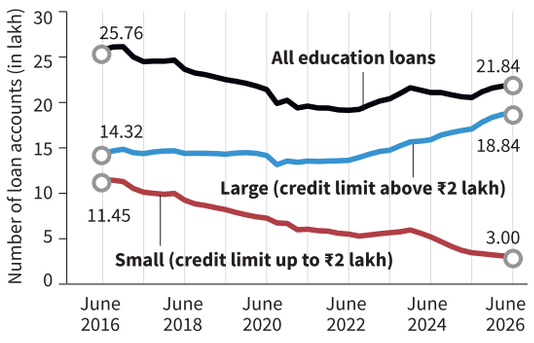


CHART 4: The share of education loans in the total credit portfolio of banks has declined

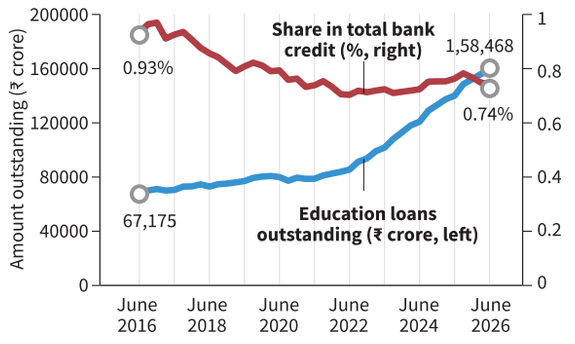


CHART 2: The average amount outstanding per loan account has sharply increased in the last 10 years

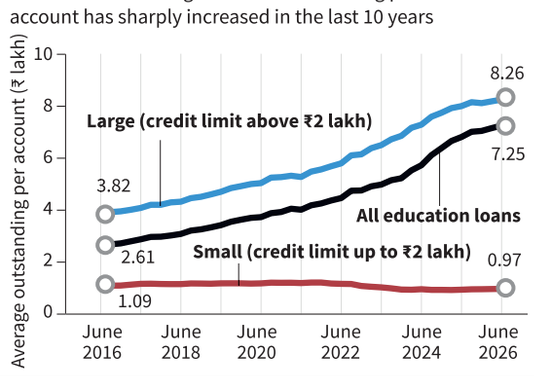


CHART 5: The number of students enrolling in government-run colleges have remained fairly the same, with 2023-24 marking a notable decline. *(Values in lakh)*

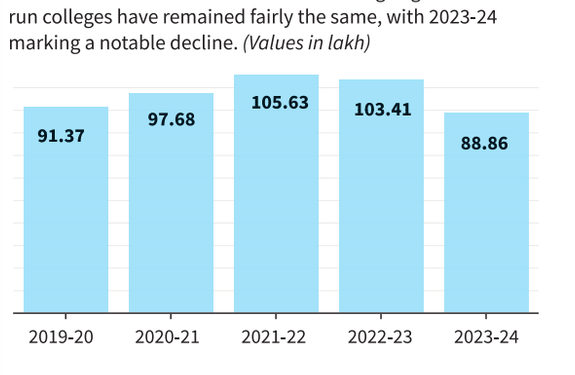
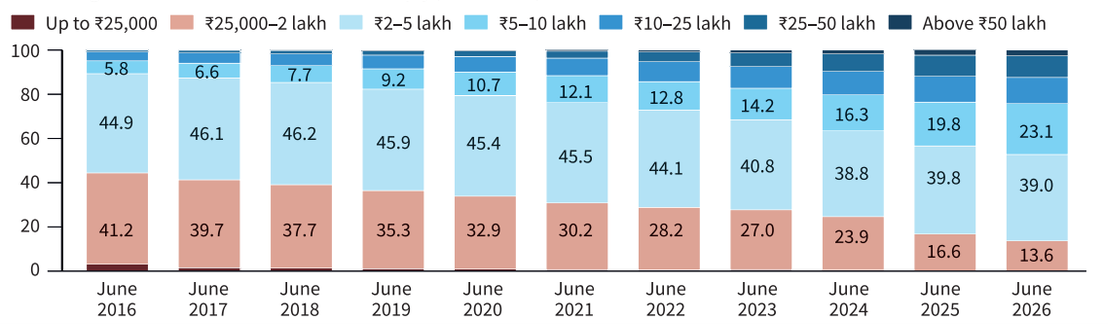


CHART 3: This shows how the share of loan accounts in each credit slab has changed over the years. The share of accounts borrowing smaller amounts has declined sharply *(Values in %)*



FROM THE ARCHIVES

The Hindu.

FIFTY YEARS AGO NOVEMBER 4, 1976

Carter elected President of U.S. in close contest

Washington, November 3: Mr. Jimmy Carter, the peanut farmer from Georgia, who was a political unknown until early this year was elected the 39th President of the United States after he defeated the White House incumbent, Mr. Gerald Ford, in a closely fought election held yesterday.

It was a remarkable achievement for a "rank outsider" who had started his quest for the Presidency two years ago, without much money, without a real political base and without going through the traditional corridors of power. To the loser, Mr. Ford, who was unexpectedly and accidentally elevated to the highest place in the land after Mr. Richard Nixon resigned 28 months ago, it was the end of a long but unspectacular career in politics.

By winning the Presidency, Mr. James Earl Carter became the first person from the Deep South to gain that office since Gen. Zachary Taylor in 1848. At 52, he will also be the youngest man since Mr. John Kennedy to reach the White House. On the other hand, Mr. Ford, the first man ever to become President through appointment, had also the ill-luck to be the first incumbent to be defeated in an election since Mr. Herbert Hoover, 44 years ago.

A HUNDRED YEARS AGO NOVEMBER 4, 1926

U.S. general elections

As there was no issue dated November 4, 1926, from the issue dated November 3, 1926

New York, November 2: The main issues in to-day's elections are: – Firstly, will the next Congress be Republican or Democratic. Secondly, will Governor Smith be re-elected for New York State and Thirdly, will "dry" sentiment in United States reassert itself though the referenda initiated by eight states.

The Democrats need only 9 seats in the Senate and 36 in the House of Representatives to obtain control and be able to snap their fingers at the Coolidge Administration.

Governor Smith made a bid for presidential nomination at 1924 Democratic Convention and to-day's election will have considerable bearing on his chances of nomination in 1928.

An amusing sidelight on the elections, which is symptomatic, has been the eagerness of New York politicians to proclaim themselves "wet".

Text&Context

THE HINDU

NEWS IN NUMBERS

Dengue and malaria cases reported by Delhi till October 31

1438 Delhi has reported 1,083 dengue and 355 malaria cases till October 31 this year, even as no deaths due to either disease have been reported, as per a Municipal Corporation of Delhi (MCD) report. The national capital recorded 90 fresh dengue cases and 18 malaria cases during the week ending October 31, the report stated. PTI

Revised minimum fare demanded by Bengal private bus operators

18 in ₹. The Joint Council of Bus Syndicates, an apex body of private bus operators in West Bengal, has suggested a revised slab-based fare for ordinary local buses in Kolkata. Council general secretary Tapan Banerjee, in a letter to the Transport dept. suggested that passengers be charged ₹18 for four km, ₹22 for six to eight km, ₹24 for eight to 12 km, ₹26 for 12 to 16 km and so on. PTI

Drought relief sought by Karnataka from Central government

22,400 in ₹ crore. G. Parameshwara, Karnataka's Deputy Chief Minister has sought ₹22,400.58 crore in drought relief from the Centre, urging the Prime Minister to expedite the release of funds to farmers affected by crop losses. The State's drought-relief requirement has been revised upwards to ₹22,400.58 cr. PTI

Number of bar licences to be reviewed by Keralam

400 Keralam Minister M. Liju on Tuesday said the government had decided to re-examine the previous LDF government's decision to grant bar licences to more than 400 beer-and-wine parlours in the State. Mr. Liju said instructions had been issued to make amendments to the rules to plug loopholes allegedly created by the previous Left administration. PTI

Villages identified by Meghalaya to preserve indigenous heritage

11 Meghalaya Chief Minister Conrad K. Sangma on Tuesday said the State government has identified 11 villages to preserve indigenous traditions and knowledge while creating sustainable livelihood opportunities for artisans. In a post on X, Mr. Sangma said preserving cultural heritage required sustained government intervention. PTI

COMPILED BY THE HINDU DATA TEAM

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Need for a unified urbanisation plan

The Union Budget, Economic Survey and Finance Commission recognise that India is urbanising across a rural-urban continuum. Yet Census 2027 will use the 2011 definitions, deepening the undercount of urban India; a National Urbanisation Policy can recognise this gap and build the institutional and fiscal mechanisms to bridge it

ECONOMIC NOTES

Sudeshna Chatterjee
Jaya Dhindaw

India's 2027 Census, happening after 16 years, will classify a settlement as urban if it is either notified by a State as a statutory town or meets three census-town criteria: a population of at least 5,000, a density of at least 400 persons per sq km, and at least 75% of male workers engaged in non-agricultural work. Everything else will be counted as rural.

This preserves comparability across Census years, but it also means the Census will measure urban India with a yardstick that our own economic and fiscal institutions have begun to move beyond.

Measuring urbanisation

In 2011, India had 377 million urban residents across ~8,000 cities and towns. Since then, States have notified another 1,000 statutory towns. The United Nations estimates that 44% of Indians live in urban areas today, projecting the urban population to cross 720 million by 2050.

The growth has been extraordinarily uneven. Greater Mumbai had close to 12 million residents in 2011, while statutory towns like Gangotri Nagar Panchayat in Uttarakhand have a population of 110.

Around 94% of India's urban settlements are small towns, while ~60% of the urban population lives in Class I cities–which includes cities with populations ranging from 1 lakh to 20 million. It lumps together megacities like Mumbai and Delhi with non-metropolitan cities like Mangaluru and Amravati, obscuring radically different needs and capacities. Meanwhile, the fastest growth is unfolding beyond cities: peri-urban areas are expanding at ~4.15% a year, compared to 2.9% growth occurring within administrative boundaries.

The Economic Survey 2026 stated that India is far more urban in functional terms than its definitions admit, citing satellite data that placed the country at 63% urban in 2015. The 2026 Union Budget allocated ₹5,000 crore each to City Economic Regions, shifting the focus from individual cities to wider economic geographies. The 16th Finance Commission raised the share of local grants earmarked for urban local bodies to 45%. It also created a ₹10,000-crore 'urbanisation premium' to encourage States to merge peri-urban villages into adjoining municipal areas and develop rural-to-urban transition policies.

These measures signal a critical shift, but they do not constitute a coherent framework for recognising transitioning settlements, planning across administrative boundaries or aligning fiscal incentives across India's system of cities. That is the missing link which a National Urbanisation Policy could bridge.

Rethinking the rural-urban binary

Firstly, why does a classification carry so much weight? In India, classification is a gateway. Master plans, municipal finance, Finance Commission grants, building regulation, environmental clearance thresholds and scheme eligibility all depend, in different ways, on how a settlement is classified. This classification is also politically reversible. Article 243Q(2) leaves the notification of an area as urban to the discretion of States, with no standard criteria or requirement to publish reasoning behind the decision.

The law treats rural and urban as mutually exclusive and not a continuum. Consider Bhiwandi region near Mumbai that spans 60 villages and nine census towns. Here, 91.8% of employment is non-agricultural, yet it is still governed as rural, leaving Panchayats responsible for land use, waste, water and air quality, without a mandate or technical capacity.

The planning consequences are stark. Around 52% of statutory towns and 76% of census towns have no master plan. Nine States have not updated their planning legislation since the 74th Constitutional Amendment in 1992. Meanwhile, the model law most States rely on dates from 1985, and says nothing about the rural-urban continuum, the 74th Amendment, the 2013 Land Acquisition Law, and the emergence of climate adaptation as a planning imperative.

The necessity of national guidance

National guidance on urbanisation already exists, although unacknowledged. Census classification rules, Finance Commission formulae and scheme eligibility criteria, collectively determine which settlements count as urban and what they receive. Because these were not designed as a coherent policy framework, no single institution is answerable for their combined effects.

A National Urbanisation Policy would not prescribe a one-size-fits-all blueprint or a parallel delivery system. Grounded in subsidiarity, it could establish shared principles to build coherence across existing institutions, letting the Centre channel funds, build capacity and coordinate across tiers of government.

The need for a National Urbanisation Policy

WRI India's report '*Equitable, Productive, Low-carbon and Resilient System of Cities in India - Recommendations for a National Urbanisation Policy*' proposes seven systems transformations:

Standardise the definition and classification of statutory urban settlements; modernise spatial and regional planning; reorient public and private finance flows into urbanisation; embed a tiered coordination architecture, anchored by a National Urbanisation Council; build sectoral reforms on functional foundations; align urban politics with reform incentives; and support knowledge exchange and local innovation.

The first three are foundational and their sequence matters. Article 243W makes devolution permissive rather than mandatory, so notification does not automatically transfer all 18 municipal functions listed in the Twelfth Schedule, to newly notified urban areas. A settlement that has not been classified as urban cannot even begin the transition towards receiving critical municipal services. Therefore, settlement status should be reviewed at fixed intervals against set criteria, not only during the Census, using satellite and geospatial data on built-up growth and economic activity, as the Economic Survey recommends.

Spatial planning comes second because every other reform, from housing and infrastructure to climate adaptation and finance, must ultimately be located somewhere. Yet for most Indian settlements, the plans that should guide these decisions do not exist.

The institutional foundations for better coordination do exist. Metropolitan and District Planning Committees have existed under Articles 243ZE and 243ZD of the Constitution for over three decades. Guidance must acquire statutory force to drive change: regional planning must extend below the million-plus threshold as most of the growth is unfolding there. In such areas, peri-urban zoning cannot be optional.

Finance comes third because implementation requires monetary resources. India's municipal revenue is ~1% of GDP, compared with 7.4% in Brazil and 6% in South Africa, while property tax yields only 0.15% of GDP. Piecemeal, scheme-specific transfers leave cities unable to predict cash flow. India has developed a sophisticated set of blended financing instruments, but access is limited. Own-source revenue and formula-based transfers should become the fiscal pillars of urban governance, besides project preparation capacity.

Coordination comes next. The Inter-State Council dates from 1990 and the Central Council of Local Government from 1954. While NITI Aayog routinely brings States together, a National Urbanisation Council could better connect institutions and mechanisms.

The fifth transformation is about jurisdictional fit. Sectoral reforms are generally designed around administrative jurisdictions that do not match the geography of the problem. For instance, 65% of Delhi's PM 2.5 originates outside the city, so a municipal air quality plan cannot succeed, however well-funded. Reforms should be built on functional units – the airshed, the basin, the city region – with institutions empowered at that scale.

The final two transformations concern incentives and learning. Untied grants should reach municipalities directly through a published formula, paired with the knowledge and innovation support that cities need to meet benchmarks.

In most cases, the institution, criterion or instrument already exists. What is missing is regularity, enforceability, reach and accountability for non-performance. India cannot wait for every transitioning settlement to be formally recognised as urban before extending planning, services and infrastructure. A National Urbanisation Policy addresses this by shifting the unit of planning from administrative boundaries to functional areas.

(Sudeshna Chatterjee is Director of Research and Jaya Dhindaw is Executive Director of WRI India's Sustainable Cities Program.)

THE URBAN PICTURE

The Economic Survey 2026 stated that India is far more urban in functional terms than its definitions admit, **citing satellite data that placed the country at 63% urban in 2015**

Comparison of peri-urbanisation reported by the 2011 Census, Agglomeration Index, and DEGURBA

Measure of population in administratively and demographically different urban units

Total population of urban areas

CENSUS TOWN

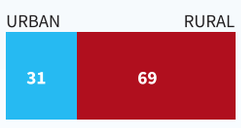
- ≥5,000 population
- ≥400 persons/km² population density
- 75% or more of the male working population is engaged in nonagricultural pursuits

OUTGROWTHS

- Villages or parts of villages contiguous with a Statutory Town possessing urban-like infrastructure and amenities

STATUTORY TOWN

- Classified by State governments based on criteria for urban areas in State legislation



Census 2011

Urban agglomeration, as defined by the Census, uses strict criteria of contiguity to the core of an ST and fails to include proximal urbanising areas separated by non-urban areas

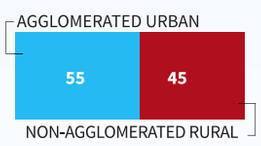
Measure of functional connectivity underpinning urban agglomerations

- Population density >150 persons/km²
- Minimum city population ≥50,000
- Within 60 minutes' travel time of a large city

1 The United Nations estimates that 44% of Indians live in urban areas today and projects the urban population to cross 720 million by 2050

2 A National Urbanisation Policy could establish shared principles to bring coherence to existing institutions, enabling the Centre to channel funds and coordinate across tiers of government

3 India cannot wait for every settlement undergoing transition to be formally recognised as urban before extending planning, services and infrastructure



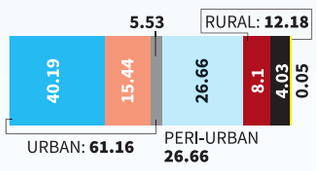
Agglomeration Index 2010

Gives the "Agglomerated Urban" category capturing people functionally connected to urban centres through commuting and market linkages

Measure of morphological continuity



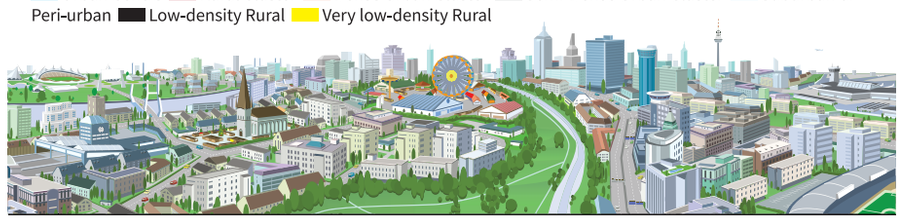
- Urban centres (≥1,500p/km²;≥50,000) City cores and main agglomerations
- Dense urban clusters (≥1,500p/km²;≥5,000) Large compact towns adjacent to or near big cities
- Semi-dense clusters (≥300p/km²;≥5,000) Medium to small towns serve as intermediate urban settlements
- Peri-urban (50–300p/km²) Residential or mixed-use sprawl, transitional between urban clusters and rural hinterlands
- Rural (<300p/km²) Dispersed settlements or agricultural hinterlands



DEGURBA (Level 2) 2025

Captures morphological gradations of settlement form and built-up density across the rural-urban continuum with intermediary classes for measuring peri-urban growth

Urban Centre · Rural Cluster · Dense Urban Cluster · Semi-Dense Urban Cluster · Suburban or Peri-urban · Low-density Rural · Very low-density Rural

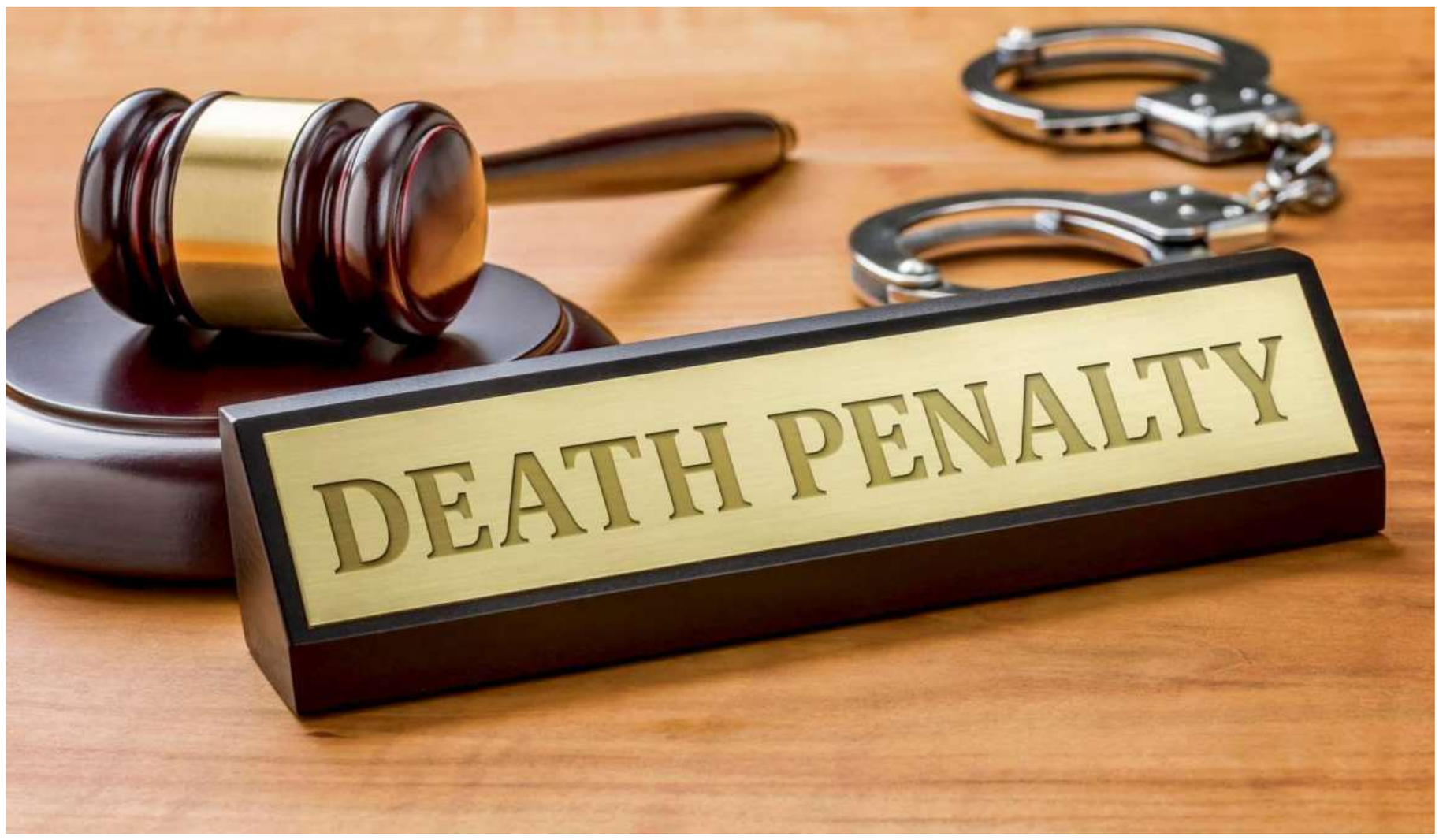


Note: DEGURBA = Degree of Urbanisation. ST = Statutory Town. Source: Conceptualised by the WRI India Cities Research, Knowledge and Engagement (RKE) Team based on ORGI (2011c, 2011e); Schiavina et al. 2023; European Commission 2020

THE GIST

- The 2027 Census will classify a settlement as urban if it is either notified as a statutory town or meets three census town criteria. This means the Census will measure urban India using a yardstick that the country's own economic and fiscal institutions have begun to move beyond
- Around 94% of India's urban settlements are small towns, while about 60% of its urban population lives in Class I cities. The classification lumps together megacities with non-metropolitan cities, obscuring their radically different needs and capacities
- Grounded in subsidiarity, a National Urbanisation Policy could establish shared principles to build coherence across existing institutions

LETTER & SPIRIT



The Day Against the Death Penalty offered a fitting moment to look back at how the top court's safeguards, laid down when it upheld capital punishment, have fared over the past four decades. GETTY IMAGES

How the Supreme Court shaped due process in death penalty cases

In *Bachan Singh*, the apex court upheld the death penalty but laid down guidelines for judicial discretion; in *Manoj v. State of Madhya Pradesh*, it prescribed 'practical guidelines', including the submission of mental health evaluations and custody conduct reports of the accused

L. Nageswara Rao

The Day Against the Death Penalty, observed on October 10, offered a fitting moment to look back on how the Supreme Court's 1980 safeguards, laid down when it upheld capital punishment, have fared over the past four decades.

In *Bachan Singh v. State of Punjab* (1980), the Constitution Bench upheld the death penalty, but imposed specific conditions in the shape of guidelines for the exercise of judicial discretion. Following the legislative scheme of Section 354(3) of the CrPC, now Section 393(3) of the Bharatiya Nagarik Suraksha Sanhita (BNSS), 2023, life imprisonment was to be the norm, and death sentence could be imposed only for "special reasons". Courts were to weigh the circumstances of the crime alongside those of the accused, and impose death only where life imprisonment was "unquestionably foreclosed".

The exceptionality principle

This idea of exceptionality of the death sentence in *Bachan Singh* is not quantitative regarding an offence's rarity but rests on "a real and abiding concern for the dignity of human life". The methodology adopted by the Court to ensure that the promise of human dignity is fulfilled is individualised sentencing. It is the idea that the death penalty, while being proportionate, must be imposed after properly considering the individual circumstances of the accused. This allows courts to assess how social, structural and psychological factors shape moral blameworthiness, and whether reformation is truly foreclosed. And it is for the state to prove, by evidence, that the probability of reformation does not exist.

Regrettably, this dignity-oriented jurisprudence was soon made precarious. *Machhi Singh v. State of Punjab* (1983), as the Court later acknowledged in *Sangeet v. State of Haryana* (2013), shifted the inquiry towards the crime, in effect asking whether there were reasons to impose life imprisonment rather than special reasons to impose death. In December 1995, a two-judge Bench went further. *Ravji v. State of Rajasthan* held that the nature and gravity of the offence, not the circumstances of the criminal, was what mattered in deciding punishment. Ravji was hanged in May 1996; Surja Ram, in April 1997. Two men were sent to the gallows on a principle the Supreme Court would later declare contrary to binding law.

A decade later, in *Santosh Kumar Bariyar v. State of Maharashtra* (2009), the Court held that *Ravji* had been decided in ignorance of *Bachan Singh*, and noted that it had been followed in at least six other cases in which the death sentence was awarded. *Bariyar* also clarified that life imprisonment is "unquestionably foreclosed" only when the sentencing aim of reformation is unachievable. In 2012, 14 retired judges called the two executions "the gravest known miscarriage of justice" in independent India.

A focus on reformation

Since then, including in the 262nd Law Commission Report in 2015, reformation has been championed as an important goal in death penalty cases. Yet sentencing, particularly in trial courts, looked much the same. A nationwide study of 306 death sentences imposed between 2018 and 2020 found that 36.1% were pronounced on the same day as conviction, and another 18.4% on the following day. In most cases, the defence neither argued nor presented evidence on mitigation.

It is against this record of crime-centric practice that the Supreme Court has, in recent years, turned to the fairness of the sentencing procedure itself. In *Manoj v. State of Madhya Pradesh* (2022), it prescribed 'practical guidelines' to operationalise the collection of information on the accused, requiring the state to produce mental health evaluations, reports on conduct in custody, and a probation officer's report. In a *suo motu* Writ Petition, since referred to a Constitution Bench, the court insisted that the defence must have a real and meaningful opportunity to present material on sentence. And in *Vasanta Sampat Dupare v. Union of India* (2025), it held that a sentencing hearing which is compliant to *Manoj* flows from Articles 14 and 21. A death sentence imposed without one is unconstitutional and can be reopened even after it has attained finality.

More recently, in *Waris v. State of Madhya Pradesh* (September 2026), the Court upheld a conviction for the rape and murder of a child but commuted the death sentence, because the State had led no evidence to exclude the possibility of reformation. The gravity of the crime, however extreme, could not by itself establish that life imprisonment was unquestionably foreclosed.

The promise, however, remains unfulfilled where it matters most. In 2025, trial courts sentenced 128 people to death. In 95.18% of the cases where compliance could be assessed, the procedure prescribed in *Manoj* was not followed.

A troubling record

However, the greater worry lies not with the question of sentence but elsewhere. Over the past decade, nearly a third of the death sentences decided by the High Courts and the Supreme Court have ended in acquittals. In 2025 alone, the Supreme Court acquitted the accused in 10 of the 19 death penalty cases it decided, repeatedly noting seriously flawed investigations and prosecutions. In *Dupare*, it acknowledged that investigations often rest on "confessions extracted in opacity" and forensic material "of doubtful rigour". A system so prone to error cannot safely decide an irreversible punishment on the crime alone. *Bachan Singh* left us a warning: "Judges should never be bloodthirsty."

The anguish that brutal crimes provoke is real, and no one is insulated from it. But *Ravji* stands as a stark reminder of what follows when that anguish overwhelms legal reasoning. The safeguards developed from *Bachan Singh* to *Dupare* are not obstacles to justice; they are the conditions on which the constitutionality of the death penalty rests. Fidelity to that process is not mercy. It is what the Constitution mandates.

(The author is a former judge of the Supreme Court of India. Views expressed are personal.)

THE DAILY QUIZ

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

A quiz on UNESCO on the 80th anniversary of the international organisation's Constitution coming into force

V.V. Ramanan

QUESTION 1
Expand the acronym UNESCO.

QUESTION 2
UNESCO has a distinctive logo based on what type of edifice? And how many members does it have?

QUESTION 3
In 1960, UNESCO launched the 'Nubian Campaign' for what specific purpose?

QUESTION 4
The resolution to establish one of the world's largest and most respected centres for scientific research was adopted in 1954. Name the establishment located in Europe.

QUESTION 5
Thanks to UNESCO making a request in the 1960s, scholars have completed nine volumes of which continent's history from their own perspective?

QUESTION 6
Name the organisation's magazine that has brought local perspectives on global issues since 1948.



Visual question: This image shows Pope Leo XIV watering an olive tree alongside UNESCO Director-General Khaled El-Enany at the UNESCO HQ. Where is it located? AP

Questions and answers to the previous day's daily quiz: 1. Sputnik 2 was launched on this date. **Ans: November 3, 1957**
2. The country which launched Sputnik 2, and its significance in the history of space exploration. **Ans: The Soviet Union. It was the second artificial satellite to orbit Earth and the first to carry an animal into orbit**
3. Sputnik 2 developed in such a short period after Sputnik 1 due to this. **Ans: Soviet leader Nikita Khrushchev wanted another satellite launched in time for the 40th anniversary of the Bolshevik Revolution in early November 1957. Engineers had only about three weeks to prepare it.**
4. This rocket was used to launch Sputnik 2. **Ans: The modified R-7 rocket, designated 8K71PS**
5. The dogs were trained to adapt to the conditions inside Sputnik 2 in this manner. **Ans: They were progressively confined to smaller cages for 15 to 20 days at a time. They were also placed in centrifuges simulating rocket acceleration and machines reproducing spacecraft noise**
Visual: The cause of Laika's death. **Ans: Around 5-7 hours after launch. In 2002, Russian scientist Dmitry Malashenkov reported that Laika had died from overheating inside the spacecraft.**
Early birds: KN Viswanathan| Prem Nath Tiwari| Haridas Pal| Aryan Wari| Dodo Jayaditya



FROM THE ARCHIVES

Know your English

S. Upendran

"What is are you doing here? I thought you and your sister were leaving for Mumbai today."

"We had to cancel our tickets. There is a crisis in Mumbai. My uncle rang up last night saying that he had lost his job."

"Good grief! Your uncle got his walking papers! That's too bad."

"I didn't say anything about my uncle getting his walking papers. All I said was that he had lost his job."

"That's what the expression 'get your walking papers' means. When your boss gives you your walking papers, he/she is asking you to leave."

"In other words, he/she is giving you the sack."

"That's right. The situation is really bad these days."

"After Anu got her walking papers, she started her own company. I understand she is doing really well."

"As soon as she took over, Prema gave the manager his walking papers. Later, without telling anyone, she hired her own son to do the job."

"That sounds like Prema. A very practical person. Have you heard the latest about Sujatha's father?"

"Has the poor man been given his walking papers too?"

"No, no. Nothing like that. He has bought a new house."

"Oh, that! Yes, Ramesh told me. He has been living rather high off the hog lately."

"Living high off the hog? I've never heard that expression before!"

"Well, when you say that someone has been 'living high off the hog' what it means is that the individual is leading a very comfortable life. He has a lot of money and is in a position to eat all the good things."

"I see."

"It is also possible to say 'live high on the hog'. Shekar has been living high on the hog ever since he got his promotion."

"I see."

"My next door neighbour lost his job several months ago. How he still manages to live high on the hog is beyond me."

"Maybe he has a lot of money saved up. By the way, what is the connection between a 'hog' and living comfortably?"

"Good question. Do you know what a hog is?"

"Of course, I do. It's a pig."

"Yes, that's right. I understand that the best cuts of meat in a hog are located high up on the hog's side. These choice cuts of meat are pretty expensive."

"And if you are able to buy these choice cuts of meat every day, you must have a lot of money. You must be fairly well to do."

"Exactly."

"So, did you go to your friend's house to watch the opening match of the World Cup?"

"Unfortunately, I did. I should have just watched the game at home."

"Why do you say that?"

"Well, he had invited a whole bunch of people whom I didn't know. And these guys were more interested in liquoring up than in anything."

"Liquoring up? Does it mean to drink in excess?"

"Exactly."

"In our movies, the hero always liquors up whenever he loses the girl."

"That's true. Why he just doesn't look for another girl is beyond me."

"True."

Published in The Hindu on June 6, 2002

Word of the day

Entourage:
the group following and attending to some important person

Synonyms: cortege, retinue, suite

Usage: *The actor was surrounded by a large entourage of assistants and security personnel.*

Pronunciation: newsth.live/entourage

International Phonetic Alphabet: /ˈɒn.tʊ.ɹɑːʒ/

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

WEB EXCLUSIVE
Call to reduce laboratory animal use is not driven by ethics alone
— Shambhavi Naik and Aditi Palo
Log on to www.indianexpress.com

WORDLY WISE
Freedom of expression is the foundation of human rights, the source of humanity, and the mother of truth.
— Liu Xiaobo

The Indian EXPRESS
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RAMNATH GOENKA
IN 1932
BECAUSE THE TRUTH INVOLVES US ALL

Attracting foreign capital needs more than tax cuts

FOR SOME time now, it appears that India's appeal among global investors has diminished. Since 2024-25, foreign portfolio investors have taken out $51 billion from the equity markets. This souring of sentiment has led to a clamour for a review of the existing long-term capital gains tax regime. But will tax cuts alone be enough to attract foreign capital back to India's shores? There are several reasons why foreign capital has flowed out of the country over the past few years. Globally, capital is moving more towards companies in the AI ecosystem, where India does not have a significant presence. From US majors like Nvidia and Google to South Korean companies like Samsung and SK Hynix and the Taiwanese powerhouse TSMC — investors have been allocating funds across the entire AI chain. Alongside, yields in developed markets, notably the US, have been on the rise — the 10-year US bond yield is currently hovering around 4.9 per cent — raising the risk-free rate, attracting capital. Other factors such as companies' earnings expectations and valuations could have also played a part in investors' exit. Finance Minister Nirmala Sitharaman is, thus, right to caution against seeing tax concessions as the principal driver of stock market performance.

However, in order to encourage foreign capital flows, and to become a global financial centre, India should move to a regulatory framework and a tax structure that is competitive when compared to friendlier jurisdictions around the world. The government should take steps to facilitate more capital inflows. In June, it provided tax exemptions on interest income, short- and long-term capital gains, and streamlined investment norms to increase participation of foreign investors in government bonds.

Any changes in the tax structure, towards making it more attractive for foreign investors, would, however, raise questions of discrimination against rupee investors. It could be seen as favouring a specific set of investors. Sitharaman also pointed this out — "If you pitch for dollar (investors), what about rupee (domestic) investors?" Further, as policymakers take steps to encourage foreign capital, they must resist the temptation to curb domestic outflows. Outward remittances under the liberalised remittance scheme have crossed $20 billion in the first eight months of 2026, according to a report in this paper. Proposals to impose curbs or restrictions on such outflows are a step backwards.

Court message to Imran Khan is disquieting

THE BOMBAY High Court's oral observations in the case involving actor Imran Khan are disappointing, they strike at the heart of what peaceful dissent represents in a democracy. The court's insistence that an Overseas Citizen of India (OCI) cardholder doesn't have "any right to criticise the country", and its demand that Khan furnish an unconditional apology and undertaking not to participate in future protests sends a dispiriting message and shrinks the space for civic participation. Khan was detained during a peaceful protest against Chief Election Commissioner Gyanesh Kumar in Mumbai on October 10 and subsequently issued a Leave India Notice. The fact that he is an American citizen may distinguish his legal status from that of an Indian citizen, but an OCI card is not a visa, and its holders are not merely visitors passing through the country. They are people with enduring familial, professional and emotional ties to India, many of whom, like Khan, have spent substantial parts of their lives here. Their interest in India's public life can hardly be termed incidental or viewed in terms of whether or not it affects them personally.

There is a contradiction in the way India regards its overseas community. Politicians routinely and fervently invoke the *pravasi* Indian as a valued stakeholder in the country's economic, cultural and development story. Academics, researchers, scientists and professionals of Indian origin are encouraged to return, collaborate and contribute to the country with their investment, influence and expertise. The suggestion that an OCI cardholder cannot show solidarity on an issue of public concern creates an uneasy and contrived distinction between the diaspora as an asset and the diaspora as a voice. It sends a chilling signal to OCI academics and researchers who come home to work, teach, collaborate or simply reconnect — that their engagement is welcome only as long as their political convictions remain contained.

The Bombay High Court has a distinguished tradition of safeguarding civil liberties and expanding the boundaries of free speech. In fact, the court itself questioned whether Khan had been given an opportunity to present his case before the issuing of the Leave India Notice. It is against this legacy that the present observations must be viewed. The right to stand with others, to express concern and to question those in authority is part of the democratic habit. A confident democracy should enable, not curb, it.

A truffle from Scotland is better than none at all

THE PHILOSOPHER Theophrastus once suggested that lightning strikes were responsible for the growth of truffles — those subterranean lumps with an aroma so tempting that they've led to blood feuds and global smuggling networks. Only a non-terrestrial force, surely, could produce something this beguilingly delicious. While the question of how the maternal mycelium meets the paternal partner has still not been satisfactorily resolved, the truffle's decline, at least, has a clear answer in Italy's Piedmont, the region most associated with this valuable fungus: Hotter, drier summers brought on by changing climate.

It's the same story in other prized food products, like cocoa, coffee and vanilla. In regions like France's Bordeaux and Italy's Tuscany, rising temperatures are leading to grapes ripening earlier, changing the flavour profile of the wines produced there. It differs in details, but the imminent collapse of the world's truffle production — especially the rare white truffle — is only the latest chapter in the history of foods driven to extinction. There was, for example, the passenger pigeon of North America, one of the most abundant birds on the continent that was hunted for its rich, gamey meat; the last specimen died in a zoo in 1914. And long before that was silphium, a pungent herb so loved by the Romans that they ate it out of existence in the 1st or 2nd century CE.

There may yet be a twist in the tale of the truffle, though. Where climate change has played the villain on continental Europe, further north, in Scotland, the temperatures are now just right for the fungus to grow strong and aromatic enough to become a viable substitute for Italian *tartufo*. Gourmands may scoff at the provenance, but a Scottish truffle is better than none at all.

Midterms will play a part in the reset of US policy, at home and abroad



RAJA MANDALA
BY C RAJA MOHAN

WITH DEMOCRATS confident of regaining the House of Representatives and hopeful of capturing the Senate in the midterm elections, speculation is growing that the Donald Trump era is drawing to a close. Not so fast, caution the realists. The emerging political picture in the US is more complex — the election is one important piece of a long-term reorientation of US policies at home and abroad.

A sweeping Democratic victory will demonstrate American democratic resilience and the capacity of its institutions to resist strongman rule. It would restore some of the traditional balance between the executive and legislature and internal distribution of power within the Republican Party. It would also encourage democratic forces everywhere at a time when obituaries are being written for democracy around the world.

Five broad likely consequences from the midterm elections deserve attention.

First, a weaker Trump at home could become more active abroad. Losing Congress would not deprive him of his executive privilege over the conduct of foreign policy. Politically, presidents frustrated by legislative gridlock have often turned to diplomacy. Trump can pursue international initiatives until his last day in office in January 2029.

George H W Bush signed the START II nuclear arms control treaty with Russia's Boris Yeltsin in January 1993, days before handing over power to Bill Clinton. India's historic civil nuclear agreement cleared its final American hurdles in the closing months of George W Bush's presidency, despite a Democratic-controlled Congress. In the last lap of his presidency, Barack Obama pursued an opening with Cuba and concluded the Iran nuclear agreement despite Republican opposition in Congress.

The difference lies in bipartisan support. It helped sustain the agreements with Russia and India. Its absence allowed Trump to abandon Obama's Iran agreement. A hostile Congress need not prevent consequential diplomacy, but agreements resting largely on presidential authority are easier for successors to dismantle.

Trump's ambition for a grand bargain with Russia over Ukraine and energy cooperation faces considerable resistance in Congress and the American security establishment. His challenge is to mobilise support in both parties in favour of an accommodation with Moscow. On Iran, too, there is considerable sentiment across the political spectrum for an immediate end to the current war. The question is about the terms of war termination. Congress can restrict funding and authorisations, but overcoming a presidential veto requires two-thirds majorities in both chambers. Such a consensus appears unlikely.

Second, Democratic control of Congress would bring investigations into alleged wrongdoing, conflicts of interest and the activities of Trump's family. These could hurt his standing and consume the administration's attention without necessarily disabling it.

The Supreme Court has granted presidents substantial criminal immunity for official acts. Presidents are also protected from federal prosecution while in office. Neither prevents congressional scrutiny or provides blanket protection for private conduct and family members. Washington could become even more divided as Trump retains substantial executive authority.

> Losing Congress would not deprive him of his executive privilege over the conduct of foreign policy. Politically, presidents frustrated by legislative gridlock have often turned to diplomacy

Third, arguments about immigration reveal competing currents in American politics. Trump's emphasis on sovereign borders answered the powerful public sentiment against illegal immigration. But the opposition to the administration's enforcement methods is real and growing. Similar tensions surround legal immigration, especially the H-1B visas, of particular interest to India. American capital wants access to foreign talent, while opposition to labour imports has grown on both the left and the right. The next two years are unlikely to resolve these contradictions.

Fourth, the biggest political changes could unfold within the two parties. Socialists and progressives have gained influence within the Democratic Party, challenging its traditional leadership on economic and foreign policy questions. Capturing Congress could intensify rather than settle these internal arguments in the party. On the Middle East, progressives challenge the party's traditional support for Israel.

Change is inevitable within the Republican Party, too. Sections of the populist right have cooled towards Trump. If he is seen as an electoral liability, mainstream Republicans could become more willing to challenge him. The approaching contest over the Republican presidential nomination in 2028 will also reopen questions about the party's ideological direction and the future of Trumpism.

Fifth, the campaign's focus on affordability and rising living costs brings into view America's unfinished argument over economic globalisation. Trump promises industrial renewal through import tariffs, ease of living, and higher economic growth. Tariffs can raise costs for consumers and businesses, while the anticipated benefits of industrial reshoring and economic growth take time to materialise.

Democrats attack this contradiction but remain divided over how much protectionism to retain. Defeating Trump's candidates would not restore the old free-trade consensus. Both parties must reconcile household affordability with industrial jobs, economic security and competition with China.

For the rest of the world, arguments over American trade policy should not obscure the underlying strength of the US economy. Its massive GDP at nearly $33 trillion and the latest quarterly growth rate of 3.4 per cent will mean American dominance of the global economy is here to stay. Continuing technological leadership, deep capital markets and capacity for innovation continue to provide the US strategic advantages over its potential peers. Political turbulence in Washington does not automatically translate into widely presumed, or hoped for, American decline.

The dramatic changes in US policies in Trump's second term have encouraged simplistic assumptions about the country and a tendency to confuse the President with America as a whole. India's stakes in the US relationship are likely to grow even amidst its internal turbulence. For a more informed debate and effective policymaking towards Washington, Delhi and its political class need deeper engagement with the diverse and competing political, economic and social forces shaping the US.

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In RSS's Panch Parivartan, an evolution in thinking on caste



ADITI NARAYANI PASWAN

FRESH INTO its second century of existence, the RSS is reaching out, with greater zeal, to a broader spectrum of castes and communities. Its leaders are stepping forward with renewed enthusiasm to fight caste discrimination. At the core of this is the notion of *samajik samrasta*. In simple terms, it means social harmony. This evolution reflects a journey of dialogue and mutual understanding, to foster social equity, equality, sincerity, spiritual harmony, and a sense of shared responsibility.

The RSS's approach to caste has evolved significantly. The views of figures like K B Hedgewar, M S Golwalkar, M D Deoras and Mohan Bhagwat are not similar; they form part of a rich spectrum of thought. The RSS's history shows a growing awareness that achieving Hindu unity requires addressing divisions within Hindu society. Hedgewar placed the *shakha* and its ecosystem at the heart of this mission. Through exercises, games, and other activities inspired by culture and collective discipline, a sense of brotherhood percolates through to the participants. While societal norms were based on caste, these activities created a ground for friendships that transcended parochial social boundaries.

In a speech in May 1974 at Pune's Vasant Vyakhyanmala, Deoras said, "If untouchability is not wrong, nothing in the world is wrong." He added that untouchability was no small error but a "*bhayankar bhool*" — a tragic blunder that must be erased without compromise. For him, equality in daily life was a personal commitment. He tasked volunteers with promoting inclusivity in day-to-day interactions within their families, neighbourhoods, and communities. In 1983, he institutionalised these efforts through the formation of the Samajik Samrasta Manch.

Noted writer Ramesh Patange broadened the notion of *samrasta* in practical terms through an introspective journey and by reading B R Ambedkar while in prison during the Emergency. His message is that the Constitution guarantees equal rights in legal terms, but we all need to nurture a culture of equality. This could mean inviting a Dalit neighbour over for a meal, engaging in shared laughter and conversation without hesitation. It rejected the idea that one's birth determines one's worth; that was the essence of Ambedkar's struggle for the annihilation of caste. Patange put his theories into practice, as noted when Dalit leaders shared the stage with RSS volunteers during the 1988 Sandesh Yatra in Maharashtra.

> The RSS's history shows a growing awareness that achieving Hindu unity requires addressing divisions within Hindu society

In current times, the leadership of Mohan Bhagwat has been inspiring. Under his guidance, the RSS's framework for rejecting caste discrimination has become even more vocal. In October 2022, he called for action to depart from *varna* and *jati*. He further asserted that reservation should remain in place until discrimination is annihilated. He asked, why should those who have escaped the shackles of such treatment not embrace measures designed to rectify historical injustices? Reservation, for him, plays a vital role in ensuring access to resources, especially education, employment, and opportunities previously denied to communities because of their birth. For Bhagwat, supporting such initiatives goes hand in hand with the call for social harmony. The vision of the RSS, "one temple, one well, and one cremation ground", speaks volumes about addressing caste discrimination.

The RSS today promotes harmony among all sections of society. Actions like the call for one temple, one cremation ground and inter-caste dining form one of the five pillars of Panch Parivartan. The organisation's many initiatives under Panch Parivartan call for active listening and collaboration. The *karyakarta*s gain fresh perspectives from these experiences.

We can see a remarkable metamorphosis, from Hedgewar's vision of shared activities to Deoras. It points to the RSS's continuous work to establish an Indian ethos. The organisation has always believed in *bharatiyata*, the root of its *samata* and *samrasta* programme.

The writer is associate professor, Dr Ambedkar International Centre

An alliance for multilateralism by other means



AMRITA NARLIKAR

AMID ALL the drama that surrounds the high-level week of the UN General Assembly in New York, it is all too easy to miss some of the quiet and constructive work that happens on the sidelines. The Partners for Multilateralism (P4M), which was launched at the 81st UNGA Week in New York in September, could turn out to be one such initiative.

Co-sponsored by Australia, Brazil, Barbados, Canada, the EU, India, and Kenya, and further signed by 18 other countries, the P4M commits to strengthening multilateral cooperation, and the institutions and rule of law that underpin it. This matters at a time when multilateralism is under severe pressure. The US, a principal founder and long-time guarantor of the system, is now rejecting it through word and deed; other major players are also flouting rules and norms with frequency and impunity. Any declarations of support are only to be welcomed, and doubly so when they come from a group that includes large and small countries from both the Global South and the Global North. Moreover, some of the language of the P4M declaration is reform-oriented, like, "we commit to strengthening multilateral cooperation that is open, fair, equitable, inclusive, networked and practical".

Developing countries have spent decades seeking to make multilateral institutions "fair, equitable, inclusive", only to be given patronising lectures on why the system worked, and that they just needed to get their house in order. Today, there is more of a receptive ear for the reform agenda in parts of the Global North. This is so for a variety of reasons, including turmoil in Western democracies and obvious weaknesses in the Transatlantic partnership, but also the growing clout of the Global South. P4M recognises and reflects the changing balance of power.

That said, if the group does not want to join the list of well-intended but failed initiatives, it would be well-served to focus on the following. First, P4M needs to get cracking on a concrete plan of action, the costs of its implementation, and the distribution of these costs. Second, it needs to establish clarity on the principles that will underpin its vision of an updated and reformed multilateralism. This will require deliberation on how it distinguishes itself from similar endeavours like China's four Global Initiatives. Third, a problem with (otherwise) promising exercises to revamp the multilateral system is that they fail to engage with the affected populations. At a time when global discontent is rife, it would be foolhardy to ignore the importance of public engagement.

> P4M matters at a time when multilateralism is under severe pressure. The US, a principal founder and long-time guarantor of the system, is now rejecting it through word and deed

Finally, it remains to be seen if the P4M declaration will be able to provide the out-of-the-box thinking needed today to protect not just people, but also the planet. The diversity of its membership provides it with a potential treasure trove of alternative ideas on deep ecology and interspecies coexistence. Diving deep into these ideas with global thinkers, the P4M practitioners could develop an updated framework for multilateralism, which may have a chance to reduce the existential risks that affect us all.

The writer is distinguished fellow at ORF and honorary fellow of Darwin College, University of Cambridge

40 YEARS AGO
November 4, 1986


LUXMI
INDIAN EXPRESS
Tamil rebels reject peace proposals
Centre, TN to study response
J-K govt on Nov 6

Tamil militants reject proposal

THE SRI Lankan Tamil militant groups have rejected the proposals of the island government to solve the ethnic issue, and renewed their demand for a Tamil homeland at a meeting with Chief Minister M G Ramachandran. Tamil Nadu Food Minister S Ramachandran said the next step would be a study of the groups' response by the Centre and the state, and a third round of talks if necessary.

J&K government formation

THE NATIONAL Conference and Congress-I coalition ministry headed by Farooq Abdullah will be sworn-in on November 6, replacing President's Rule in Jammu and Kashmir, sources say. They said that both of the parties have been busy in organising a "grand show" at the swearing-in ceremony.

PM on abuse of legal system

PRIME MINISTER Rajiv Gandhi said the law must be made to work for the people instead of the few who can use it to their own advantage. Gandhi was speaking at the silver jubilee celebrations of the Bar Council of India in New Delhi. The Prime Minister remarked that lately the legal system was being abused and pushed beyond limits.

More violence in Karachi

PAKISTANI TROOPS extended a three-day-old curfew into new districts of Karachi after a nighttime raid by one ethnic community on another took the death toll in four days of rioting to at least 34. Soldiers swept into six new districts in jeeps announcing the restriction over loudspeakers. Pathans sprayed machinegun fire and set houses ablaze in a raid on a Bihari immigrant suburb of Karachi, witnesses said.

WHAT THE OTHERS SAY

In the war on olive harvests, Israelis must stand with Palestinians.
— Haaretz, Israel

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Message from Ramlila Maidan: A new conversation on institutions is possible



SUHAS PALSHIKAR



ILLUSTRATION: C R SASIKUMAR

ONE RALLY is unlikely to achieve the removal of an office holder. Critics are sure to debate the exact size of the crowd to prove that the rally was a failure. Sunday's rally at Ramlila Maidan organised by the INDIA bloc in the national capital may be criticised for these reasons. It can also be criticised for being a political spectacle. But where governance is reduced to spectacle, the show of strength by the Opposition must be seen as significant not just for what it explicitly did but, more, for what it implied.

Politics has a tendency to throw up immediate but secondary outcomes and media has a tendency to focus on the immediate. Thus, there will be discussion — and rightly so — of the INDIA bloc getting a shot in the arm and Rahul Gandhi gaining acceptability among the Opposition. But did the rally signify anything more substantial beyond this? If it makes politics more competitive, we should welcome that. But if it injects an element of substantive competition, that may be even more pertinent. Sunday's rally needs to be seen in this context.

After his Bharat Jodo Yatra, Rahul Gandhi is trying yet again to push a different agenda into the political discourse. In a system of single-party dominance, this is not an easy task. After Bharat Jodo, neither Rahul Gandhi nor the Congress party showed an inclination to politically and intellectually follow up on that initiative. This time, the initiative comes in the wake of a year-long campaign over electoral integrity. The agitation by the CJP has further strengthened the potential for a new culture of asking questions and encouraged the youth to engage with public issues.

Sunday's rally should be seen as the formation of a new conversation — on accountability, institutions and the public culture of asking questions. In politics, particularly in oppositional politics, the opportunity to shape a new conversation doesn't come very often. Therefore, Rahul Gandhi, the Congress party, INDIA bloc and others keen to respond to the dominance of the BJP have their work cut out — to shape the substance of this new conversation, to popularise it through programmes across the country and to force the establishment to respond to it. While the rally signified the possibility of a new conversation, the real task begins now.

The acerbic comments from the ruling party and its "Save Democracy" campaign show that recent developments and the Sunday rally have made a difference. The "Save Democracy" campaign is an attempt to perpetuate a parallel conversation that seeks to raise the cacophony of discipline and obedience. We are faced with contrasting images of the citizen — one who is asking questions and the other who does not want to ask questions. One serving the nation by being a nuisance to the government and the other serving the ruling party in the name of serving the nation. The Sunday rally was significant because it juxtaposed the conversation of critical questioning with the conversation of conformity. The "Save Democracy" conversation resorts to the traditional trope of rulers — that democracy is endangered when there are protests, that "order" is the *sine qua non* of a good democracy.

> The Sunday rally and, since June, the youth protests have underscored the importance of collective mobilisations and popular participation. They remind us that representative democracy quickly slips into a charade if popular energy is denied legitimacy

Indeed, when representative governments are responsive, when there is frank course correction, the space for protests and opposition is both limited and less legitimate. But when institutions collapse and questions are not answered and when exclusion becomes the norm in the conduct of government, popular mobilisations become an essential part of democracy.

The Sunday rally and, since June, the youth protests, have underscored the importance of collective mobilisations and popular participation. They remind us that representative democracy quickly slips into a charade if popular energy is denied legitimacy. Because power has the tendency to make the powerful insensitive, parliamentary opposition is required. Because governments have a knack for sidelining the parliamentary opposition, democracy needs a robust space for action outside legislatures. Because the media and the intellectual class have a propensity for timidity and complicity, people need avenues to make themselves heard. Above all, as this writer has recently argued on these pages, when democracies experience the settling in of closures, raw and abrupt openings become necessary. Sunday's rally, along with other protests over the past few months — and probably the agitations that will follow — are a measure of the gap between power and accountability and also a remedy against that gap.

In this sense, the Sunday rally and its recent predecessors have managed to embryonically shape something that may help the democratic process in India in the long run. Through the activities of the CJP, the Opposition has sought to open up a conversation that can go beyond the Election Commission of India.

This conversation is not only about the ECI. It is about how public institutions must function. It is about accountability and the culture of seeking answers from power holders. The Opposition rally primarily focused on the ECI, questions of preparation of electoral rolls and the conduct of elections. In doing so, however, implicitly, it raised questions about how institutions are functioning and how the inter-institution balance of power is necessary and needs urgent national attention. Ideally, these matters should always be part of a democracy. But the high-decibel politics of the BJP since 2013 drowned these necessary aspects of democracy. Both the CJP, and the INDIA bloc now, seek to revive those aspects.

Sunday's rally should be judged not merely by what it achieves for the INDIA bloc and the internal dynamic it ushers within the bloc but also by the new conversation it opens up. Whether or not members of the INDIA bloc take forward that conversation will decide the long-term value of the Sunday rally.

The writer, based in Pune, taught Political Science

A 25-year-long journey towards the 2047 milestone



TOSHIHIRO SUZUKI

AS INDIA marks 25 years of public leadership by Narendra Modi, first as Gujarat Chief Minister and then as Prime Minister of India, I am honoured to extend heartfelt congratulations and my deepest respect. This occasion represents one of the most remarkable development journeys. During these 25 years, Gujarat emerged as one of the world's leading manufacturing destinations, while India rose to become one of the most dynamic major economies globally.

Few international companies have had the privilege of participating in this transformation as closely as Suzuki. When Modi became Gujarat CM in 2001, his efforts were focused on development based on industrial competitiveness, world-class infrastructure, efficient governance and investor confidence. While evaluating potential locations for Suzuki's next phase of expansion in India, my late father, Osamu Suzuki, met CM Modi. He came away from that interaction with a strong sense of confidence in Gujarat's future and in the state's leadership. Looking back today, I believe that confidence has been fully justified. Our Hansalpur manufacturing complex in Gujarat has achieved an annual production capacity of one million vehicles, becoming the first Suzuki manufacturing facility in the world to reach this milestone. It is also India's largest passenger-vehicle manufacturing facility at a single location. The facility accounted for nearly half of Maruti Suzuki's exports during FY2025-26 and helped maintain Maruti Suzuki as India's largest passenger vehicle exporter with a share of over 50 per cent. We made a strategic decision to make Gujarat the manufacturing base for the e VITARA, Suzuki's first global strategic battery electric vehicle. It is manufactured exclusively in India for supplying Suzuki's global requirement — more than 100 countries including Europe, Japan and India as well.

Suzuki has outlined an ambitious growth roadmap for India and has committed investments of approximately Rs 77,500 crore through FY2030-31. We are confident that PM Modi's development-oriented leadership will help India realise its aspiration of becoming Viksit Bharat by 2047. As a longstanding partner in India's journey, Suzuki is committed to contributing through investment, manufacturing, exports, deep localisation, skill development and sustainable growth. As part of this commitment, we are moving forward with plans for another manufacturing facility in Gujarat with an annual capacity of 1 million vehicles.

Recent economic reforms have further strengthened this confidence. The GST rationalisation implemented last year stimulated demand across the automobile sector, particularly among small-car customers. Maruti Suzuki recorded total sales of 2.42 million vehicles in FY2025-26, including record domestic sales and exports. This reflects India's economic growth, rising aspirations and expanding middle class.

However, the significance of development cannot be measured only through economic statistics. One aspect of PM Modi's vision that resonates strongly with Suzuki is the belief that economic progress must be inclusive. Its fruits should reach villages, farmers, small entrepreneurs and ordinary citizens. Suzuki shares this philosophy.

PM Modi has consistently emphasised that *atmanirbharta* must extend beyond manufacturing to critical areas such as energy security. Biogas is a powerful expression of this vision because it enables India to meet more of its energy needs through resources available within the country. It brings together three important national priorities: Environmental sustainability, energy security and rural prosperity.

Suzuki strongly supports this approach. We have established three biogas plants and have seven additional projects in the pipeline. In addition, we have announced four further facilities based on agricultural residue and biomass resources. These are just a start and we are planning to scale up further. Through Next Bharat Venture, we are also supporting social entrepreneurship and encouraging innovative solutions that improve the well-being of rural communities. Deep localisation, skill development, clean energy and rural enterprise may appear to be separate initiatives, but they are united by a common purpose: Building domestic capabilities and ensuring that the rewards of economic progress are shared broadly across society.

As I reflect on the past 25 years, I see a powerful example of what can be achieved when vision is combined with execution, development is guided by long-term thinking, and economic growth is connected with inclusion and sustainability. We are grateful for the opportunity to be part of India's remarkable journey and remain firmly committed to contributing to its future. We believe Prime Minister Modi's leadership, defined by vision, decisiveness and determined execution, will continue to strengthen India's position in the global economy and help fulfil its aspiration of becoming a developed nation by 2047.

Suzuki is proud to remain a trusted and committed partner in India's growth story and to contribute to realising PM Modi's vision of a Viksit Bharat.

The writer is representative director and president, Suzuki Motor Corporation

LETTERS TO THE EDITOR

Ramlila rally

THE UNITED outcry of protest by the Opposition is a strong signal of public opinion for the ruling party and institutions, including the ECI, that appear complicit in a scheme that threatens the foundations of Indian democracy ('Opposition climbs stage but need sharper script', *IE*, November 3). The BJP's aggressive defence of the SIR may have revealing consequences. The call for the restoration of institutional integrity is the need of the hour.

S S Paul, Nadia

Underlying pressures

THE WAVE of labour unrest earlier this year across industrial and energy hubs in Bihar, Haryana, Gujarat, Uttar Pradesh, Rajasthan and Chhattisgarh brought workers' grievances into focus ('The challenge is more productive employment', *IE*, November 3). Agitations highlighted demands for better wages, timely dues, regulated working hours and social security. Though those demonstrations occurred months ago, underlying pressures remain. Declining poverty estimates cannot establish economic security or upward mobility. The concern is the widening disconnect between living costs, earning capacity and prospects for occupational advancement.

Vaibhav Goyal, Chandigarh

FALLING POVERTY offers little comfort when the underlying growth engine fails to deliver viable, remunerative work ('The challenge is more productive employment', *IE*, November 3). Much of the recent surge in labour participation is distress driven, pushing rural women into unremunerative farm tasks and precarious self-employment rather than formal security. Pushing capital subsidies into high-tech enclaves will not resolve the stagnation across the northern and eastern poverty belts. A meaningful transition up the income ladder requires prioritising credit to micro-enterprises and a fiscal push for labour-intensive sectors.

Ishita Vaghela, Jharsuguda

Reading the fractures in the Knesset



R SWAMINATHAN

THE FRACTURED election outcome in Israel, particularly the sharp rise in Arab-Israeli representation, has made government formation extremely difficult. Though the opposition bloc together with the Arab-Israeli parties forms a majority of 67 in the Knesset, a viable government cannot be formed unless the opposition parties break one or more of their campaign pledges.

Three of the four opposition parties have campaigned against relying on the Arab-Israeli parties, the party led by former foreign minister Avigdor Lieberman being particularly opposed. Without its seven seats, the remaining opposition parties and the Arab-Israeli parties together have 60, one short of a majority. Even a minority government sustained by the Arab-Israeli parties from outside would therefore depend on Lieberman at least abstaining, which he is unlikely to do. Moreover, the precedents are not encouraging. Prime Minister Yitzhak Rabin relied on Arab support to pass the Oslo Accords in 1993-95, and Naftali Bennett relied on an Arab party to form his government in 2021. In both cases, Benjamin Netanyahu attacked the arrangement as illegitimate and won the next election. The reality is that even if an opposition government is formed with the support of an Arab-Israeli party, which appears unlikely, it will not survive for long. The most important factor bringing the four parties together as the opposition camp was their common cause of preventing Netanyahu from becoming PM again, hence its label, the "Change Bloc."

> Yitzhak Rabin relied on Arab support to pass the Oslo Accords in 1993–95, and Naftali Bennett relied on an Arab party in 2021. In both cases, Netanyahu won the next election

Israel's President is reportedly keen to avoid another election and is said to favour the formation of a national unity government. This, too, is unlikely, except through US President Donald Trump arm-twisting the opposition parties. Netanyahu's continuation as PM would suit Trump, who in a highly unusual move openly endorsed him before the elections, as it would make it easier for Trump to carry out further military strikes on Iran. But if the Republicans lose in the US midterm elections, Trump's arm-twisting is unlikely to succeed.

Under Israel's Basic Laws, the formation of a government could take several months, and if no one succeeds, a fresh election follows. This would mean Netanyahu continues as PM, with considerable latitude to pursue his domestic and foreign policies, including the war with Iran, even as a caretaker. Netanyahu may well calculate that a fresh election would bolster his chances of survival, and in any case, prolong his tenure.

However, Netanyahu's main challenger, Gadi Eisenkot, is keen to deliver on some of his election promises even if he is unable to form a government, particularly a state commission of inquiry into the October 7 terror attack by Hamas, which Netanyahu has consistently resisted. This is possible if the opposition bloc, with the support of the Arab-Israeli parties, elects a new Speaker in place of Likud's Amir Ohana when the Knesset meets and legislates to set up the commission. Such a move would affect Netanyahu's political future. To thwart it, as well as any Eisenkot government relying on Arab-Israeli support, Netanyahu's Likud has claimed that the Arab-Israeli parties "stole" the election, a claim the police have rejected for lack of evidence. Still, such moves cannot prevent the Knesset from meeting and electing a new Speaker.

Finally, while there could be some changes in domestic policies in the near term if the government changes, aimed largely at holding Netanyahu to account, Israel's policies towards Gaza and the West Bank will remain essentially the same. In the West Bank, settlement expansion will continue. On foreign policy, there is a broad consensus on the war with Iran, though Eisenkot has signalled a more cautious approach until a new government is formed. If the opposition bloc comes to power, it would seek to repair relations with Europe. As of now, government formation in Israel is in flux. There should be some clarity after the US midterms and by the time the new Knesset meets on November 10.

The writer is a former ambassador of India to Egypt and concurrently permanent representative to the Arab League

Three air purifiers, one AQI monitor, no peace of mind



EKTA CHAUHAN

"WHAT TO do about Diwali?" my cousin, who had a son six months ago, texted me. She was considering travelling to either Bhubaneswar or Chennai, where she has relatives, if things got "really bad" in Delhi. It was late September, and our AQI anxieties had already begun. Both of us are new mothers with premature babies who had spent their first month after birth in the NICU. With air pollution among the recognised risk factors for premature birth, our new-mother guilt and paranoia had already set in. We were ordering new gadgets, researching air filtration systems and planning possible escapes from the city.

Though the air definitely turns hazardous post Diwali, Delhi's pollution crisis is no longer confined to a few winter months. Air quality fluctuates throughout the year, giving us occasional days of relief before returning to hazardous levels. Living here now means constantly checking weather applications, monitoring AQI readings and calculating whether it is safe to step outdoors. Even an ordinary outing requires preparation: Have I packed a mask? Are the eye drops in the bag? Should we cancel the walk altogether? What was that one home remedy we saw on YouTube, maybe that will fix my chest congestion?

Beyond respiratory illnesses and other serious health consequences, living with toxic air creates an exhausting form of anticipatory anxiety. It is the constant mental work of preparing for exposure, assessing risks and wondering whether you have forgotten something that could protect your family. The toll is worse for those with at-risk groups under their care — children, the elderly, pregnant women, patients with existing conditions, and even pets. We have three air purifiers, an AQI monitor and a growing collection of products discovered through endless Google searches. One such search led my husband to a window shield that claims to reduce the entry of PM2.5 particles. Our eyes are constantly on the monitor, trying to keep both PM2.5 and CO2 levels within recommended limits, playing an endless game of opening and shutting windows depending on which number needs our attention more. The financial burden of clean air is immense. For a salaried household already juggling everyday expenses and EMIs, this is yet another unplanned cost towards something that should have been a public good and a fundamental right.

> Raising concerns about air quality can quickly earn you the label of being overly cautious or dramatic. You are expected to manage this public health crisis privately, not make it everyone else's problem

Surprisingly, despite almost a decade of this crisis, there are still many who dismiss pollution as "just smog". My parents and their friends insist on going for morning walks, claiming "morning air is fresh". I have been showing them studies that prove that pollution is worse in morning hours, but old beliefs are hard to change. There is also an unspoken expectation that one should carry on as usual. Raising concerns about air quality can quickly earn you the label of being paranoid, overly cautious or dramatic. You are expected to manage this public health crisis privately, both financially and emotionally, not make it everyone else's problem. The mental load, then, is not just about anticipating exposure; it is also about constantly negotiating the legitimacy of your fear.

Perhaps the most insidious consequence of Delhi's pollution is that we are not just learning to live with toxic air, we are learning to organise our entire lives around the possibility of breathing it.

The writer is assistant professor, Jindal School of Design and Architecture, OP Jindal Global University

'THEY (TATAs) SHOULD TALK IT OUT AND ENSURE A RETURN TO NORMALCY QUICKLY'

Companies may be selective, but pvt capex picking up: FM

ENS Economic Bureau
New Delhi, November 3

FINANCE MINISTER Nirmala Sitharaman has said the pick-up in private investment might be selective but it was gathering pace, dismissing concerns around the corporate capex cycle despite strong balance sheets.

In a fireside chat at Monday's *Financial Express* Leadership Awards with Shyamal Majumdar, Editor, *Financial Express*, Sitharaman also backed the upward revision of the growth forecast for 2026-27 to 7.3%, saying the government has "started doing things differently" that will also continue going ahead, with an important premise of explicitly trusting businesses, industry, farmers, taxpayers and the people of India.

"Everything we do is based on that premise: that we trust people. Our policies on GST (Goods and Services Tax), income tax and other matters have all been framed on the principle that we trust the taxpayer. That is how the Prime Minister wants all of us to work. Whatever policy we formulate, we must trust business, industry and the taxpayer. That will remain our charter," she said.

Sitharaman said she is seeing the industry come forward and invest as last year's GST 2.0 reforms have made consumption and demand more visible.

"It may be selective, choosing particular sectors rather than investing in areas where it is already present. But I am seeing private investment picking up...industry now has the confidence that it can see demand in the market, invest, produce and expand to the level it wants to reach. That, I believe, has been triggered by the next-generation GST reforms."



Finance Minister Nirmala Sitharaman. EXPRESS

AARADHYA INFRASTRUCTURE Presents FINANCIAL EXPRESS Leadership AWARDS Co-presented by Groww

"The recovery in consumption has provided clear visibility on demand, and that is why I'm seeing private-sector investment happening," she said.

While stressing that the industry can ask for anything it wants and that she isn't wary of any demands, Sitharaman said the interaction with the government should be "active and continuous" and they should tell whether they are moving forward.

"...the government and businesses are in this together, and we have to take India towards Viksit Bharat. We have reached an inflection point. We should not fail ourselves at this juncture."

Dominant big companies

On concerns that India is becoming dominated by a relatively small number of very large business groups, Sitharaman said that may have been the case a decade or two ago, but isn't the complete picture.

"Even today, there are a small number of large companies, no doubt. I'm happy for them; they should be there and grow...(But) MSMEs are flourishing today. We wanted micro enterprises not to remain dwarfs, but to grow into small enterprises, small into medium, and medium into large. That is why the change in the definition of MSMEs has been appreciated: it allows them to grow while continuing to enjoy the benefits," she said.

The finance minister further said growth is happening across companies of all sizes. "India is not an economy with just a few large companies; there are many small and medium-sized enterprises as well. 40% of the country's exports come from the MSME sector. Industries are emerging at different levels. Startups have demonstrated that small, innovative companies can enter the market, make a splash and establish themselves. The pace at which billionaire companies and unicorns have emerged from startups is spectacular in India's economic history."

PLI relook

When asked about the incentives and support provided by several East Asian economies along with performance accountability and international competitiveness, Sitharaman said India's approach has been through the production-linked incentive (PLI) scheme where companies need to demonstrate additional marginal production to qualify for incentives.

"PLI has shown success, although some sectors have not performed as well. We will have to examine what went wrong there," she said.

Tata tussle

On the friction within the Tata Group and allegations by Congress leader Rahul Gandhi, Sitharaman said these are "very delicate matters, requiring considerable commercial and business acumen, as well as cordiality", and she would not readily say there is a need for intervention, however serious the issue may be.

"I know the brand value of Tata and the contribution of the Parsi community in making it a huge global brand. I also know the range of activities in which the Tatas are invested. This is a very critical component of the Indian economy, and therefore, the matter must be settled amicably among the parties. They should talk it out and ensure a return to normalcy quickly. It cannot spill out into the public domain like this. Given the maturity expected of that leadership, we would like to see the issue settled soon," she said.

FULL REPORT ON WWW.INDIANEXPRESS.COM

India won't allow genetically modified products: Goyal

Ravi Dutta Mishra
New Delhi, November 3

COMMERCE AND Industry Minister Piyush Goyal on Tuesday said that India will not allow imports of genetically modified (GM) products or dairy products produced using calf meat, as the country negotiated a trade deal with the United States.

When asked about China's plan to curb the export of tunnel boring machines, the Union minister said that if Beijing restricts its exports, India will produce them locally.

Goyal was interacting with students at the Kirori Mal College in Delhi.

The US has been pushing for exports of GM products under the trade deal with India and has cited Indian regulations blocking imports of certain dairy products as non-tariff barriers. The United States Trade Representative (USTR) in its report on non-tariff barriers released in March 2025 had said that India imposes "onerous requirements" on dairy imports.

"We are very sensitive to the opening of the dairy sector. Till date we have never opened the dairy sector for anybody. We are sensitive not to allow any GM products to come to India. We have never allowed it, and we will never allow it in the future. Very often in foreign countries, they use calf meat or rennet while producing their dairy products. We have never allowed it in the past, and we will not do so in the future. It has to be strictly certified," Goyal said.



Piyush Goyal at an event in Kirori Mal College in Delhi. EXPRESS

The USTR report had said that India requires that dairy products intended for food be derived from animals that have not consumed feeds containing internal organs, blood meal, or tissues of ruminant or porcine origin and that exporting countries certify to these conditions, which lack a discernible animal health or human health justification. "This requirement, along with the recent dairy health certificate requirements, new facility registration requirements, and high tariff rates, continues to hamper market access for US milk and dairy product exports to India, one of the largest dairy markets in the world. The US government continues to press the Indian Government, including through the trade policy forum, to provide greater access to the Indian dairy market," the USTR report had said.

On a question about India's dependence on tunnel boring machines (TBMs) amid China's plans to restrict imports of the product from November 18, Goyal said that several countries tend to surrender to such moves, but India has a different view on the subject.

"India has a different view on the subject. A lot of countries surrender and do a deal giving rare earth, and we will do something [in return]. We are not detonating our relationship with China. And if more hurdles don't come in, the relationship will improve. But if China does not give us a tunnel boring machine, we will develop it in India. India is not a country that surrenders. When they stopped rare earths, we did not go to them with a begging bowl. I met with the startups in the field and asked why can't we make motors with our rare earths...our startups have begun producing motors with rare earths after China curbed exports of rare earth," Goyal said.

FULL REPORT ON WWW.INDIANEXPRESS.COM

AI eyeing more wide-body aircraft to boost global ops: CEO

Sukalp Sharma
New Delhi, November 3

AIR INDIA (AI) is looking to order more wide-body aircraft as it wants to boost its international operations, CEO and MD Tewolde Gebremariam said on Tuesday.

He said that the airline wants to claw back international market share from overseas carriers, and increase volumes of international-to-international connecting passengers as part of its long-term strategy.

On the current challenges due to airspace closures and geopolitical conflicts, the Air India CEO said that the airline is looking to rebalance its network and hubs to make international operations more efficient and competitive.

Gebremariam also said that he is focussed on making the loss-making airline a profitable business, and expressed hope that profitability will come "very soon" through a combination of revenue growth and enhanced efficiencies on the cost side.

He said that the airline has been in discussions with plane makers Airbus and Boeing, with whom Air India has already placed orders for scores of aircraft. Gebremariam, however, didn't comment on how many additional wide-body jets the airline is looking to order.

"We're talking to them (Airbus and Boeing). We want to increase our order of wide-bodies...our network, our strategy demands more," the Air India CEO said, adding that the airline as well as its shareholders — Tata and Singapore Airlines — are taking a long-term view on the carrier's growth, and are confident of building it into a large world-class airline.

FULL REPORT ON WWW.INDIANEXPRESS.COM

RBI eases export-import reporting rules for individuals

ENS Economic Bureau
Mumbai, November 3

THE RESERVE Bank of India (RBI) has amended its Foreign Exchange Management regulations governing the export and import of goods and services, introducing simplified reporting requirements for resident individuals and setting a Rs 10 lakh threshold for certain service-related transactions.

The changes were notified through the Foreign Exchange Management (Export and Import of Goods and Services) (Second Amendment) Regulations, 2026, dated November 2. The amendments modify the principal regulations issued on January 13, 2026, and will come into force retrospectively from October 1, 2026.

A key change relates to the Export Declaration Form (EDF) requirements for exporters of services. Under the amended provisions, a resident individual exporting services will be deemed to have submitted the EDF once they provide the required information to an Authorised Dealer (AD) for crediting the payment received for those services into their account.

The amendment defines a "resident individual" as a person resident in India who is a natural person.

• MARKETS

Sensex	NIFTY	Gold ▲	US Dollar ▼
76,917.85	23,810.85	₹1,37,576	₹94.75
1,225.07	370.05	Silver ▼	Oil ▼
1.62%	1.58%	₹1,76,425	$107.00

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 NOVEMBER 2, 2026

'AGENCY IS CONDUCTING EXPERIMENTS TO IDENTIFY SOFTWARE VULNERABILITIES'

CERT-In gets access to Mythos AI model

ENS Economic Bureau
New Delhi, November 3

THE INDIAN Computer Emergency Response Team (CERT-In), one of the country's key cybersecurity agencies, has recently received access to Anthropic's Claude Mythos artificial intelligence (AI) model, and is conducting small, controlled experiments on identifying software vulnerabilities, a senior government official said.

The experiments are being carried out on a limited scale because of concerns within Cert-In, which operates under the IT Ministry, over sharing sensitive information with a powerful AI model hosted on third-party servers. The agency is wary of exposing large volumes of potentially sensitive government and critical infrastructure data to a system over which it has limited direct control, the official said. As a result, the initial testing is being restricted to smaller datasets and controlled environments, rather than allowing the model to extensively scan sensitive systems. Anthropic did not respond to an immediate request for comment.

The development comes amid CERT-In's recent revelation that AI agents broke safety parameters and gained unauthorised access to sensitive data of Indian firms. The Indian Express reported that the AI agents belonged to Anthropic and OpenAI.

In June, this paper had also reported that CERT-In was among a select group of Indian government cybersecurity agencies in contention to receive access to Mythos, as part of Anthropic's Project Glasswing initiative.

Launched in April, Project Glasswing is Anthropic's initiative to give select cybersecurity organisations early access to its most powerful AI models to identify and fix vulnerabilities in critical software systems before malicious actors can exploit them.

Claude Mythos Preview, the model at the centre of the initiative, demonstrated unusually advanced cybersecurity capabilities, including the ability to autonomously discover previously unknown software vulnerabilities, known as zero-day vulnerabilities, and develop techniques to exploit them.

According to Anthropic, the model had identified thousands of serious security flaws, including vulnerabilities in major operating systems and web browsers. In May, the company said it and its initial partners had discovered more than 10,000 high- or critical-severity vulnerabilities using the model. Anthropic initially decided against making the model publicly available, warning that it could substantially lower the technical expertise required to discover and exploit weaknesses in widely used software systems.

Instead, the company restricted access to vetted organisations through Project Glasswing, whose initial partners included Microsoft, Google, Amazon Web Services, Apple, Cisco and CrowdStrike. In June, Anthropic announced that it was expanding the initiative to approximately 150 additional organisations across more than 15 countries.

For India, access to Mythos could help government cybersecurity agencies identify weaknesses in systems underpinning critical sectors such as banking, telecom and power.

FULL REPORT ON WWW.INDIANEXPRESS.COM

SBI reports 14% rise in profit for July-Sept quarter

Akash Mandal
Mumbai, November 3

STATE BANK of India (SBI) on Tuesday reported double-digit growth in its net profit and net interest income (difference between interest earned and spent on loans) for the second quarter of the financial year 2027 (Q2FY27), broadly beating the consensus estimates.

It was driven by robust credit growth and an improving net interest margin.

The bank reported a net profit of Rs 23,038 crore during the quarter, up over 14% year-on-year (Y-o-Y). Its net interest income grew nearly 15% to Rs 49,143 crore.

The lender's other income fell both on a y-o-y and sequential basis due to losses in its treasury operations as a result of higher bond yields.

"We remain optimistic about India;s medium-term growth prospects. As this opportunity expands, the banking sector continues to balance growth with a disciplined approach to liquidity, funding, risk and capital," said the Chairman CS Setty.

TaMo, Iveco launch global commercial vehicle giant with euro 21 bn revenue

George Mathew
Mumbai, November 3

TATA MOTORS and Italy's Iveco Group on Tuesday formally began operations as a combined global commercial mobility enterprise, bringing together their complementary vehicle portfolios, manufacturing capabilities and international networks to create the world's fourth-largest commercial vehicle manufacturer by sales volumes in the over-six-tonne segment.

The combined enterprise is ranked fourth globally by commercial vehicle sales volumes in the over-six-tonne segment.

Announcing the beginning of the new chapter at a global press meet in Turin, Italy, the companies said the combined enterprise would have a presence in more than 130 countries, with revenues of approximately 21 billion euros (over Rs 2.28 lakh crore) and annual sales volumes of around 5.9 lakh vehicles.

The new entity will have more than 73,000 employees across six continents, supported by 27 manufacturing facilities, 25 research and development centres, and a network of approximately 9,300 sales and service centres.

Its geographical presence will span Europe, India, South America, Asia, the Middle East and Africa. N Chandrasekaran, Chairman of Tata Sons, Tata Motors and Iveco Group, said the coming together of the two organisations marked the beginning of an important chapter in commercial transportation.

"Two strong and successful organisations, united by shared values, a common commitment to sustainable mobility and an ambition to shape the future of commercial transportation, have come together to create a truly global commercial mobility enterprise," Chandrasekaran said.

Tata Motors has acquired an 89.42 stake in Iveco Group for approximately euro 3.43 billion (around Rs 36,000 crore). FULL REPORT ON WWW.INDIANEXPRESS.COM

GOVERNMENT OF ODISHA
DEPARTMENT OF WATER RESOURCES
OFFICE OF THE ADDITIONAL CHIEF ENGINEER, EASTERN CIRCLE-II, CHANDIKHOLE
Email ID: - seec2chandikhole@gmail.com
32001/1227/2627
"e" Procurement Notice No. ACE, EC-II 03 of 2026-27 (On-line)

1.	Name of Work	:	Work list attached in the Technical Bid Document.
2.	Total No. of package	:	8 nos. individual package.
3.	Tender Cost of Packages varies from	:	Rs. 505.01 Lakhs to Rs.830.30 Lakhs
4.	Cost of Bid Document	:	Rs. 10,000/- (On-line Payment)
5.	Bid Security varies from	:	Rs.5,05,100/- to Rs.8,30,300/-
6.	Class of Contractor	:	"A" & "Special" Class for Sl.No.1 and "A" Class for Sl. No 2 to 8 of Work list attached in the Bid Document
7.	Period of completion	:	12 (Twelve) Calendar months for packages Sl. No. 1 & 06 (Six) Calendar Months for packages for Sl. No. 2 to 8

8. Other details are as follows.

Procurement Officer	Availability of Tender On-line for bidding		Date of Opening of Technical Bid (Cover-I)
	From	To	
Additional Chief Engineer, Eastern Circle-II, Chandikhole	07/11/2026 at 10.00 AM	25/11/2026 up to 5.00 PM	26/11/2026 up to at 11.30 AM

9. e-mail id: **seec2chandikhole@gmail.com**
10. Further detailed conditions can be seen from the Govt. website **www.tendersorissa.gov.in**
11. Any corrigendum/addendum/cancellation of tender to the above notice if any can be seen from the above website.

Sd/-
Additional Chief Engineer, Eastern Circle-II, Chandikhole
OIPR- 32001/32322/1/26-27/0003

PROJECT IMPLEMENTATION UNIT-RURAL WORKS DEPARTMENT (PIU-RWD)
Uttarakhand Disaster Preparedness & Resilience Project (U-PREPARE)
5TH Floor, USDMA Building, 36, IT Park, Sahastradhara Road, DEHRADUN
Website: www.u-prepare.com; E-Mail piurwd.uprepare@gmail.com

Ref. No.: 197/11B/FIRE/RFB/UPREPARE/2026 **Date: 02/11/2026**

NOTICE INVITING TENDER

The Government of India has received financing from the World Bank towards the cost of the U-PREPARE and intends to apply part of the proceeds for following package of Goods. A complete set of bidding documents in English may be downloaded by interested eligible bidders from the website **https://uktenders.gov.in** which will be available from **04/11/2026 to 04/12/2026.** Bids must be submitted online on the website **https://uktenders.gov.in**.

S. No	Package No.	Name of Package	Method of Procurement
1	11B/FIRE/RFB/UPREPARE/2026	Procurement of Proximity Suits for UFES	RFB
2	2B/FIRE/RFB/UPREPARE/2026	Procurement of Fire Entry Suits for UFES	

Note:- 1. The corrigendum for the above package will be uploaded on website **www.uktenders.gov.in** & **www.u-prepare.com**
2. Email id **piurwd.uprepare@gmail.com** may be contacted for any information related to the bids.

Sd/-
Program Manager
PIU-RWD, U-PREPARE

Bangalore Electricity Supply Company Limited
(Wholly owned by Govt. of Karnataka undertaking)
(CIN-U04010KA2002SGC030438)

CORRIGENDUM to NOTIFICATION INVITING TENDER

The tender notification No: **BESCOM/2026-27/SE0505 dated: 30.10.2026** published in this daily on **31.10.2026,** for Providing Human resource service (Graduate Engineers and Diploma Engineers) for carrying out DAS operations at both BESCOM Integrated Control Centre's (BICC-1, HSR Layout & BICC-2 Rajajinagar) need to be read as **Tender No.: BESCOM/2026-27/SE0506 Dated: 02.11.2026** and all other details remains the same.

Sd/- General Manager (DAS), BICC-1,17th Cross, 24th Main, HSR Layout, 2nd Sector, Bengaluru-560102.

For Electricity related complaints call : 1912
Download BESCOM Mithra Mobile APP.

GOVERNMENT OF ODISHA
OFFICE OF THE CHIEF CONSTRUCTION ENGINEER
RURAL WORKS CIRCLE, KENDRAPARA-JAJPUR
AT CHANDIKHOL PO- SUNGUDA, JAIPUR-754296,
Tel No. 0671-2444488, Email-serw kpd@yahoo.com
25001/1443/2627

Letter No.- 5750 **Date: 23.10.26**

2nd Corrigendum Notice

2nd Corrigendum to Bid Identification No. Tender Online RCK-18/26 invited by this office vide Letter No.-5399, Dt.-29.09.2026.

The changes as detailed below are hereby made in the above N.I.T.:-

1 Clause no-06 of NIT modified below:-

Procurement Officer	Bid Identification No.	Availability of Tender on-line for bidding		Last Date & Time of seeking tender clarification		Date & Time of opening of tender			
						Technical Bid		Financial Bid	
		Previously fixed on	Presently Modified on	Previously fixed on	Presently Modified on	Previously fixed on	Presently Modified on	Previously fixed on	Presently Modified on
Chief Construction Engineer, Rural Works Circle Kendrapara Jajpur	Tender RCK-18/26	From-12.10.2026 At 11.00 A.M To-27.10.2026 Up to 05.00 P.M	From-12.10 2026 At 11.00 A.M To-09.11.2026 Up to 05.00 P.M	27.10.2026 up to 02.00 P.M	09.11.2026 up to 02.00 P.M	28.10.2026 at 11.00 A.M	10.11.2026 at 11.00 A.M	Will be intimated later	Will be intimated later

All other conditions of NIT remain unaltered.

Sd/-
Chief Construction Engineer, Rural Works Circle, Kendrapara-Jajpur
OIPR- 25001/25129/1/26-27/0022

GOVERNMENT OF ODISHA
OFFICE OF THE CHIEF CONSTRUCTION ENGINEER
RURAL WORKS CIRCLE, SAMBALPUR
25001/1435/2627
E-mail :--serwcirclesbp@yahoo.com
E-PROCUREMENT NOTICE
BID IDENTIFICATION NO. BUILDING TENDER ONLINE RWCSBP-29/2026-27

1. **Name of the Work** : Building Works
2. **Total No. of works** : 06 nos Road work
3. **Estimated Cost** : Rs.118.52 lakhs to Rs.883.28 lakhs
4. **Class of contractor** : 'B', 'A' & Spl Class
5. **Other details** : As mentioned in DTCN

Procurement Officer	Bid Identification No.	Availability of Tender On-line for bidding	
		From	To
1	2	3	4
Chief Construction Engineer, Rural Works Circle, Sambalpur.	BUILDING TENDER ONLINE RWCSBP-29/2026-27	06.11.2026 11.00 A.M	25.11.2026 05.00 P.M

Further details can be seen from the website **www.pmgsytenders.gov.in**.

Sd/-
Chief Construction Engineer Rural Works Circle, Sambalpur
OIPR- 25001/25091/1/26-27/0038

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

• LEGAL

How New York is regulating the way chatbots interact with children

Amaal Sheikh
New Delhi, November 3

THE US state of New York has introduced a law restricting how artificial intelligence (AI) chatbots interact with children. The Senate Bill, signed by Governor Kathy Hochul on October 28, prohibits operators of AI companions from providing certain features to minors, including chatbots presenting themselves as human, claiming personal relationships with users, encouraging self-harm or isolation, and generating sexually explicit content. The legislation is said to take effect from January 2027.

Where the law sits

The legislation adds a new Article, 48, to the General Business Law. Articles 47 and 45 are of particular importance. Article 47 is the state's first AI companion law. It requires operators to tell users at the beginning of any interaction and at least every three hours during continuing interactions that they are not communicating with a human. They must also have protocols to detect and respond to signs of suicidal ideation or self-harm.

Article 45 is the Stop Addictive Feeds Exploitation for Kids Act, also known as the SAFE for Kids Act. It requires social media companies to restrict algorithmically personalised feeds and nighttime notifications for users under 18 years unless they obtain parental consent. The law relies on age assurance, the process of determining a user's age. Article 48 draws on Article 45's age assurance framework but also establishes interim requirements for operators until the relevant rules come into force.

PROTECTING KIDS

- The legislation is to take effect from January 2027.
- AI chatbots cannot claim personal relationships with users, encourage self-harm, or generating sexually explicit content.
- Penalties can range up to $25,000 per violation.

Why it matters

The law comes amid mounting scrutiny of AI companies over cases where teenagers who died by suicide had extensively interacted with chatbots before their deaths Research by Common Sense Media shows 72% of teenagers have used an AI companion and 52% use one regularly. Google and AI startup Character.ai settled lawsuits in January this year, including one filed by the mother of a 14-year-old Sewell Setzer who died by suicide in 2024. The family of 16-year-old Adam Raine sued OpenAI in August 2025 following his death.

What it prohibits

The Act identifies 12 categories of "unsafe AI companion features". These are design features that generate specified outputs "at any point during" an interaction between a chatbot and a user.

Certain provisions concern how a chatbot presents itself. It cannot generate outputs suggesting that it is human, alive or capable of experiencing human emotions. It cannot state or imply a "personal relationship, professional relationship or an authority figure role" with the user. It also cannot deceive minors about its "mechanical and non-sentient nature". Other concerns include the tone of the chatbot, it cannot generate outputs framed as its "personal opinions or emotional appeals," or engage in "flattery or sycophancy" with users. It also bars unprompted emotion-based questions that go beyond a direct response to the user's prompt.

It states that the chatbot cannot generate outputs that endorse or facilitate suicide, or self harm, unlawful drug and alcohol use. It also cannot encourage users to "maintain secrecy about interactions with the covered AI companion, to self-isolate, or to not seek help from licensed professionals or appropriate adults". The chatbot cannot use information about a user's "mental or physical health or well-being, or matters personal to the user" if it was acquired through a previous session.

So how does an operator decide if someone is a minor? Self-declaration can only be relied on when the user declares that they are a minor. Operators have to offer more than one method, including at least one other that does not rely on government-issued ID and allows the user to remain anonymous to the operator.

• GLOBAL

Signals from Xi Jinping's anti-graft military purge

Sweeping removals, also encompassing command theatres responsible for Taiwan and India, raise questions about the health of China's defence apparatus



RISHIKA SINGH

AT THE conclusion of a four-day closed-door meeting of senior Chinese Communist Party (CCP) leaders on Thursday, it was difficult to miss the main messaging — "full and rigorous party self-governance".

Underneath the jargon commonly spotted in official communiques was the goal that CCP General Secretary and Chinese President Xi Jinping has pursued over nearly 15 years in power: ridding the Party of corruption. Of late, however, it has taken the shape of major leaders being removed across key bodies, including military ones.

The meeting, known as the Fifth Plenum, saw a record number of Party members expelled. It also saw the elevation of General Zhang Shengmin into the Politburo, which includes top party leaders.

In January this year, General Zhang Youxia, holding the top rank in the People's Liberation Army (PLA), was purged from the Central Military Commission (CMC) — China's apex military decision-making body, involved in procurement, testing and other key functions. Nearly all of the CMC's top leadership have come under corruption investigations in recent years.

And it's not just the CMC. Suyash Desai, a Non-Resident Fellow at the Foreign Policy Research Institute in Philadelphia and an analyst of the Chinese military, told *The Indian Express* that within the PLA, "over 55% of its top leadership (three-star and above) has been purged" to date. The fact that the purge has affected "every section of the PLA" makes it unique in terms of its scale, scope, and nature, he added.

Major gaps

Since Xi assumed power as the general secretary of the CCP in 2012, he has described tackling corruption as a top priority. In fact, his first few years also saw senior military leaders purged, including CMC Vice Chairman Guo Boxiong, who was then the highest-ranking general to ever face a corruption charge. He is serving a life term.

Initially, some analysts in the West saw the campaign as a means for Xi to remove rivals and consolidate power, but over the years, not even his loyalists and appointees have been spared. The campaign has taken the shape of sudden removals and probes.

Defence has increasingly come under focus. Key posts are now vacant *(see chart)* in top bodies, while others have witnessed a churn. Five of the seven CMC positions remain unfilled, and while the political head of defence has historically been part of the body, current Defence Minister Admiral Dong Jun has yet to be made a member. In May, former defence ministers Wei Fenghe and Li Shangfu were sentenced to death with a two-year reprieve (later converted to life imprisonment) over graft charges.

Desai said that across the five theatre commands, almost all commanders and commissars (who handle major political responsibilities) have been purged on multiple occasions over the past three years. This also includes the Eastern and Western Theatre Commands, responsible for Taiwan and India, respectively.

Anushka Saxena, a Staff Research Analyst at the Takshashila Institution in Bengaluru who tracks the PLA, also laid out the case of the PLA Rocket Force. Responsible for managing China's conventional and nuclear missiles, the force saw senior leaders removed in 2023.

Saxena termed it the "pillar of China's long-range strategic deterrent and the arm that would open a campaign against Taiwan and threaten US naval vessels". "After former PLARF Commander Li Yuchao was pulled in 2023 and replaced by Wang Houbin, who was parachuted from the Navy, Wang himself was expelled in October 2025... the PLARF has been decapitated twice in barely two years, and no successor commander has surfaced in public since," she told *The Indian Express*.

Wide spread

Initially, some analysts in the West saw the campaign as a means for Xi to remove rivals and consolidate power.

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Of late, however, not even his loyalists have been spared. The campaign has taken the shape of sudden removals.

Why the removals matter

Desai said, "There are direct implications of these purges for military operations and effectiveness... For instance, the PLA's operational textbooks divide the Taiwan contingency scenario into three parts: Joint Strike, Blockade, and Amphibious Landing Operations. The Joint Strike is the first operation led by the PLARF to clear the ground for the invading Chinese forces. However, these purges have set back the PLA's operational effectiveness by a few years."

Saxena added that when seen in relation to the PLA's equipment development ecosystem and the removals at major defence State-Owned Enterprises, it is clear that layers of dishonesty run deep. "The command architecture for a joint operation has been altogether disrupted at the top. That is corrosive to the trust, continuity and rehearsed coordination on which jointness actually depends," she said.

Apart from the military, another senior figure to have been abruptly removed was Qin Gang, the Foreign Affairs Minister who served a tenure of less than a year. His ouster was suspected to be linked to personal reasons, but it again raised questions about Xi's picks.

With his rise, Xi at times elevated officials with links to two major factions in Chinese politics — the so-called Shaanxi and Fujian "gangs". These are the names of the two provinces where Xi has served.

While Zhang Youxia was part of the Shaanxi grouping, other purged CMC members, including He Weidong and Miao Hua, were part of the Fujian gang. Factional rivalries have previously been cited as drivers for the purges.

Yet another probable theory for the sudden revival in purges in the last few years is the question of Taiwan. Several US analysts have argued that Xi wants the PLA to be ready for a potential battle scenario by 2027 — the centenary year of the PLA's founding, and when Xi seeks a record-extending fourth term as general secretary of the CCP next year. Xi has also earlier stated the goal of turning the PLA into a "world-class" military by 2027.

However, Desai was of the view that these theories only made sense up to a certain point: "It is very clear now that the purges are not related to any single contingency, since all theatre commands are affected and all factions are chopped."

The most likely explanation, he said, was corruption. While Xi ordered several rounds of restructuring upon assuming power, the PLA's power base remained intact. "And over the past two tenures before Xi, the PLA gained significant commercial autonomy, making it one of the most corrupt armed forces in the world," Desai said.

It could point to a leader who, despite commanding the top of the leadership as few Chinese leaders have, remains concerned about inefficiencies and how they could affect his — and the party's — standing in a real-world battle.

Saxena noted that while disloyalty might be a worry, paramount concerns may be related to "mediocrity, inefficiency, and graft, which is also important at a time when China is competing with the world's biggest superpower — the US." She pointed out that "a striking share of the CMC-level purge does cluster around a Taiwan-facing network," referring to the Fujian faction. The region is the closest to Taiwan from mainland China.

But, she cautioned, one should avoid a "siloed reading." "It can be both a cleanup before contemplated action and a symptom of rot in the Taiwan mission... And much of the wider churn doesn't map neatly onto just Taiwan."

• GROWING GAPS IN CHINA'S KEY DEFENCE INSTITUTIONS



SOURCE: CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES, OPEN-SOURCE REPORTING

• POLICY

Flagship fest ahead, why Nagaland wants permit regime scrapped

Shinjini Ghosh
New Delhi, November 3

THE NAGALAND government has urged the Centre to completely withdraw the Protected Area Permit (PAP) scheme from the state ahead of the state's flagship Hornbill Festival. The festival sees a footfall of over one lakh visitors, including tourists from various countries. This year, it will be held in Kohima between December 1 and 10.

The state claims that the regime and accompanying restrictions hinder investment opportunities, economic growth, and tourist flow to the annual cultural event.

What is the Protected Area Permit (PAP) regime?

Issued by the Government of India, the PAP authorises foreigners to visit states along India's international borders in areas designated centrally as protected or restricted. The PAP regime was initially imposed under the Foreigners (Protected Areas) Order, 1958 and spans most northeastern states, including Nagaland.

In a bid to boost tourism, PAP was relaxed for Manipur, Mizoram and Nagaland in 2011. However, it was reimposed in December 2024, citing security reasons. Since then, the Nagaland government has insisted it be completely withdrawn.

How does PAP differ from ILP, or Inner Line Permit?

Very simply speaking, PAP is meant for foreigners while ILP is meant for Indian citizens. The concept of ILP was introduced during the British era. It separated tribal-populated hill areas in the Northeast from the plains in order to preserve indigenous cultures. To enter and stay in these areas, Indian citizens from other areas need an ILP. Arunachal Pradesh, Nagaland, Mizoram and Manipur come under it.

What issues does the Nagaland government have with PAP?

Nagaland Chief Minister Neiphiu Rio had written to the Union Home Ministry in September seeking a withdrawal of the PAP.

"At a time when states are being encouraged to compete for investments, build international partnerships, promote tourism and contribute to India's global outreach, such restrictions place Nagaland at a distinct disadvantage. A regulation conceived in a very different historical and security environment should not become an impediment to the developmental aspirations of a peaceful state," the letter read.

Rio said that the continued application of the PAP regime was creating "avoidable frustration and a sense of alienation".

Y Patton, Deputy Chief Minister of Nagaland and the state's Home and Border Affairs Minister, told *The Indian Express* that the state government is seeking a complete withdrawal of PAP to facilitate tourism, especially during the Hornbill Festival, which attracts tourists from across the globe.

"We have already discussed the issue with Home Minister Amit Shah, and he has assured us that he will study the matter and get back to us. However, till date we do not have any concrete information. Nagaland is a very small and peaceful state," said Patton.

Former Nagaland Director-General of Police Besesayo Kezo cited bureaucracy and a convoluted application process as obstacles for international tourists that have resulted in a drastic fall in visitors.

"On one hand we are encouraging tourism in Nagaland, and on the other, when people from outside try to visit they are required to get the PAP mandatorily," Kezo told *The Indian Express*. "International tourists have a limited number of days, and they should not get locked up in the bureaucratic process."

Ahead of the Hornbill Festival in 2025, the Centre relaxed PAP restrictions following requests from the Nagaland government. But Rio had written in September that the limited relaxation had little practical benefit. "Foreign visitors plan their journeys... weeks and months in advance. A relaxation announced only around the Festival cannot provide certainty required for international travel planning," he wrote.

Protected Area Permit

- The PAP authorises foreigners to visit states along India's international borders in areas designated centrally as protected or restricted.
- It spans most northeastern states, including Nagaland.

• POWER

Rooftop solar and grid instability: Lessons for India from Sri Lanka blackout

Pratyush Deep
New Delhi, November 3

ON OCTOBER 17, Sri Lanka's national power grid collapsed, plunging the country's 23 million people into darkness for over five hours. As authorities scrambled, the country's power grid operator issued an unusual directive: it asked rooftop solar operators to switch off their systems until further notice.

The directive highlighted the challenges of integrating large volumes of rooftop solar into the power grid. During a similar blackout last year, rooftop solar was identified as a factor. The latest incident has renewed questions about how growing volumes of decentralised solar generation can be managed without compromising grid stability. The issue is relevant for India, too, as it rapidly expands rooftop solar capacity. So, how can rooftop solar affect grid stability?

Sri Lanka's blackout

Sri Lanka's installed power generation capacity comprises 51% renewable energy, with hydropower accounting for 21% of the total, followed by oil-based power plants at 17% and coal at 11%. Rooftop solar makes up 48% of the country's total installed renewable energy capacity, amounting to 2,499 MW.

While the extent to which distributed rooftop solar contributed to the grid failure remains unclear, the preliminary report on the October 17 power system failure, prepared by the operator, has indicated the possible role of "non-dispatchable generation sources" in triggering the disturbance. Non-dispatchable generation sources include renewable energy sources such as rooftop solar and wind power, whose generation depends on weather conditions and cannot be ramped up or down by grid operators as easily as conventional power plants.

The report suggests that a sudden loss of generation from such sources may have triggered the sequence of events that eventually led to the nationwide blackout.

According to the report, the disturbance began at 11:43:29 am. The country's largest coal-based power plant rapidly reduced its



India is expanding rooftop solar capacity. FILE

net power generation from 187 MW to 5 MW within 450 milliseconds. This was followed by a sharp decline in the grid's frequency — a measure of the balance between electricity supply and demand. Frequency falls when supply suddenly drops below demand.

The report said this sudden drop might have been caused by the rejection of non-dispatchable generation sources such as rooftop solar connected to the grid at the time. This initial disturbance may then have triggered the disconnection of non-dispatchable generation sources, causing a further loss of supply and accelerating the decline in frequency.

Rooftop solar systems are connected to the grid through inverters, which convert the direct current generated by solar panels into alternating current used by the power system. These inverters have mechanisms that can disconnect the systems if grid voltage or frequency moves outside specified limits. If a large number of rooftop solar systems disconnect simultaneously, the resulting loss of generation can destabilise the grid.

Rooftop solar and grid stability

Rooftop solar systems, particularly their inverters, had also come under scrutiny when Sri Lanka's power grid suffered a similar failure in February 2025.

While it was not identified as the initiating cause, its high penetration and the response of its inverters were found to have contributed to the rapid escalation of the disturbance into a total system failure. A report prepared by the Ceylon Electricity Board found that a fault in a part that collects, carries and distributes high-current electrical power at a substation triggered localised voltage drops. This prompted a large number of rooftop solar inverters to automatically disconnect from the grid.

The sudden loss of rooftop solar generation increased the burden on the conventional power plants. This strained the system and accelerated the frequency decline.

After the 2025 blackout, utilities required rooftop solar inverters to adopt low-voltage and frequency ride-through settings, said Kumar M, CEO of Smart Grid Analytics, which provides grid management solutions to renewable energy operators. The settings allow inverters to stay connected during voltage and frequency disturbances.

Kumar estimated that less than 50% of the installed rooftop solar capacity had adopted these settings. He attributed the gap to older inverters, firmware that could not be updated and weak enforcement.

Challenges for India

India, according to him, has already faced similar grid integration challenges at the utility scale, with the Central Electricity Regulatory Commission recording 68 disturbances in renewable complexes between January 2022 and June 2025, involving generation losses of 1 GW to 7 GW.

He said stricter enforcement had helped reduce such incidents, but managing distributed solar would be the next challenge as India expands rooftop installations.

Kumar said every state should assess how its grid would perform on days when power demand is at its lowest and solar generation is at its highest. This would involve studying how much rooftop solar each local distribution feeder can safely accommodate and simulating how the grid responds to sudden disturbances using combined models of rooftop solar and other distributed resources. States should also determine the impact of the sudden loss of the largest source of electricity supply that the grid may reasonably be expected to withstand.

The Hindustan Times
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{ OUR TAKE }

SC's green check goes up in smoke

HT's spot checks of firecracker sales should give pause to anyone who believes Diwali pollution can be managed solely with a label

Within a day of allowing green firecrackers in Delhi-NCR, the Supreme Court was confronted with evidence of how the order was playing out. On Tuesday, the bench cited an *HT* report showing markets across the Capital selling every kind of cracker, "licensed, unlicensed, QR code, or no QR code", and asked the Centre, the Delhi government and the police to act.

What *HT* found should give pause to anyone who believes Diwali pollution can be managed with a label. In Sadar Bazaar, conventional crackers came out from inside shops or from nearby warehouses on request. Many boxes carried no QR code. Others had codes too small to scan, or ones that led to sales catalogues rather than proof of certification. Vendors were taking home-delivery orders despite the ban on online sales. One shopkeeper summed up the market's view: The public, he said, is least bothered whether a cracker is green.

That is the trouble with the green label. The scheme depends on buyers who check and inspectors who can tell the difference, and the markets suggest there are too few of either. Even genuine green crackers cut emissions by only 30-40%, by the most generous estimate, so each one still releases most of the smoke of a conventional cracker. Allowing them where none were permitted adds to Delhi's pollution, however much cleaner each cracker is.

The court had reasoned that the complete ban was widely flouted and had fed an illegal market in conventional crackers. It was also candid that it lacked adequate data to judge whether a full ban was the best answer. But a ban's failure does not mean the label makes a difference. A legal sales window gives illicit stock a counter to sell from: The green box goes on display, but the conventional one comes out when asked for. Last year, the first Diwali in years with legal crackers, Delhi recorded its worst Diwali pollution peak since 2021, despite favourable weather.

The court's direction to the authorities to act after *HT*'s report is welcome, but it may come too late to matter. Carts have lined Old Delhi's lanes since October 20, even though the legal sales window opens on November 4. The legal bursting window is four days away. Confiscating conventional stock and prosecuting sellers across a city of this size, in four days, would test any police force.

Antonelli's podium debut promises more

For two years everyone invoked patience, citing his age. As it has turned out, "age no bar" truly holds for Formula One world championships. On November 1, at 20 years and 68 days, Kimi Antonelli became the youngest F1 champ. To be sure, his Mercedes was the best car on the grid. His incredible journey, though, from becoming the European Karting champion in 2021 to the F1 champion in 2026 speaks, besides talent, of rare resilience, too.

Antonelli had the pick of F1 driver academy offers in his inbox at 13, and after winning five karting championships — including back-to-back European titles — he chose Mercedes. His reasoning that they had no one else his age got him into the driver's seat early. It also allowed him to adapt and, with each lap, he first reduced the experience gap vis-à-vis other senior drivers, and then shot ahead. Befittingly, his triumphant season was capped with Lewis Hamilton (a seven-time champion) and Max Verstappen (a four-time champion) lifting him onto their shoulders at the end of the Mexico Grand Prix. As magnanimous and endearing as the gesture was, it also spoke volumes of the respect these seniors have for this young man's speed and drive.

The Italian Grand Prix at Monza saw him start from 19th on the grid due to an engine penalty but a remarkable charge through the field saw him win on home soil. Monaco was chaotic but it proved to the rest of the grid that he can put his head down to achieve good lap times. Austin was the same story. It is these drives that bode he is here to stay. The future is already looking legendary.

Lessons for the world in Lula's big win in Brazil

A sense of belonging, made easy by digital and social media tools, can counter a campaign based on stoking fear, moral panic, and anxieties about economic status



Lula's win shows that panic does not always win. Yet, the grievances that fuel it are real and must be addressed. AP

On October 25, 2026, Luiz Inácio Lula da Silva made history — since the Redemocratization of Brazil, never has a presidential candidate in the country turned a first-round defeat into a win in the second. And rarely has voting in the country felt so consequential.

In a polarised society, people vote not only for candidates but also to protect their values and ways of life. Political disagreement in Brazil is no longer "I like tea, and you like coffee." It is now "I like tea; so, you should no longer be allowed to drink coffee." Compare this with the US, going for the midterm polls today, where everyday issues such as cost-of-living matter for the electorate, but so do ideological hardlines.

When politics becomes like this, fear and negative campaigning play an outsized role. Bolsonarismo has long mobilised support by stoking moral panic, portraying the centre-Left as a threat, and harvesting anxieties about losing status.

There was plenty to criticise after years of the Workers' Party government (led by Lula) being in power— corruption scandals, controversies involving Banco Master (a Brazilian financial institution) and political connections, accusations of judicial overreach, and middle-class insecurity. Rising living costs and uncertain professional opportunities have challenged the promise that education and hard work would leave the next generation better-off.

Lula's warnings about losing democracy would not have found the competition with fears of losing purchasing power, security, family values, or status, very easy. Democratic erosion is consequential but less immediately tangible.



Andreza Aruska

So, how did he turn the election around? Not primarily through policy, but through mobilisation.

The Brazilian Right had a powerful grievance agenda, amplified by social media. Its grassroots strength also draws on something older: evangelical communities, politically active long before today's polarisation. Churches have institutional interests, from broadcasting concessions to tax exemptions and property. But defending tax privileges for wealthy institutions hardly inspires ordinary members. Defending the family does. So, churches celebrate weddings, baptisms, and heteronormative family life. They should, of course, defend families. But who is attacking families, to start with? When expanding LGBT+ rights is portrayed as taking rights away from others, the defence of the heteronormative family becomes a political cause. Moral panic around anything beyond the heteronormative family gives churches a public justification for political engagement, and the Right gains grassroots networks.

These networks extend into Bible groups in homes, schools, and friendships. Political messages travel through relationships of trust, mutual support, and shared identity. Right-wing activism creates bonds.

The Left faced a different challenge. After so long in power, it could not easily mobilise, and warnings about democratic erosion felt less immediate. But it did learn from the Right's capacity to create belonging. Three weeks (between the first and second rounds of the polls) was little time. But social media pulled down the financial costs of mobilisation. With André Janones being the most prominent figure of the mobilisation efforts, the Left organised WhatsApp networks that reached millions. "Cancel your date." "Share this message." "Wear this colour." "Spread this video." These were more than instructions. Acting together created bonds.

Politics moved into everyday relationships. People offered neighbours lifts to vote, checked grandparents' transport, postponed holidays, and travelled to distant constituencies. Some Brazilians living abroad flew home to vote. Mobilisation became participation.

Meanwhile, the Right largely stuck to its existing strategy. Some supporters who had missed the first round because of work, travel, or childcare had little reason to change their arrangements. Meanwhile, the Left was stretching every possibility. Eventually, Lula won.

What does that mean beyond Brazil? It shows that panic does not always win. Yet, the grievances that fuel it are real. Rising food and fuel costs squeeze households. Graduates face uncertain careers, now complicated by AI. People who once expected upward mobility fear their children will have less.

In this climate, extending social benefits may feel threatening to those worried about their own position. As we say in Brazil, when the flour is running out, I bake my bread first. Far-Right movements differ on religion, militarism, and migration, but often promise protection for those deemed deserving.

The political question is who gets included. The Left promises inclusion, while some voters want to defend, or recover, privileges. Can equality appeal to someone who believes another person's gain is their loss? Simply warning about democracy, or promising more benefits, cannot resolve that tension.

Brazil suggests a more concrete answer. Lula's campaign gave people something to do together, not merely something to believe in. Governing, however, is harder than campaigning. A lift to the polling station creates solidarity for a day; affordable housing, reliable services, safer streets, and credible opportunities for the next generation must sustain it. Lula must also reach out to those who did not vote for him. That means recognising their economic anxieties and showing through public policy that greater inclusion need not mean someone else's decline.

To the world, more particularly to the US where the Trump administration and the Republicans are relying on fear and moral panic to mobilise, Brazil offers key lessons for those who are mounting the counter-campaign: Belonging can be more powerful than fear, and low costs of mobilisation can change perceptions drastically. Participation can turn political spectators into people with a stake in a shared future. Brazil also faces challenges: Lula needs to make a shared future credible, including for those who voted against him and who are not in his WhatsApp groups. This is where the real test of the mandate for Lula will be.

Andreza Aruska is director, King's Brazil Institute, and reader, Brazilian Politics, King's College London. The views expressed are personal

Decoding farmer suicides beyond headline numbers

Between 2001 and 2022, more than 70,000 farmers killed themselves in Maharashtra. That works out to close to nine farmers per day, every day, for two decades. India as a whole accounts for roughly a third of all farmer suicides recorded globally. Maharashtra, for most of those years, accounts for a third of India's.

These are National Crime Records Bureau (NCRB) numbers. The data has gaps and definitional problems, and some researchers think it undercounts. But nobody thinks it overcounts. What the numbers show, even conservatively, is a sustained catastrophe in one of India's richest states.

One definitional point matters for reading every number that follows. Before 2014, NCRB reported a single farm-sector category that combined cultivators and agricultural labourers. From 2014, it split the two. The figures here use the cultivators series, which means the pre-2014 and post-2014 counts are not strictly comparable, and part of the apparent decline after 2014 reflects the narrower definition rather than fewer deaths. The verified Maharashtra cultivator series sums to 71,814 over 2001-2022, which is the basis for the "more than 70,000" figure.

The central questions in these articles are where exactly in the state the suicides happen and on whom the burden falls.



Piyush Zaware

The data clearly shows that this is not a Maharashtra crisis. It is a Vidarbha crisis, the eastern chunk of Maharashtra with 11 districts along the borders with Chhattisgarh and Telangana. These districts account for roughly half the state's farmer suicide total in most years. Six of them form the epicentre of the crisis: Yavatmal, Amravati, Akola, Washim, Buldhana, and Wardha. Yavatmal, a district of around 2.7 million people, alone regularly records more farmer suicides than most Indian states.

The rest of Maharashtra does not look like Vidarbha. Pune, Nashik, Kolhapur, and the coastal Konkan belt show elevated rates compared to urban areas, but not dramatically different from other agricultural states. It is Vidarbha and, to a lesser extent, Marathwada to the southwest that push Maharashtra's totals to levels that make it a national outlier.

Maharashtra is not a one-crop state, and the farmer-suicide crisis is not a one-crop story. Vidarbha grows cotton almost exclusively. Marathwada, the eight-district belt to the west, depends heavily on soybean. The Nashik plateau and Ahmednagar district grow nearly half of India's onions. Each region is exposed to a different commodity market, and each has seen market crashes in ways that translate directly into farm household distress.

The common structure is identical across all three crops. Farmers borrow at the start of the season to buy seed, fertiliser, and pesticide. They plant a single cash crop and wait for what the market offers at harvest. There is no food crop to eat if the market fails. There is no crop insurance that reliably pays out before creditors arrive to collect. There is the debt, the harvest, and the price.

Cotton is the most documented case because Vidarbha is where the crisis is most concentrated, and cotton prices are tracked by a global benchmark, the COTLOOK A index. Soybean prices in Marathwada follow global CBOT movements. Onion prices at the Lasalgaon *mandi* in Nashik, Asia's largest onion wholesale market, have swung between ₹310 per quintal in 2010 and ₹4,200 in 2019. In 2010, farmers in Nashik burnt onions by the roadside because the price at the *mandi* did not cover transport costs.

Coming to the question of who dies, male farmers account for roughly 90% of all recorded farmer suicides in Maharashtra across the entire period. That proportion has barely shifted in two decades. Female farmer suicides are smaller in absolute numbers but follow exactly the same pattern: Rising toward the 2006 peak, falling after the 2008 waiver, climbing again and falling after the 2017 waiver, before climbing once again.

The male concentration partly reflects who holds formal title to land and, therefore, who holds formal debt. Kisan credit cards, crop loans from nationalised banks, and informal moneylender loans in Vidarbha are predominantly in the male head-of-household's name. The debt, when it cannot be repaid, is most often that person's to carry. Female farmer suicides are not a rounding error in this data. They represent the same structural pressures, in households where the woman is formally recorded as the cultivator.

Maharashtra has led India's farmer suicide count for most of the past two decades. But that needs to be read carefully. In absolute numbers, Maharashtra is consistently first and Karnataka a close second (with a sharp spike in 2016 during a severe drought year). Andhra Pradesh and Telangana combined have seen numbers fall steadily since the mid-2000s. Madhya Pradesh dropped sharply after 2017, partly from loan waiver effects, partly from changes in NCRB's counting methodology.

On a per-capita basis, adjusting for the number of cultivators in each state, the picture is different. Maharashtra's burden narrows. Karnataka's per-capita rate has matched or exceeded Maharashtra's in several years, including 2016. Madhya Pradesh, which looks significant in absolute terms, nearly vanishes once you account for its large agricultural population.

The per-capita comparison matters because it shifts the question from "which state has the most suicides" to "which state has the highest suicide risk per farmer". Both Karnataka and Maharashtra score high by that measure. The scale of the problem in Maharashtra reflects, in part, the scale of cotton-dependent farming in a single region.

Knowing where the crisis sits and who it falls on is the easier half of this story. The harder question is whether measures such as loan waivers can stop farmer suicides. That's a different analysis, perhaps for another day. For now, identifying the area where the debt-stress is the worst and the people it kills should help examine intervention options that can be sustained and have a durable impact.

ON A PER-CAPITA BASIS, ADJUSTING FOR THE NUMBER OF CULTIVATORS IN EACH STATE, THE PICTURE IS DIFFERENT. MAHARASHTRA'S BURDEN NARROWS. KARNATAKA'S PER-CAPITA RATE HAS MATCHED OR EXCEEDED MAHARASHTRA'S IN SEVERAL YEARS

Piyush Zaware is a researcher with the Global Poverty Research Lab, Kellogg School of Management at Northwestern University. The views expressed are personal

{ RAJNATH SINGH } DEFENCE MINISTER

Our objective is... to build a defence ecosystem in which... participation of Indian industries is enhanced and the country's strategic dependence is reduced



Dichotomy in Xi's China: Discipline vs efficiency

The Fifth Plenum of the Communist Party of China (CPC)'s 20th Central Committee concluded on October 29 by deciding to strengthen comprehensive and rigorous party self-governance. It reaffirmed President Xi Jinping's commitment to political discipline while also calling for greater administrative competence, effective governance, and initiative among officials. Can a more extensively supervised CPC also become a more effective and adaptable governing institution?

For Xi, this addresses a longstanding problem in Chinese governance — the gap between Beijing's decisions and their implementation across provinces, municipalities, and local administrations. Corruption, bureaucratic formalism, selective enforcement, and local protectionism have historically compromised central policymaking. Stronger supervision can expose misconduct, constrain arbitrary authority, and improve policy coordination. The CPC has always believed that political discipline can strengthen governing capacity through more consistent implementation and greater accountability. Institutionalising these is intended to make political and administrative processes more predictable and reduce uncertainty.



G Venkat Raman

The Plenum's communiqué, however, reveals a dichotomy: Alongside reaffirming centralised party leadership and democratic centralism, it also calls for professional competence, performance evaluation, and greater initiative and creativity among officials. The emphasis on a correct understanding of official performance suggests that Beijing recognises the limits of political loyalty as a measure of administrative effectiveness. Officials must not only follow directives but also exercise judgment, solve problems and deliver substantive results.

China's governing system has historically depended on local experimentation and administrative flexibility. Yet, when adherence to central directives becomes the dominant measure of political accountability, officials may become reluctant to exercise discretion or undertake initiatives that carry political risks. Under such circumstances, bureaucratic caution may become more rewarding than initiative, even when local conditions demand innovative responses.

The leadership is not unaware of this: Xi has warned against institutional rules becoming hollow exercises. Excessive paperwork, bureaucratic formalism, and officials' reluctance to assume responsibility have also been critiqued. The principle of the "three distinctions" seeks to distinguish mistakes made during legitimate experimentation from deliberate violations and misconduct. The more demanding question is whether these safeguards are applied consistently enough for officials to exercise judgment and experiment without fearing disciplinary consequences.

Recently, China has highlighted efforts to reduce administrative burdens at the grassroots and improve the business environment. Such measures suggest that stronger supervision can improve administrative responsiveness alongside enforcing compliance. Nevertheless, this doesn't establish whether the wider supervisory system encourages initiative or reinforces bureaucratic conformity.

The personnel decisions taken at the Plenum add another dimension. The meeting confirmed 33 expulsions, including senior civilian and military officials, while 279 full and alternate Central Committee members were in attendance. Zhang Shengmin, a senior military disciplinary official, was elevated to the Politburo, and ten alternate members were promoted to full membership. While the promotions indicate efforts to replenish the leadership, the removals raise questions about institutional continuity, the retention of administrative and military expertise, and the rebuilding of experienced leadership teams.

The Plenum reaffirmed Xi's position at the core of CPC leadership. Yet, this concentration of authority raises a longer-term institutional question: How effectively can the CPC sustain collective deliberation, encourage credible policy feedback, and ensure leadership continuity within an increasingly centralised political system?

China's industrial and technological capabilities depend on coordination among central institutions, provincial governments, research organisations and enterprises, as well as the ability to adapt to changing conditions. Centralisation can facilitate large-scale mobilisation and strategic direction, but innovation and economic adaptability also need credible information, local discretion, and opportunities to correct mistakes. For India, this distinction matters when assessing China's strategic capabilities. Changes in China's military leadership should not automatically be equated with diminished operational effectiveness, just as industrial strength alone cannot establish the adaptability of its governing institutions.

The Plenum has reaffirmed Xi's determination to make rigorous CPC discipline a permanent feature of Chinese governance. Yet, the effectiveness of this project cannot be judged solely by the reach of political supervision or the number of officials disciplined. Its real test is whether centralised authority can coexist with professional judgment, credible policy feedback and the flexibility to correct mistakes. Ultimately, Xi's challenge is to ensure that greater political control translates into better governance without undermining the initiative on which China's long-term capabilities depend.

G Venkat Raman is professor, Humanities and Social Sciences, Indian Institute of Management, Indore. The views expressed are personal

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DELHI
businessline.
WEDNESDAY - NOVEMBER 4 - 2026

the hindu businessline.
WEDNESDAY - NOVEMBER 4, 2026

Money matters

Stern action needed to check broker malpractices

Trading activity in the cash segment of the stock market witnessed a sharp surge post-pandemic, with cash turnover on the NSE increasing from ₹90 lakh crore in FY20 to ₹260 lakh crore in FY26, largely led by retail investors. A recent NSE circular, based on inspection of the books of stockbrokers and their agents for the period October 2025-March 2026, shows that a large part of this increase could have been stoked by market intermediaries flagrantly flouting regulations to drive business growth.

Some of the malpractices found by the exchange are very serious needing penal action. Of particular concern is the observation that stockbrokers are disregarding the processes laid down by SEBI for handling client funds and securities. The inspection shows that money is being transferred between the two critical bank accounts earmarked for holding client funds — the upstreaming client nodal bank account and the down streaming client nodal bank account. Client money is mandated by SEBI to flow through these accounts directly to clearing corporations; brokers cannot do any other transactions in these accounts. Brokers were also seen holding fully paid-up securities of clients in unpaid securities pledgee account. These actions are impermissible and in breach of stockbrokers' fiduciary responsibility.

The agents (authorised persons), employed by brokers are also violating rules by receiving money and securities on clients' behalf and making payments for them. SEBI mandates that authorised persons cannot handle client funds or securities. But they have also been found trading on behalf of clients by using their IDs and passwords. These are serious offences and cannot be dismissed with mere observation. The circular also shows that brokers have been encouraging excessive leverage among retail investors by using the margin trading facility. Margin trading facility, under which investors pay only part of the cost of the security with the broker lending the remaining funds to the clients at annual interest ranging from 9 to 14 per cent, has been providing leverage for trading in the cash segment of the capital market. Margin trading facility book currently stands above ₹1.5 lakh crore, up from mere ₹45,000 crore three years ago. Brokers have not been collecting sufficient margins and collaterals for margin trading facility, thus allowing investors to trade with less resources. This can cause systemic problems, if markets nose-dive. Moreover, the details of this facility are not being reported accurately to the exchanges.

Stock exchanges are the first-line regulators and have the primary responsibility to ensure investor protection and market stability. While the NSE has carried out the inspection and has found these serious malpractices, it has chosen to let off its members with just mild advice. Such kid-glove treatment will only embolden the wrong-doers. Stock exchanges must first give a warning to the brokers breaking regulations and levy stringent penalty. If they continue these malpractices, then exchanges must consider cancelling their registration

POCKET

RAVIKANTH





NISHANT SAHDEV



GETTY IMAGES

Processing power key to India's mineral stockpile

STRATEGIC USE. India must not only secure the materials its industries need but also have the ability to turn those materials into products

What happens when a country has the raw materials its industries need but cannot turn them into the components its factories use? India's proposed strategic stockpile of critical minerals brings this question into focus. The government is preparing a policy to build reserves of minerals needed for electric vehicles, batteries, defence equipment, electronics and energy infrastructure, with the aim of reducing exposure to global supply disruptions.

The logic is sound. A reserve can protect manufacturers when supplies are interrupted. But there is a limit to what stockpiling can achieve. A country can secure the ingredients of industrial production without securing the ability to manufacture the finished product.

Consider rare-earth permanent magnets. These compact components are essential to electric motors, wind turbines, electronics and several defence applications. Their value does not lie simply in the presence of rare-earth elements. It depends on composition, processing and the properties of the finished material. Between extracting a mineral and producing a magnet lies a chain of industrial capabilities that cannot be created by filling a warehouse.

This is where India's mineral-security debate needs to move beyond the quantity of resources it can acquire.

RARE-EARTH SCHEME

India has already approved a ₹7,280-crore scheme to establish 6,000 tonnes a year of integrated rare-earth permanent-magnet manufacturing capacity. The initiative is intended to build a domestic production chain, from rare-earth oxides to finished magnets. It recognises a problem that stockpiling alone cannot solve: access to raw materials does not guarantee access to the industrial inputs that manufacturers actually require.

The distinction is economic, not merely technical. A shortage of a relatively small component can disrupt production across an entire industry. An electric-vehicle manufacturer, for instance, may have access to capital, assembly facilities and customers but still be unable to deliver vehicles if a critical component becomes unavailable. The financial consequences can extend beyond the price of that component to idle capacity, delayed deliveries and lost revenue.

This is why the composition of India's proposed stockpile matters as much as its size. Minerals are not interchangeable units of inventory. Industries require particular grades, chemical forms and processed materials. A reserve of raw material may offer limited immediate protection if the bottleneck lies further down the supply chain.

The government should therefore distinguish between three objectives: securing mineral supplies, building domestic processing capacity and ensuring access to finished industrial inputs. These objectives overlap, but they are not identical. Each requires a different mix of investment, infrastructure, technology and commercial partnerships.

Physics offers a useful way to understand the problem. The properties of a material depend not only on what elements it contains but also on how those elements are arranged and processed. The same principle applies to industrial production: possession of the right ingredients does not automatically confer the ability to make a useful product.

This has consequences for public spending. A strategic reserve ties up capital in commodities that must be purchased, stored and eventually replenished. Prices can change substantially during the period between procurement and use. If the reserve is poorly matched to manufacturers' needs, the government could spend money accumulating material without removing the constraint that threatens production.

The objective should not be to manufacture everything at home. That would be expensive and, in some cases, impractical. Strategic autonomy means being able to withstand a supply shock without losing control of essential economic activity

A stockpile also buys time, rather than independence. It can help firms withstand a temporary export restriction or geopolitical disruption while alternative supplies are arranged. But if domestic processors, specialised equipment or manufacturing expertise are unavailable, that time may not be enough to restore production.

USE OF RESERVES

India's policy should make clear how the reserves will be used. Which industries will qualify for access during a shortage? How will the government determine the quantities released? Will the reserve contain raw minerals, processed materials or both? And how will officials assess whether the stockpile can sustain production for the period promised?

These questions matter because the value of a reserve depends on the disruption it can absorb, not simply the tonnes it contains. The government must also avoid creating a system in which public procurement competes with private manufacturers for scarce supplies and pushes up input costs without delivering a corresponding improvement in security.

Domestic processing and recycling can reduce some of these vulnerabilities, but neither is an instant solution. Processing facilities require investment, reliable supplies, technology and commercially viable demand. Recycling can recover materials from discarded products, but its contribution depends on the quantity and composition of waste available for recovery. Import diversification will remain necessary for minerals that cannot be produced economically in India.

The objective should not be to manufacture everything at home. That would be expensive and, in some cases, impractical. Strategic autonomy means being able to withstand a supply shock without losing control of essential economic activity. It requires identifying which dependencies can be tolerated, which need alternatives and which could bring production to a halt.

India's proposed stockpile is an opportunity to make that distinction explicit. Its success should be measured not by the size of the reserve announced, but by the extent to which it protects industrial output and supports the development of domestic capabilities.

When a supply disruption arrives, the test will be straightforward. Can Indian manufacturers continue producing, or do they still depend on an overseas supplier for the processing that makes a mineral useful?

India must secure the materials its industries need. But it must also secure the ability to turn those materials into products. Otherwise, the country may possess the ingredients of industrial power while remaining dependent on others to put them to work.

The writer is a physicist at the University of North Carolina at Chapel Hill, US, and Contributing opinion writer at the Wall Street Journal

SEBI's proposal to let exchanges grow beyond trading

MIIs are sitting on a wealth of data that can be monetised. But there are risks that need to be averted

P Saravanan
A Paul Williams

Market regulator SEBI, in a recent consultation paper, proposed exchanges and depositories to undertake specified related activities without seeking its approval.

At present, market infrastructure institutions (MIIs) need SEBI's permission for fund deployment and other activities, except treasury investments under a board approved policy. SEBI itself points out that a small investment in a technology platform supporting market operations faces the same approval as a large investment in an unrelated business.

The new framework would open an automatic route for two kinds of activity. The first covers work related or incidental to the core securities market role. The second covers activities similar to what an MII already does, carried out through a company regulated by another Indian financial regulator, provided SEBI has approved that activity before. Recognised clearing corporations are left out.

Automatic does not mean unchecked. The money deployed in a year by an MII and its subsidiaries together cannot exceed the lower of five per cent of net worth on the previous March 31 and the regulatory minimum net worth. Net worth after the investment must also stay at least one and a half times the prescribed minimum. Each new activity needs board approval, written procedures, ring fencing of shared resources, arm's length use of logos and brands, and half yearly reports to SEBI. Comments are invited until November 12, 2026.

Exchanges and depositories sit on some of the richest data in the country: trading patterns, settlement flows and investor holdings. They also employ deep technology talent. Much of that value is monetised narrowly today. Analytics, data products and technology services could open fresh revenue lines, reduce dependence on transaction income and help fund the upgrades that resilient markets need.

Global exchanges have long diversified into data and technology, and an approval process that treats every proposal alike makes Indian institutions slower than their peers. There is a regulatory efficiency gain too. SEBI has flagged duplication where activities run through entities already supervised by the RBI, IRDAI, IFSCA or PFRDA. Removing that overlap frees the regulator to focus on genuine risk.

For brokers, fintech firms and researchers, home grown data and technology offerings could also mean better access to quality market tools.



MIIS. Business possibilities

The difficulty is that an MII is also a first level regulator. An exchange that sells analytics is competing with private data vendors while controlling the raw data they depend on. If its own arm gets better access, faster feeds or softer scrutiny, the playing field tilts. Capital and management attention are another concern. Cyber risk grows with every new subsidiary.

SEBI's September paper already proposes extending the MII cyber security framework to subsidiaries that perform an MII activity, handle MII data or share its infrastructure.

The two proposals need to work together, because a new business line should never become a new back door. The five per cent cap offers some comfort. It keeps the scale of experimentation modest, so a failed venture should not threaten the institution's financial health.

WAY FORWARD

SEBI should first define "related or incidental" with clear illustrations, so that boards are not left guessing and the automatic route is not stretched. Second, the half yearly reports should be summarised publicly, so that competitors and investors can see what MIIs are doing and on what terms.

Third, any data used for commercial products must be offered to all vendors on equal and transparent terms, with strict separation between the regulatory and commercial arms.

Fourth, the cyber security rules for subsidiaries should be finalised alongside this framework. Finally, SEBI should keep the right to withdraw automatic status for any MII that breaches conditions.

The proposal rests on a sensible idea: regulate by risk, not by paperwork. If safeguards are as firm as the freedoms, India's market infrastructure could become more innovative and more self-reliant without compromising the trust on which every trade depends.

Saravanan is a Professor of Finance and Accounting at IIM Tiruchirappalli; Williams is the Head of India at Sernova Financial

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.

Get real, please

This refers to the news report 'Delhi's AQI rises to 451, air quality turns 'severe' in several areas ahead of Diwali' (November 3). It was intriguing to learn that Delhi's air turned hazardous as AQI hit 451 despite NCR having implemented Stage II measures, police checks, dust control, water sprinkling etc, effective from November 1.

However, it seems that the actual faultline could lie elsewhere.

One such grey area could be Delhi government permitting the plying of the entire fleet of 'locally' registered but non-BS-VI emission compliant vehicles too in NCR even as it has "barred" all such vehicles registered in its neighbouring States like Haryana, Punjab and UP etc. .

Kumar Gupt
Panchkula (Haryana)

Resilient farming

With reference to the article 'Irrigation helps in climate resilience but it's not enough' (November 3), the extended El Nino, climate changes and erratic rainfall have severe impacts on agro climatic conditions having cascading effects on farm operations.

Indian agriculturists are habituated with flood irrigation method for paddy, wheat and for plantation crops such as banana and sugarcane. In countries like Mauritius, sugarcane crop is irrigated both through sprinkler and drip to keep the soil wet.

Financial and information support are required to aid support agriculturists in adopting to the changing conditions and in creating a conducive atmosphere for continuing farming and allied activities in all weather conditions.

RV Baskaran
Pune

Data issues

With reference to the Editorial "Press protection" (November 3), investigative journalism must be protected without granting reporters immunity from privacy law. Public-interest reporting often requires examining financial records, administrative failures and conflicts of interest; consent cannot be an absolute condition when wrongdoing is being exposed. Yet unrestricted access to personal data could invite intrusion and weaken public trust.

The answer is a narrowly drafted exemption, not a blanket privilege. It should require a demonstrable public interest, data minimisation, secure handling and independent review. Newsrooms must also adopt safeguards and correct misuse.

A Myilsami
Coimbatore

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Israel on tenterhooks

Political stalemate could escalate tensions further

Sridhar Krishnaswami



POLLS. If a coalition isn't formed, fresh elections will be held REUTERS

These are tense days not just for Prime Minister Benjamin Netanyahu but for the state of Israel for at least three reasons. First, the parliamentary elections of October 27 have produced no clear winners but only complications.

The Arab parties have come away with a stunning political show of getting 19 seats in the 120-member Knesset and positioning themselves as kingmakers in any coalition government that must have a 61 seat majority in the unicameral legislature.

Second, some 6,000 miles away there's the mid-term elections in the US. A lot of critics of the Jewish state could make it to the House of Representatives and Senate. A Republican loss of even one Chamber on Capitol Hill could mean political trouble for Tel Aviv. A loss of both House and Senate by Republicans could complicate matters further.

Some of the anti-Israel sentiments come from Prime Minister Netanyahu's conduct in the Gaza in the aftermath of the Hamas terror attacks of October 7, 2023. And there are those who believe that it was the Israeli leader who egged President Donald Trump to start the war against Iran by way of a bombing campaign on February 28, 2026. A conflict that was supposed to last just a few days is now in its ninth month.

ROLE OF ISRAEL IN WAR

Third, the political stalemate in Israel comes at a time when the war in the Middle East is inconclusive. In the absence of a viable and functional government what could be the role of Israel in the event of President Trump ordering strikes on Iran post mid-term elections, which he has said he would on more than one occasion?

To blame Arab parties for the lack of a clear verdict is like making the point that Israeli Palestinians should have continued to sit on the sidelines as passive spectators. At this time it does not look as if the Arab parties are too anxious or desperate to throw in their lot with either Prime Minister Netanyahu or Gadi Eisenkot.

Omar Baddar, a Palestinian American analyst and a member of the national policy council of the Arab American Institute, has been quoted in Al Jazeera as saying: "Both of them [Netanyahu and Eisenkot] are committed to denying Palestinians freedom or human rights. They are determined not to give them a state of their own and determined not to grant them equality. Their vision for Palestinians is that they will remain under brutal military occupation indefinitely."

THE RIGHT DOMINATE

In a political spectrum that has been dominated by the right, far right, extreme right and the Ultra Orthodox right, it is unlikely that either Netanyahu or Eisenkot would want to touch Arab parties with a barge pole knowing full well the domestic repercussions. And Arab parties along with smaller parties do not have the numbers to lay a stake on forming the new government.

That leaves the Likud with 27 seats and the Netanyahu-bloc of 53 seats, or the Yashar of the former Chief of Defence Staff Eisenkot that won 21 seats and the anti-Netanyahu coalition with 48 seats looking for a viable arrangement.

On the surface it would seem that the views of Prime Minister Netanyahu and Eisenkot are not too far apart, especially on issues of security as it pertains to naming the Hamas as a terrorist outfit and frowning on any statehood for Palestinians. But for Netanyahu, who relies on the support of the Ultra Orthodox Jews, it would be difficult to accept the centrist Yashar's insistence on ending military service exemptions.

President Issac Herzog would undoubtedly exhaust all his options and timelines including statutory extensions to put in place a new government. In the event no one is able to come up with a governing coalition, the Jewish state will have fresh elections in 90 days with Netanyahu and his Cabinet continuing in a caretaker status.

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

A case for reforming APEDA

SCALE UP. The agency should become more of a think-tank rather than merely regulate and monitor exports



SUBRAMANI RA MANCOMBU

The Indian rupee has declined by over 5 per cent since the beginning of this year. Though the government has come up with various measures to protect the rupee, the merchandise trade deficit has dragged the rupee down. Data show that India has been unable to realise its potential in agricultural exports, particularly in fruits, vegetables and other commodities.

Interestingly, since the 2019-20 fiscal year, barring 2020-21 and 2021-22, the government has allocated only ₹80 crore annually in its budget for the Agricultural and Processed Food Products Export Development Authority (APEDA), the agency responsible for developing, promoting and regulating shipments of agricultural products.

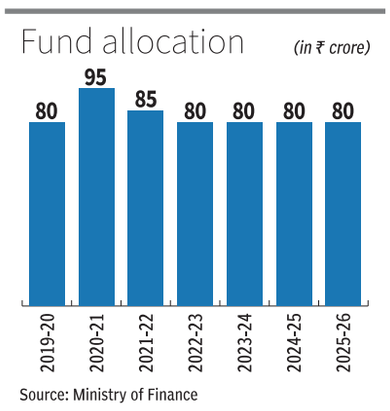
In 2019-20, the Centre cut APEDA's allocation to ₹80 crore from ₹100 crore despite the government coming out with a new agricultural export policy in December 2018. Responding to a question, Minister of State for Commerce and Industry Jitin Prasada told the Rajya Sabha on April 4, 2025, that the 15th Finance Commission had allocated only ₹405.02 crore between 2021-22 and 2025-26.

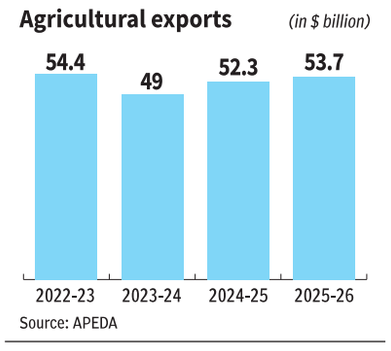
At the same time, budget allocations for the tea, coffee, rubber, and spices boards, as well as the Marine Products Export Development Authority (MPEDA), have been higher. For over three years now, the post of director in APEDA has not been filled. Similarly, several posts have not been filled up despite officials retiring. Does this mean the government or the Finance Commission is not satisfied with APEDA's performance? There are a few points to ponder here.

Data show that exports of Indian agricultural commodities, including marine products and buffalo meat, have not matched the high of $54.42 billion witnessed in 2022-23. In the previous fiscal, just four products — marine, non-basmati rice, basmati rice and buffalo meat — made up 50 per cent of the $53.72 billion shipments.



SHORTCOMINGS. In promoting Indian agri products abroad MURALI KUMAR K





Data show that shipments of pulses, cereal preparations, processed vegetables, cereal preparations, processed fruits, juices and nuts, and fresh fruits have surged between 2014-15 and 2025-26. But each category has the potential to earn more than $1 billion, which has not happened except cereal preparations.

There are quite a few issues with APEDA's functioning in the areas of organic products, horticultural products, groundnuts, and basmati rice. In the case of export of organic products, commodities such as sesame, sugar, cotton and rice have come under pressure.

In the case of cotton, sugar and rice, irregularities have been reported in the functioning of certification bodies. To check the irregularities, APEDA undertook the exercise of 100 per cent verification of organic farmers. Per a statement made in Parliament last year, there are at least 20 lakh organic farmers. However, only six lakh of them have been verified so far. This raises the question of how many farmers are actually into organic farming. It also makes one wonder if APEDA should still be the secretariat of the National Programme for Organic Production (NPOP).

There are quite a few issues with APEDA's functioning in the areas of organic products, horticultural products, groundnuts, and basmati rice

REJECTION OF CONSIGNMENTS

This takes us to a fiasco that happened in 2010, when the European Union (EU) rejected 1,200 containers of table grapes from India. The residue of a plant growth regulator was found to be in excess of the EU norms. Aggrieved farmers went to the Bombay High Court seeking compensation, saying that APEDA and the National Research Centre for Grapes failed to alert them. The High Court awarded ₹200 crore compensation, and APEDA's appeal in the Supreme Court is pending.

Last year, Indonesia suspended imports of groundnuts from India. Jakarta further tightened aflatoxin norms for exports of groundnuts, which some exporters say make it tough to ship them. APEDA's role in this has come under scrutiny, with exports dropping from $300 million in 2024 to $190.86 million in 2025 and $72.59 million in January-August this year. India's loss has been China's gain in this key market. Trade sources say Chinese influence cost India its market share in Indonesia.

On the basmati front, particularly in promoting and protecting the geographical indication (GI) tag, APEDA's plea for a GI tag in Australia, New Zealand and Kenya has been rejected. The EU has been dragging its feet since 2018. Basmati producers and exporters are now demanding a separate board to promote the fragrant rice in the global market.

There are a few shortcomings, too, in promoting Indian agricultural products abroad. For example, banana, mango and pomegranate hold enormous export potential. APEDA has not done enough to promote these products abroad, particularly highlighting the uniqueness of Indian products. India showed the advantage of pomegranate, but Mexico and Turkey took advantage, with New Delhi being slow in scaling up its efforts.

This is one part. The other shortcoming is that, barring buffalo meat or non-basmati rice or spices, Indian exports seem to mainly depend on its expatriate population abroad. Why has no initiative been taken to promote Indian products in big retail chains such as Walmart, Schwarz, Tesco or Woolworths?

The Commerce Ministry, under which APEDA functions, could have taken more initiatives to increase exports of agricultural products. It should have encouraged APEDA to become a think-tank rather than allow it to continue regulating and monitoring exports.

Indian agricultural product exports have to be marketed proactively abroad to buoy the Indian economy by ensuring higher returns to growers. Policy stagnation has to end, and this can happen only if government agencies such as APEDA are reformed, including introducing more professionalism.

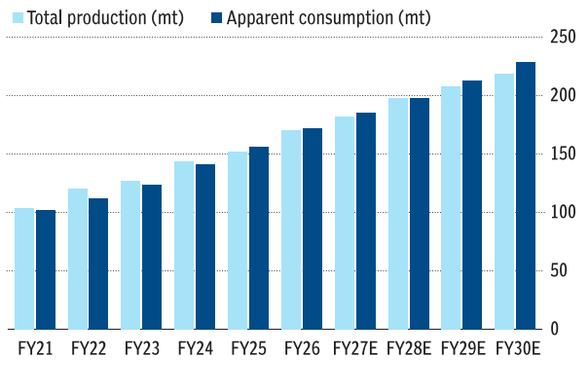
STATISTALK.

Compiled by **Dhuraivel Gunasekaran** | Graphic **Visveswaran V**

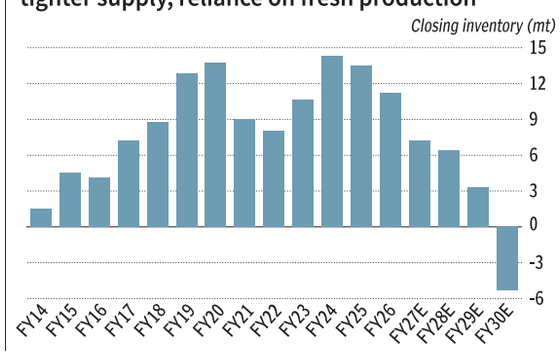
India's steel market heads for a supply squeeze

India's steel sector is poised for a tightening supply-demand balance, with inventories expected to decline and prices to find support. Aditya Birla Money estimates steel consumption will rise to 229.2 million tonnes by FY30, outpacing production of 218.6 million tonnes. The resulting deficit could draw down inventories despite expanding capacity. Historically, domestic HRC prices have moved in tandem with inventory cycles, and recent stock depletion alongside price recovery points to firmer market conditions. Meanwhile, trade barriers across the US, Europe and UK are curbing import while India's import restrictions support domestic pricing. Robust infrastructure-led demand adds to this favourable outlook for producers.

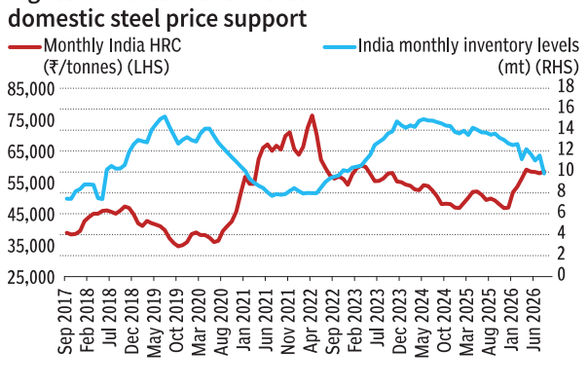
Steel demand races ahead of domestic output in India



Inventories head towards zero, signalling tighter supply, reliance on fresh production



Tighter inventories reinforce domestic steel price support



Trade barriers strengthen domestic steelmakers' pricing power

Region	Measure	India impact
US	50% on steel imports, 25% derivative tariffs	Surplus steel diverted to other markets
EU	18.3 mtpa duty-free quota; 50% duty above quota	30% quota cut to ~1.9 mt may redirect exports home
UK	Quotas cut 51%; 50% duty on excess	Narrows European market access
India	12%, 11.5% and 11% safeguard duties on flat steel*	Supports domestic HRC prices until FY29
Vietnam	Up to 27.8% duty on Chinese HRC	Chinese steel may be diverted to India and Asia

*Subject to CIF thresholds

Source: Aditya Birla Money Ltd

On businessline.in

Why 24-hours in a day is not enough for women

Women across India face time poverty. Piped water, clean cooking energy, accessible child and elder care are needed. Men must also do household chores, argue **Nandani Yadav** and **Priyabrata Sahoo**

https://tinyurl.com/2v7yfash

Where is exploitation when labour is invisible?

In AI-driven factories the challenge is to identify and measure the contribution of the labour involved in producing goods and services by **Prabir Kumar Bandyopadhyay**

https://tinyurl.com/38aj5b2c

An environmental ruling of importance

In the Vanashakti case, the Supreme Court has closed one route to environmental clearance and preserved another, **Ashutosh Senger** and **Abhishek Tripathi** point out

https://tinyurl.com/nhkf7x7j

thehindu businessline.

TWENTY YEARS AGO TODAY.

November 4, 2006

Banks cannot hold more than 10% stake in NBFCs

Banks in India, including foreign banks, cannot hold more than 10 per cent of the paid-up equity capital of a deposit taking NBFC. The rule will not apply to investment in housing finance companies. Banks have been given two months to comply with the edict, which could halt NBFCs from doubling for banks.

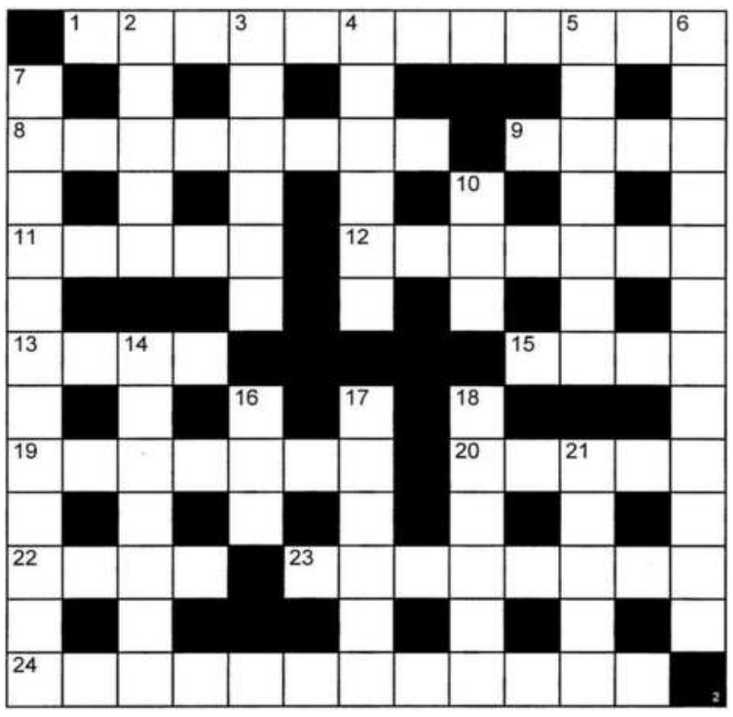
Reliance makes a Fresh retail splash

Reliance Industries has made its 'big splash' into the emerging retail sector in the country, launching a clutch of 11 pilot 'Reliance Fresh' outlets in Hyderabad with much fanfare and international media attention. Beginning with vegetables and fruits, these 'Fresh' outlets, are starters, in the ₹25,000-crore agri and retail business venture of the company, which will have its presence across 784 cities and 6,000 towns in the country.

CA's ex-CEO Sanjay Kumar sentenced to 12 years

Mr Sanjay Kumar, former Chief Executive of CA Inc, was sentenced to 12 years in federal prison for his role in a $2.2-billion accounting fraud at the computer software company that cost shareholders more than $400 million. Mr Kumar pleaded guilty to charges just two weeks before his trial was due to start.

BL TWO-WAY CROSSWORD 2770



EASY

ACROSS

1. Facsimile, print (12)
8. Position, posture (8)
9. Carriage, frame for bearing the dead to grave (4)
11. Japanese martial art of swordsmanship (5)
12. A freckle (7)
13. A bunched cluster (4)
15. Addition sign (4)
19. Green jewel (7)
20. Provide food, entertainment etc (5)
22. Lower house of the Irish parliament (4)
23. Of a disease-carrying bacterium (8)
24. Horses teamed for setting the pace (7,5)

DOWN

2. Archaic giant (5)
3. Restrict supply of food (6)
4. Something it's dead easy to accomplish (6)
5. First letter, as of name (7)
6. Person at end of mental tether (7,5)
7. Brand outselling others of its kind (6,6)
10. Whatever amount (3)
14. A bend, fold (7)
16. Honeycomb material (3)
17. Totting up (6)
18. Slag, dross from metal smelting (6)
21. Furniture item (5)

NOT SO EASY

ACROSS

1. Copy of red tunic – poor adaptation (12)
8. Position to be taken at duet it arranges (8)
9. Be right to include one to rest the coffin on (4)
11. Japanese swordsmanship may finish in a knockout (5)
12. A freckle has gone, lit in such a way (7)
13. Bunch of wool in carpet futuristic backing will reveal (4)
15. It is a positive sign there's more to it (4)
19. Having been red, male turned green (7)
20. Provide food for Puss going to meet the Queen (5)
22. It is almost quotidian, the assembly in Eire (4)
23. How I rob MCC, one of the bugs going astray (8)
24. Pacemakers for those hoping to make the Vice-Presidency? (7,5)

DOWN

2. Old giant and tent one built for him (5)
3. Restrict the supply of rain to this form of it (6)
4. It is curious, in being misled, that it's so easy to accomplish it (6)
5. Serving at the start, give it a one - nil result (7)
6. A very anxious person sunk crew, over the confusion (7,5)
7. The brand that outsells others may have trademark Lee (6,6)
10. A city in America, no particular one (3)
14. There's a fold in line fox can destroy (7)
16. The moon will increase a fit of anger (3)
17. Saying something else about doing one's sums (6)
18. The dross from the car is scattered round a circle (6)
21. It may be a list of figures for the board (5)

SOLUTION: BL TWO-WAY CROSSWORD 2769

ACROSS 1. Scrump 8. Wrath 9. Harness 11. Telltale 12. Smirk 15. Late 16. Try 17. Orgy 19. Smile 21. Landfall 24. Yawning 25. Grove 26. Barrow

DOWN 2. Charm 3. Unnerved 4. Past 5. Swill 6. Lama 7. Shoe 10. Severally 12. Sole 13. Commoner 14. Hyde 18. After 20. Lingo 21. Legs 22. Nook 23. Lamb

M ND-NDE

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Fundamental factors

FPI taxation and capital flows should not be mixed

Despite the recent pullback in equity markets, considerable anxiety exists among retail investors, including those investing through mutual funds in a disciplined manner using systematic investment plans. The benchmark Nifty 50 is down about 9 per cent since the beginning of this year and is flat since January 2025. Persistent selling by foreign portfolio investors (FPIs) is one reason for this underperformance. FPIs this year net sold Indian stocks worth about ₹2.9 trillion and were net sellers in 2025 too. This has led to demands that taxes on them should be reconsidered. The argument is that most jurisdictions don't tax foreign investors, which tends to affect the capital-allocation decisions of large international fund managers.

In this context, Union Finance Minister Nirmala Sitharaman, during an interaction this week, acknowledged the concern over sustained FPI selling. However, the minister rightly pointed out that the tax structure was the same when India received robust capital inflows in 2023-24. No changes had been made to attract capital flows. She did acknowledge that the circumstances had changed since then. It has been reported that the Securities and Exchange Board of India (Sebi) has also recommended removing long-term capital gains (LTCG) tax imposed on foreign investors. Given that the tax is not affecting market functioning in any manner, it is intriguing why Sebi is making such suggestions. Perhaps the market regulator is conveying its gleanings from conversations with FPIs and stakeholders. Be that as it may, the issue is worth debating. The outflow clearly has not happened because of taxes. It is worth highlighting that FPIs are buying too — it is just that the amount of selling is higher in the aggregate. For instance, FPIs have been net buyers thus far in November's two days of trading, and were net buyers through July and August.

For policy purposes, the issue of recent FPI flows must be separated from that of taxation. Outflows are being driven by more fundamental factors, with implications for macroeconomic management. Risk capital from across the world is being invested in a big way in artificial intelligence (AI) and related areas. Since India is not a large player in AI, it is finding it difficult to attract foreign capital. The other reason is the significant increase in government bond yields across the world. An increase in the risk-free rate tends to push up the asking rate of return for other assets. These, along with higher oil prices owing to the conflict in West Asia, are putting pressure on the balance of payments and, consequently, the rupee.

Thus, the macroeconomic response to the situation needs to be much wider. The Reserve Bank of India (RBI) attracted foreign flows under swap schemes, including one for Non-Resident Indians. The data suggests that it is using its reserves to contain the decline in the rupee. The RBI has also put various restrictions in the currency-derivatives market to curb volatility. However, these measures will work if global conditions are expected to turn favourable soon. If the underlying conditions persist for a few more months, macroeconomic management could become more challenging. A lot will depend on how the results of the midterm elections in the United States influence its actions in West Asia. On the issue of taxation, since India needs robust capital flows in all circumstances to supplement domestic savings to achieve higher economic growth, its policies should not be out of sync with the rest of the world. The government will have to consider various other aspects, such as taxing different instruments for resident investors. Ideally, differential tax treatment should not influence investment decisions unless that is the desired policy objective.

A trust deficit

Govt must respect arbitral awards

The Supreme Court has succinctly articulated a key impediment to a vibrant investment climate in India: The Government of India's consistent refusal to honour arbitral awards. The court was hearing a 22-year-old dispute in which the government was challenging an arbitral award — for a third time — in a production-sharing contract with a consortium to develop oil and gas fields in the Krishna-Godavari basin. The arbitration, which began in 2004, has had a tortuous journey through an arbitration panel award to Vedanta (then Cairn Energy) and Ravva Oil (Singapore) in Kuala Lumpur, unsuccessful appeals in the Malaysian courts, a $99 million demand from the government, a second round of litigation in Malaysia, rejection by the Delhi High Court in 2026, and finally, a Supreme Court appeal. The two-judge Bench of Justice J B Pardiwala and Justice Manmohan pointed to the Centre's practice of contesting the enforcement of the arbitration award after decades of litigation. They pointed out "no one would trust the government" if it persisted with such practices.

The issue of trust is intrinsic to international commerce. Yet the government's maximalist legal approach or its penchant for leveraging its policymaking powers to elude contractual arbitration awards has become a sticking point in concluding bilateral investment treaties (BITs) or in India's emergence as a credible arbitration centre. In 2012, for instance, the Manmohan Singh government passed a law taxing, with retrospective effect, overseas deals involving Indian corporations. The law triggered international arbitration for Vodafone's acquisition of Hutchison's share in Hutchison Essar and a corporate reorganisation for Cairn Energy in India, both of which the government lost but declined to honour.

Then followed embarrassing developments as Cairn moved to seize Indian state assets in France and the United Kingdom to enforce the award, after which the retrospective tax law was scrapped in 2021. But the fact that the Narendra Modi government terminated most of the BITs in 2016, including with major trading partners, underlined New Delhi's inherent intransigence to international arbitration. Since then, the replacement Model BIT introduced a five-year exhaustion clause of local remedies. The policy yielded BITs with a handful of mostly marginal countries. This encouraged the government to soften its approach. The 2024 BITs with the United Arab Emirates is reported to have reduced the local-remedy clause to three years and the one with Saudi Arabia had a two-year stipulation. Trading partners have sought a one-year clause, which New Delhi has not accepted so far.

The government remains an energetic litigator against arbitral awards, accounting for more than 40 per cent of the challenges against those filed before the Delhi High Court between 2021 and 2024, according to a study. The government has admitted in Parliament that state-owned power and road corporations accounted for more than 60 per cent of the challenges. Given this record and the snail-paced functioning of the judicial system, it is no surprise that long-drawn efforts to establish India as a major arbitration hub have gone nowhere, despite legislative amendments to facilitate a faster enforcement of arbitral awards. Investors are likely to weigh these developments against the government's persistent evasive proclivities. The Cairn-Ravva saga does not enhance confidence in the government as a business partner or predictable policymaker.

A relook at food subsidy

Estimates on poverty reduction should be used to usher in a targeted scheme for free foodgrain

ILLUSTRATION: AJAYA KUMAR MOHANTY



RAISINA HILL
A K BHATTACHARYA

Less than three months are left before the Union Budget for 2027-28 is due to be presented in Parliament. Even as inter-ministerial consultations have started and discussions with representatives of industry, trade, and farmers, among others, are set to be held soon, expectations from the forthcoming Budget are already running high. This is not just because the Securities and Exchange Board of India (Sebi) has called for the removal of the long-term capital gains tax for foreign portfolio investors, but also because Finance Minister Nirmala Sitharaman has responded to this issue by making a careful statement that the government acknowledges concerns about sustained foreign investment inflows and the market's anxiety over them.

Expectedly, the stock market has responded positively to these statements in the hope that the Union Budget on February 1 will revise the taxation framework for long-term capital gains from assets. At another level, senior government officials are making statements that underline the need for more reforms. Those too have raised expectations from the forthcoming Budget.

Last week, Chief Economic Advisor (CEA) V Anantha Nageswaran delivered an important address highlighting the imperatives before India's economic policymakers in the face of the current challenges. For obvious reasons, the headline for the CEA's address focused on the comparison between the current economic challenges of 2026 and those that India faced in 1991. Of course, the comparison was qualified, even though the structural and external challenges were as formidable then as they are now. The policy suggestions made by the CEA, particularly the one requiring a re-examination of the country's growth and industrial strategies, deserve serious consideration. The simultaneous pursuit of import substitution, stronger local manufacturing, and improved export competitiveness will also require a reimagined policy approach.

Similarly, recent statements from NITI Aayog Member Rajiv Gauba have ignited hopes of an overhaul of urban governance, with empowered city governments, directly elected mayors with five-year terms, greater financial autonomy for urban local bodies, and the introduction of integrated land-use planning in cities and towns of India. Over the past many years, the Union Budget has gone beyond fiscal matters, outlining the government's overall development policies as well. Mr Gauba's statement that urban centres cannot be effectively run from state Capitals should lead to necessary governance reforms, as city governments will require the authority, resources and institutional capacity to address local developmental issues.

The coming Union Budget can lay down a road map for ensuring the devolvement of all 18 functions, listed under the 74th Constitutional Amendment Act to urban local bodies. States can be nudged to ensure that urban local bodies are empowered to take decisions on master planning, water supply, fire services, and traffic management, which are all functions currently controlled by most state governments.

But going beyond governance, there is an important issue that the Union Budget should tackle to support the government's fiscal situation. That reform should be in the area of food subsidies and its need has been triggered by a World Bank report (the Poverty and Equity Brief for India) released in October. It states that between 2011 and 2023, the share of Indians living below the poverty line, using the yardstick for lower middle-income countries (daily consumption of $4.2), fell from 57.7 per cent to 16.1 per cent. The World Bank report released another datapoint indicating that India's extreme poverty (measured by a daily consumption of $3, used for low-income countries) fell from 27.1 per cent to 2.6 per cent during the same period. But the relevant number for India's poverty estimate is the one showing the decline in the share of poor people in the country's total population to 16.1 per cent. India is a lower middle-income country and the daily consumption benchmark of $4.2 is the correct yardstick to measure India's poverty level.

Such a reduction in India's poverty level is obviously being debated among economists. There are many questions about how this reduction was achieved and whether it impacted the level of inequality in India. While these issues warrant further discussion, another policy debate should be triggered by this poverty reduction. This is about the Modi government's scheme to supply free foodgrain to over 800 million Indians.

Remember that India did not have a free foodgrain scheme in 2011, when its poverty level was 57.7 per cent, according to the World Bank. The free foodgrain scheme was started in March 2020 in response to the Covid pandemic. It was tweaked slightly to cover all beneficiaries under the National Food Security Act in January 2023 for a period of 12 months, even though Covid was no longer a threat at that time. Then, a few weeks before January 2024, it was announced that the free foodgrain scheme would run for five years. In the process, over 57 per cent of India' total population has come to enjoy free foodgrain, even though the country has a poverty rate of 16 per cent.

For the Union government, the free foodgrain scheme entails a significant cost. Food subsidies are estimated at over ₹2 trillion every year, over four per cent of the government's total annual expenditure. Food subsidies cannot be completely eliminated. But they can certainly be reduced significantly if the free foodgrain scheme is targeted to benefit only the poor. Any such move will face obvious political pushback because of the electoral costs it could impose on the ruling party.

But a government that could take on powerful retailers by reintroducing the merchant discount rate (MDR) on select transactions made through the Unified Payments Interface can be expected to roll out a similar free foodgrain scheme that benefits only the poor and needy.

Why talk of only traders? The government this year has successfully linked the sale of fertilisers to farmers' land records through the use of AgriStack and other digital platforms. Fertiliser sales this kharif season fell by over 37 per cent. As a result, the new scheme has prevented large-scale diversion of fertilisers to non-farming sectors and to neighbouring countries, where fertiliser prices are much higher. The government's fertiliser subsidies bill too has benefitted.

Hopefully, the proposed MDR will be enforced after Diwali, and the scheme linking fertiliser sales to land records will be continued and expanded to cover more farmers after addressing concerns of tenant farmers. Food and fertiliser subsidies in the first half of the current financial year have been kept under check so far, growing by 13 per cent against the annual growth projection of 18 per cent. Given the way energy prices have been behaving, the government needs to introduce these subsidy reforms to provide some cushion against expenditure slippages in other areas this year and during 2027-28.

India can't afford to ignore money growth



PRASANNA TANTRI

"Similarly, there are risks of demand-side pressures in view of the growth in monetary and credit aggregates." This sentence from the Reserve Bank of India Governor in the latest Monetary Policy Committee minutes deserves attention. After receding from public-policy discussions, the quantity of money is receiving explicit recognition once again. Should we bother with it when the RBI already sets interest rates and targets inflation? In India, the answer is yes.

The numbers explain why. Broad money, or M3, consists principally of currency and bank deposits. Its growth accelerated from around 9.3 per cent in 2024-25 to 15.3 per cent in 2025-26, while nominal gross domestic product (GDP) grew by less than 9 per cent in the latter year. Annual money growth remained at 16 per cent on October 15. Our compilation places M3 at approximately 91 per cent of GDP in March and around 93 per cent by September, using projected GDP. The ratio was approximately 86 per cent 18 months earlier. This represents substantial monetary expansion relative to income.

There is, however, a serious intellectual argument against assigning money growth an independent role in policymaking. In the New Keynesian framework associated with the recent Nobel prize winners, spending responds to current and expected future real interest rates. The relevant real rate is the nominal rate minus expected inflation. Lower real rates encourage spending today and weaken the incentive to postpone consumption. When prices adjust slowly, stronger demand eventually pushes up inflation.

From this perspective, monetary policy works through interest rates, expectations, and financing conditions. The central bank need not separately target money if these channels adequately capture the stance. Money may expand because banks lend more and create deposits, making it partly an outcome of economic decisions rather than an independent cause. Financial innovation also makes money difficult to define, while the central bank cannot precisely control broad money.

Moreover, creating bank reserves does not guarantee additional lending. Banks may retain liquid assets because they fear losses, lack capital or cannot find creditworthy customers. Borrowers may prefer repayment to fresh borrowing. The American experience after the global financial crisis illustrates why reserve creation need not translate proportionately into money, credit or inflation.

Monetarists would respond that this places too much confidence in policymakers' ability to identify the correct interest rate. A nominal rate can look restrictive while being expansionary once expected inflation is factored in. Sustained growth in money beyond the public's willingness to hold it encourages adjustment through spending and purchases of assets. Money, therefore, provides information that an interest-rate diagnosis can miss. The relationship is neither immediate nor mechanically proportional: Desired money holdings and the speed of spending also change.

India has two reasons to take this monetarist warning seriously.

First, the possibility that additional liquidity remains disconnected from lending is less reassuring when credit is already expanding strongly. Bank credit reached ₹227.43 trillion on October 15, growing 18.2 per cent over the preceding year, compared with 11.6 per cent a year earlier. This does not establish that reserve creation caused every additional loan. It establishes that we are not observing abundant reserves alongside stagnant bank lending. Money and credit are expanding together.

Second, and more importantly, India lacks a sufficiently reliable measure of the inflation expectations driving spending, saving and price-setting. Household survey expectations persistently exceed subsequent national consumer price index-based inflation. Some discrepancy reflects households' different consumption baskets. Survey movements can still be informative. But using these numerical expectations to calculate the real rate remains problematic.

Professional forecasts help predict reported inflation, but they cannot substitute for understanding the expectations governing wage negotiations, rents, school fees and contract renewals. Those decisions determine how anticipated inflation enters future prices. We need better surveys and evidence from contracts committing parties to future payments.

Until then, monetary aggregates offer a valuable cross-check. Even someone convinced that money has no independent causal role should ask whether its growth improves inflation forecasts. Prediction does not require establishing that the predictor independently causes the outcome. If money growth helps anticipate inflation, ignoring it because causality is disputed would discard useful information.

This is compatible with a New Keynesian framework. If expected inflation is mismeasured, our estimate of the real rate is wrong. Rapid monetary and credit growth should prompt a reassessment: Is policy providing more stimulus than the nominal repo rate suggests?

Nor is all monetary growth dangerous. A growing economy needs more money, and financial deepening can justify a higher money-to-GDP ratio. The warning is persistent, substantial expansion beyond income growth without evidence of a corresponding increase in desired money holdings.

India's historical experience suggests that 80-84 per cent of GDP is a useful reference range for broad money, not a scientifically established optimum. Returning towards it gradually would require money growth to lag nominal income growth, rather than an abrupt monetary contraction.

The repo rate should remain the principal instrument and inflation the objective. But money growth deserves an explicit place in forecasts, minutes and communication. When expectations are poorly measured, an interest-rate framework needs more cross-checks, not fewer.

The writer teaches at Indian School of Business

The paradox of calculated happiness

BOOK REVIEW

V KUMARASWAMY

Gross domestic product (GDP) has been the dominant measure of well-being, despite being a highly unidimensional economic concept. This book is a comprehensive primer for all those interested in extensions, derivations, and alternatives to GDP as a measure of happiness. It deals with measures, metrics, and strategies relating to alternatives such as Gross National Happiness, the Millennium Development Goals (MDGs), the Sustainable Development Goals (SDGs), the Human Development Index (HDI), the World Happiness Index, Subjective Well-Being (SWB), the OECD's Better Life Index, and so on.

Happiness, as the book observes, has been associated with different inputs by different sections: For the economists, it depends on GDP, higher income and consumption; for the sociologists, it is the quality of social support; for the psychologist, it is personality traits and the state of mind; for the philosophers, it is the virtue ethics; and for the theologists, it is the virtues of faith, hope, and charity. Most of these are ignored by GDP-based approaches. Factors such as social trust, quality of work, freedom of choice, and political participation, which play a decisive role in influencing happiness have been ignored.

In the recent decades, various indices have tried to capture the other influencing factors in varying degrees and have tried to influence policies by publishing ratings of all countries. However, the obsession with measurement and comparison persists, which the World Happiness Report naively defended by stating, "factors generally used to explain human development (all measurable variables) are equally applicable to explaining happiness". Most of these indices measure status at a particular point in time (like GDP) rather than progress (growth rate), which is far more effective in motivating even those at the bottom to improve their lot, especially since happiness, as the author states, is more of a journey than a destination.

Besides exploring pitfalls of GDP as a measure, and detailing Gross National Happiness pioneered by Bhutan, SDG, and MDG, the book devotes a large part to summarising the various Human Happiness Reports that started in 2012 as a joint initiative between Gallup and UN Sustainable Development Solutions. Each report deals with specific dimension of happiness. For example, the 2015 report introduced the concept of "quality adjusted life years"; 2016 talked of the inequality of well-being; 2017 drew attention to the contribution of social foundations to happiness; and 2021 dealt with the effects of the pandemic. Irrespective of whatever is being discussed, it is always Finland, Norway, Iceland, Ireland, and Denmark that are at the top, while Syria, Rwanda, Eritrea, Chad, and Afghanistan are taking turns at the bottom. India is ranked between 110 and 120 and China around the 90s.

One wonders what transformational role these rankings play in policymaking. The writer believes that for better acceptance of these indices, the report should also list the five best practices from each country wherever placed. Every country has something to offer positively: Syria can teach others survival in continuous strife, the United States can teach us how to face pink slips, India on staying together despite diversity and raucous democracy, Rwanda on economic transformation after civil war, to suggest a few examples.

The book is more descriptive than analytical or a critical review. There are several paradoxes mentioned. One is that income explains only 1 per cent of the variations in happiness, signifying very low correlation. Then how is it that only rich countries monopolise the top happiness ranks, even ahead of Bhutan, the pioneer of the concept, which ranks in the 80s and 90s? Second, is the assumption that people more satisfied with their life are more likely to vote. In India, it has been observed that the richer the citizen, the less likely they are to vote. Third, the report posits a negative relationship between parenthood and life satisfaction, especially in rich countries. Fourth, it suggests that people in rural areas are happier than urban areas in richer countries but the opposite is true in poorer countries. A critical deep dive into these could have added significant value to the debate on the subject.



Beyond GDP: In Pursuit of Measuring Happiness
by Alok Ranjan
Published by Om Books
272 pages ₹399

The paradox of Finland, which has topped the list in most happiness rankings across years, needs to be unravelled. Ed Miliband, UK's foreign secretary, famously said, "If you want the American dream, go to Finland." But suicides are the third largest cause of death for Finns aged between 16 and 24. Finns see themselves as reclusive, reticent, serene, and even depressed and doubt the rankings. A 2023 study suggested that they value their democracy, governance, free education, health care and trust their government. But the main source of their happiness comes from love for nature, sauna baths, summer holidays, hiking in pristine forests, fishing in rivers, chopping wood, kindling fire. Some of the latter activities are practised in many poorer societies rated at the bottom.

The book rightly recalls several positively contradictory reports on India's ratings. For example, a report by HappyPlus using a much larger sample size found India's life evaluation score to be 6.84, nearly twice of WHR ratings.

The sections on India, though good at detailing what is happening, could have provided critical inputs based on the author's vast experience in the Indian Administrative Service. It is only to be expected that dealing with such a vast subject, with varied definitions and perception, would be a hazardous path. But one can agree with the author and the WHR that the evolution from the GDP-era to the well-being era has started.

The reviewer is the author of Making Growth Happen in India

Rap the App & Knock On Nasdaq's Door

Mind the taxes, conversion, compliance

Hold your US midterm thoughts a bit longer. Instead, gaze upon the US stock market—online investment platforms are opening it up for Indian retail investors. Big Tech holds a special interest for Indian investors as the AI infra build-up concentrates investment interest. Apps like Groww and Zerodha are making it easier for small investors to get into the game.

Overseas equity investments were, of course, possible earlier, but were restricted to HNIs through foreign banks and wealth management firms. Lowering the ticket size could increase outbound equity investment for those seeking higher returns than what they can expect here at home. Underperforming domestic markets and pressure on the rupee make US stocks lucrative. But the diversification strategy has to factor in the friction of taxes, currency conversion and compliance burden. Transferring funds, currency exchange, brokerage and forex fees, and withdrawal charges eat into returns of small and frequent trades. Capital gains are taxed in India depending on the holding period, while the US imposes a withholding tax on dividends for retail investors. Since investments are routed through RBI's liberalised remittance scheme, tax collection at source applies above a transfer threshold in a financial year. TCS and the US withholding tax on dividends can be adjusted against I-T liability. But both involve additional paperwork. Tax filing becomes more involved with disclosure of all foreign assets, including unsold stocks held overseas. Reporting requirements are stringent with heavy penalties involved.



Other means exist to gain exposure to foreign equity, like through MFs that don't raise the compliance burden and trading friction for retail investors. This route has a potential downside in that it can layer fees of the domestic MF, as well as those of their international partners. But it doesn't run into tax complications. Direct investment is à la carte, and appeals to a certain type of investor who'd prefer to retain control over decisions, while the big boys 'go Nasdaq'.

Stop the Price Scam In Our Hospitals

Most patients in India have virtually no say in their medical treatments. Yet, they shoulder the entire financial burden, frequently paying prices vastly disconnected from actual wholesale costs. A recent Maharashtra FDA survey across the Mumbai Metropolitan Region, Pune and Chhatrapati Sambhajinagar revealed staggering price inflation. An IV infusion set bought for ₹11.05 was billed at an MRP of ₹325; a ₹6.75 syringe was listed at ₹57.20; and a ₹29.41 catheter cost ₹310. Uncovering markups as high as 2,841%, the regulator requested guidelines from National Pharmaceutical Pricing Authority (NPPA) on acceptable price gaps.

In 2018, an NPPA review of hospital bills found that consumables made up nearly 1/10th of total patient costs, more than double the expenditure on scheduled essential drugs. NPPA flagged profit margins on non-scheduled items like cannulae and catheters as exorbitant, noting that in-house hospital pharmacies trapped patients without alternatives. Crucially, it acknowledged that such medical disposables fell outside its price-control mandate. After the FDA report, Association of Indian Medical Device Industry (AiMeD) said the findings highlighted the need for a separate pricing policy for medical devices.



The core issue isn't producing another report confirming that medical supplies are overpriced. It is actionable intervention. Instead of relying on sporadic media exposés, or isolated state-level surveys, the government should establish an independent regulator to systematically sample hospital bills across regions and procedures. This body would compare procurement costs against billed MRPs, highlight egregious outliers, publish anonymised data, and separate legitimate operational overheads from predatory markups.



JUST IN JEST

Ye of little ignorance, heed our advice and act dumb to win

Stay Empty, Stay Stupid

When Steve Jobs, the previous era's Elon Musk, exhorted Stanford graduates in 2005 to 'stay hungry, stay foolish', he was celebrating curiosity, intellectual adventure and the courage to venture into the unknown. Two decades later, his advice needs an upgrade: 'Stay empty, stay stupid'. Intellectual emptiness is no longer a handicap but a competitive advantage. Silly things like knowledge and expertise are sillier impediments to the modern pursuit of success and power, which now usually depends on saying something spectacularly idiotic that will hold the entire room's attention and be qualified as genius. An impressive ignorance of the subject, inexhaustible supply of self-confidence, and a condescension towards anyone who knows better are today's triple-whammy virtues. The last is particularly important. Nothing establishes intellectual superiority quite like treating intelligence as a self-righteous character defect.

Most people cannot relate to a smart guy who extols the value of doubt and confirmation. They can, however, relate to someone spouting invectives and pouting on his own trumpet. Ignorance creates a certain kind of natural camaraderie (of ignorants). Fools have always found power and popularity. The new twist is that foolishness has become aspirational. Our advice, dear smart reader? Act dumb. It's bound to take you places.

Our cities must become far more business-friendly for India to achieve high per-capita income

Make Urban Legend Real



Arvind Panagariya



Business as usual

New York: With some exceptions, central-level big-ticket reforms I wrote about over the past three decades—beginning with a 1994 article calling for an end to import licensing for consumer goods, a measure omitted from the 1991 reform package—have been enacted. Exceptions include a still-incomplete agenda to privatise PSEs and PSBs, and to liberalise trade, energy and financial sectors; reform of higher education; and, above all, politically-challenging judicial reforms.

As the Centre makes steady progress on these fronts, states must step up. No area needs more attention than urbanisation, which has been integral to economic transformation in all countries that have achieved high per-capita incomes.

Whether we consider early industrialisers like Britain and the US, or later ones, including Japan, South Korea, Taiwan and China, none achieved high per-capita incomes without becoming at least 60% urban. The main difference is that the time to urbanise has shortened. Britain took a century, the US 80 yrs, Japan 55-60 yrs, and South Korea, Taiwan and China 30-35 yrs.

By comparison, India's urbanisation has been slow. The share of the population living in urban areas rose from 25.7% in 1991 to 31.2% in 2011 and, with a census still pending, is officially estimated at 36.4% in 2023. More than 30 yrs after the launch of economic reforms, the urban population has increased by 10.7 percentage points.



To be sure, no country to date has achieved high per-capita income with a majority-rural population

It is sometimes argued that India can remain rural, although with urban amenities, and still achieve high per-capita incomes. The counter-argument is that while a 60-70% high-income urban population can support high living standards for 20-30% of the rural population, a 45-50% high-income urban population cannot sustain high living standards for 50-55% of the rural population. To be sure, no country to date has achieved high per-capita income with a majority-rural population.

So far, the largest contributor to urban growth has been the natural increase of the urban population. But, as in the rest of the world, fertility rates have taken a nosedive in India, greatly slowing this engine. In the coming decades, much of urbanisation will have to come through rural-urban migration, and conversion of rural habitations into urban ones.

In India, even the latter avenue offers limited scope for productivity-enhancing urbanisation. Except for some densely-populated regions in states like Bihar, UP and Kerala, India's rural population lives in small, non-contiguous habitations.

According to 2011 census, 75% of India's rural population lives in habitations with 5,000 or fewer residents. With some exceptions, these habitations are highly dispersed. So, the scope for converting them into substantial urban agglomerations is extremely limited.

The census may recognise many of these habitations as urban, and state governments may even convert them into statutory urban bodies. However, unless they are located on the periphery of a larger existing urban agglomeration, they are unlikely to grow large enough to support substantial, high-productivity economic activity.

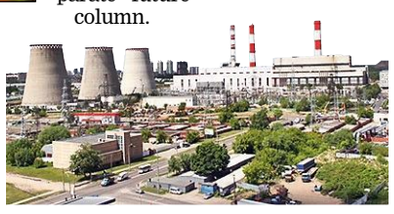
Therefore, in the coming decades, rural-urban migration will have to be the principal engine of urbanisation. Even when several proximate or near-contiguous villages are combined to form a city, as in Amaravati in Andhra Pradesh, densification will require migration from more distant, non-contiguous villages.

This inference leads to the inescapable conclusion that Indian cities need to become far more business-friendly than they are now. Urban authorities have traditionally focused on improving life for the existing city population, which, no doubt, is a desirable goal, and a political imperative.

Yet, if urbanisation is to accelerate, cities must also become business-friendly. New and expanding businesses would create well-paid jobs that workers can migrate to from nearby rural areas.

Once the urgency of expanding business activity in urban agglomerations is recognised, the next set of questions concerns the state-level actions needed to make business activity by existing and new enterprises less costly and more profitable, especially in labour-intensive sectors.

The first question is how to ease urban land scarcity and curb its high price. One simple measure states can take is to follow Andhra Pradesh's lead and end the practice of requiring numerous permissions from state government departments before agricultural land can be used for non-agricultural purposes, at least within 8-10 km of an existing city's periphery. Several other measures, some by GoI, can help alleviate urban land scarcity. A discussion of these measures will be the subject of a separate future column.



States can, like Andhra Pradesh, end the practice of requiring numerous permissions from state gov departments before agricultural land can be used for non-agri purposes

States also need to use the flexibilities embedded in the new labour codes to make entrepreneurial activity in labour-intensive sectors more attractive. Among other things, they can relax the ceiling on workforce size above which a firm must seek permission to lay off workers.

They must resist the temptation to set the minimum wage at unrealistically high levels, especially in tier-2 and -3 cities, where firms in labour-intensive sectors locate because of the lower cost of living.

Other measures that require state governments' attention include rationalising building by-laws, creating mixed-use zones where housing, business and commercial entities are permitted simultaneously, and providing low-rent dormitory housing.

The writer is professor, Columbia University, US

Pull It, Not Just For Better FPIs



G V Giri

Sebi's recommendation that GoI scrap long-term capital gains (LTCG) tax is welcome. It would improve FPI flows, strengthen rupee and help trim fiscal deficit.

Consider this: at FY26 prices, every 1% rupee appreciation would cut fuel and fertiliser subsidies by ₹13,000 cr. A 3-4% appreciation could save ₹50,000 cr a year, and surely even more at today's prices, comfortably exceeding our estimate of GoI's capital gains tax (CGT) collection from FPIs.

Will removing one tax really move the rupee? Evidence says it can. Over 22 yrs till June 2026, FPI equity plus debt inflows have totalled $257 bn, nearly half the cumulative change in India's BoP. Yet, the rupee slid from 46 to 95 against the dollar, principally due to the India-US interest-rate gap, which we stripped out first.

We then ran a multiple regression on 88 quarters of rupee movements against the 3 pillars of BoP: current account, FPI flows, and other capital flows. FPI flows proved to be the best correlated.

The results are striking in quarters with large volume FPI flows. In the 22 heaviest FPI outflow quarters, averaging $6.8 bn, the rupee fell 2.08%. In the 22 strongest inflow quarters, averaging $12.3 bn, it rose 2.26%.

Across these 44 quarters, absolute FPI flows averaged was 1.8% of GDP. FPI flows and rupee moved together 75% of the time, with 0.57 correlation (0.51 across all quarters), which is strong considering the multiple BoP components involved. The regression predicted that in these extreme quarters, rupee would move by 1.9% relative to trend per $10 bn of flows. A level of 1.5% should be appropriate.

Scrapping FPI CGT can trigger significant inflows. Indian CGT is often a double tax: most investors cannot offset it at home, and pension and sovereign funds have no home tax to offset it against.

Consider an investor with a 5-yr horizon earning 13% a year in Indian equities, the historical 10-yr Nifty EPS CAGR. After assuming 30% annual turnover and 4% annual rupee depreciation, Indian CGT plus home-country tax shrink this to just 4.9% a year in dollars. Without Indian CGT, this rises to a relatively strong 7.2%.

FPIs have repeatedly explained to us that ETFs tracking India trail their benchmark indices more than in most markets, and that obstructs new India mandates.

FPIs have pulled out about $77 bn over the past 24 mths and still have $690 bn invested. Assuming inflows of only 0.5-0.75% of annual GDP, CGT removal could bring in $20-30 bn, or trim outflows by that much. That would lift the rupee by 3-4% relative to its trajectory.

The fiscal deficit would improve. In FY26, India imported about $135 bn of crude, related products and fertilisers. At today's prices, that would be at least 20% more. Because the government ultimately absorbs oil companies' overruns and pays fertiliser subsidies, a stronger rupee would cut these costs and help narrow the fiscal gap.

Further, CGT collections fluctuate with markets, and CGT from FPIs could shrink as the market correction erodes taxable gains. Subsidy savings from a stronger currency, however, will endure.

Stronger inflows would also lift valuations, improving the government's disinvestment proceeds. Over time, a lower cost of capital would enable faster growth and a broader, deeper tax base.

Given these benefits, FPI CGT removal will pay for itself almost immediately. Even so, for revenue and political neutrality, securities transaction tax (STT) increases can help.

Both STCG and LTCG should be removed.

Removing only LTCG would prolong the double-tax friction and its impact on expected FPI returns, plus the impression of policy instability that FPIs carry. A complete break would send a strong message of commitment from GoI.

There are no guarantees in a complex world. But this could be a watershed moment, if India seizes it. This is not about India exercising its sovereign right to decide tax policy, and whether foreign investors deserve relief. It is about whether India can capitalise on the chance to enable stronger inflows, a steadier rupee, smaller subsidies, richer disinvestment proceeds and fiscal gains.

India has made remarkable progress through major reforms in the last decade. This is an excellent opportunity to accelerate. Cut capital gains tax on FPI equities immediately, comprehensively and permanently.

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FACE-OFF



There's honey, but careful of a sting

Firm It Up, Don't Junk It



Ashish Karundia

India's capital markets have changed dramatically over the last 20 yrs. Equity investing is no longer confined to a relatively small group of institutions and affluent investors. Millions of households now participate directly or indirectly in the markets, while Indian companies increasingly depend on them for capital.

The tax framework around this market deserves the same evolution. The question is not simply whether capital gains tax (CGT) should be higher or lower, but whether the tax system is predictable and neutral, and whether it encourages the kind of investment behaviour a growing economy needs.

▶ **STT-CGT** Securities transaction tax (STT) is collected when a securities transaction takes place, irrespective of whether the investor ultimately makes a profit or not. CGT is then levied on the gain.

Supreme Court is seized of a challenge to STT in Aseem Juneja v. Union of India (2025), in which an alternative prayer seeks adjustment of STT against short- or long-term CGT, much like TDS. Irrespective of the constitutional question, there is a policy question worth considering: if STT is retained, could it operate as a credit against CGT?

This would preserve STT revenue while preventing it from becoming an additional cost where the transaction ultimately gives rise to taxable capital gains. It would also bring the tax outcome closer to the investor's actual economic return.

▶ **Certainty** The distinction between an investor and a trader has been litigated for years. While judicial principles have evolved, taxpayers still face uncertainty over whether gains from listed securities will be treated as capital gains or business income. A statutory safe harbour could bring much-needed certainty.

Where an investor satisfies objective conditions relating to listed securities, holding period and other prescribed parameters, the law could permit income to be treated as CG. This would not prevent the tax administration from dealing with artificial arrangements, but simply ensure that genuine investors are not required to establish their intention afresh in every assessment.

▶ **Graded rate** At present, tax treatment changes once an investment crosses the prescribed long-term threshold. A more graduated approach could link tax rate to length of investment: the longer capital remains invested, the lower the eventual rate could be, subject to appropriate thresholds.

The objective is not a blanket tax concession. It is to reduce the sharp cliff created by a single holding-period test and encourage investors to stay invested longer. Patient capital benefits companies and markets alike, and the tax system should recognise this.

▶ **Carry-back of capital losses** India considered the principle more than 70 yrs ago. Taxation Enquiry Commission, chaired by John Matthai, examined carry-back of losses in the 1950s. It opposed a general system, citing administrative difficulties and possibility of misuse, though it recommended a limited 1-yr carry-back in certain circumstances where a business permanently ceased.

Circumstances today are very different. Listed securities are dematerialised, transactions are executed through recognised exchanges, and transaction-level information is electronically available to taxpayers and the tax administration.

A limited 1-yr carry-back of realised losses on listed securities against CGs from securities in the immediately preceding year could, therefore, be considered. Relief could be restricted to tax actually paid on the earlier gain, with appropriate safeguards.

Interestingly, the tax rules already recognise one consequence of carrying back losses. Rule 76(14) requires Form 44 where a carry-back of a current-year loss results in a refund of foreign tax for which credit had been claimed in an earlier year. It doesn't create a general carry-back regime for capital losses, but demonstrates that the tax system can revisit an earlier year when a subsequent loss changes the underlying tax position.

The common thread across these proposals is not lower taxation but *better* taxation. As India seeks deeper domestic participation and a larger role for its capital markets in financing growth, tax policy should support that objective. A predictable and neutral tax framework can do more for the quality of capital formation than a series of ad-hoc concessions.

The aim should be simple: tax the return, provide certainty on the character of that return, and avoid allowing mechanics of the tax system to influence investment decisions more than the economics of the investment itself.

The writer is a chartered accountant

THE SPEAKING TREE

Second Arrow

SOHAM D BHADURI

Pain often arrives uninvited. A toothache, a bereavement, a wave of nausea, an afternoon of dreary tedium: they all come unasked, and many of them could not have been prevented. But the bigger problem arrives next: having been struck once, we tend to strike ourselves again, and this second blow, delivered by the mind, is what does much of the damage.

Buddhist teaching offers a felicitous example. In the Sallatha Sutta, the Buddha describes a person struck by one arrow and then a second. The first is the pain itself; the second is the sorrow, resentment and alarm that follow. The wise person, he says, feels only the first. They separate the suffering from their commentary upon it. Such an inner commentary, which multiplies suffering manifold, has an almost universal lexicon. 'Why me?' This is not how things ought to be. What if it never ends?

Research on chronic pain shows that catastrophising predicts greater pain and disability, independent of the physical condition. Epictetus observed that people are disturbed not by things but by their judgements about things. The Stoics never called pain an illusion; they held that assenting to a thought such as 'This is terrible!' is a separate act, one that can be withheld and forsworn.

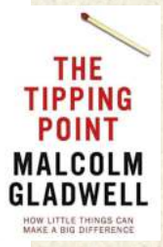
None of this prescribes indifference; severe pain calls for treatment. The remedy is not suppression, which tends to backfire, but a change of inner posture: noticing the urge to protest and refusing to follow it. Each time the second arrow stays in the quiver, pain is allowed to be what it is, and nothing more than that.

PEAS IN A PODCAST

Don't Judge A Book By...

A book cover has just 8 secs to do its job. That's roughly the time it takes to decide whether to pick up a book or scroll past it online. In episode 6 of Greenleaf Book Group's podcast, **Designing a Book Cover**, the host chats with Neil Gonzalez, the publishing house's art director, about what makes a cover click with readers and how designers arrive at the finished product.

Take Malcolm Gladwell's The Tipping Point. Its minimalist cover, with striking typography and a small image, sparked a trend in business-book design. But what works for one genre may fall flat in another. Business books generally benefit from clean, uncluttered designs, while novels need a little mystery. After all, nobody wants the cover to give away the plot.



Gonzalez also has some useful advice for authors: resist the temptation to turn the cover-design process into a popularity contest. Asking friends, colleagues and everyone in between for feedback can result in a bland design that pleases nobody.

A cover must reflect the book's genre, speak to its intended audience, and stand out on a crowded shelf. It's not merely a pretty face. It's the book's first sales pitch.

Chat Room

Building on Shaky Legal Foundation

Apropos 'Homebuyers' Body Writes to PM Seeking RERA Overhaul' by Kailash Babar (Nov 3), it is worrisome and inexcusable that a mammoth investment of ₹12.5 lakh cr of 27 lakh homebuyers is trapped in delayed real estate projects for several years, with delivery nowhere in sight. Rera has failed to protect the interest of homebuyers who are facing dual loss of blocked investment and paying for rented accommodation. NCLT has also not been able to implement resolutions and thwart vested interests of defaulters in legal tussles. In fact, there is inadequate legal, institutional and administrative protection for homebuyers. This fact can't be ignored that construction comes to a halt in Delhi-NCR for more than 3 mths a year due to Grap restrictions.

Vinod Johri
Delhi

OUR VIEW


HT

Watch the retail stress on bank balance sheets

Rising retail credit for non-housing uses, especially consumption, is a cause for worry even as rural households see borrowing costs rise and incomes fall. Policymakers need to watch

Over the past decade, one area of visible improvement in the Indian economy has been the resolution of the 'twin balance sheet' problem, in which the corporate borrowers were weighed down by heavy debt and the banking industry was hamstrung by record volumes of unproductive loan assets. A new bankruptcy code, aggressive write-offs, and recapitalization of state-owned banks helped clean up the mess. With commodity prices and inflation staying low for most of this period, interest rates were at subdued levels, and helped repair stressed corporate balance sheets. A recent report from Dun and Bradstreet on zombie firms—or companies where operating profits are lower than interest expenses for three years in a row—found there had been a broad-based recovery in the 2015-25 period, with the distressed tail comprising only about 14% of the sample.

This is significant because, without the attendant financial stress, these companies will now have access to fresh capital and be able to increase capital expenditure. The Reserve Bank of India's (RBI) June 2026 *Financial Stability Report* said the banking sector's gross non-performing assets (NPAs) declined to a "multi-decadal low level" of 1.8%. Early indications also look promising. RBI's data till 15 October shows 18% growth in bank credit. Even sectoral deployment data shows that credit to industry (large, medium and small) till 30 September grew 19.5%. At a granular level, though, there are some niggles: growth has been more pronounced in the micro, small and medium segments of industry, rather than large. There are other data asymmetries. The latest print of the Index of Industrial Production for September came in at 6.7%, the lowest in four months, with almost all sectors, especially manufacturing (which has the highest weightage), exhibiting a slowdown. Normally, production peaks in September in anticipation of festive demand; credit offtake would seem to suggest a manufacturing resurgence but production data suggests otherwise. Significantly, all things remaining the same, RBI's financial stability report envisages a marginal deterioration in NPA figures next fiscal year.

Beyond zombie firms, there is a risk lurking elsewhere: the retail segment. The same RBI report indicates that retail borrowing as a percentage of gross domestic product (GDP) has been rising every year and reached 45.5% of GDP by September 2025. In non-housing loans, those for consumption accounted for almost 50% of the household borrowings. This has risk analysts anxious, even though overall household debt is still below that for many advanced and emerging economies.

Borrowing for current consumption indicates income stress in households and raises the risk profile of these loans. RBI, in anticipation perhaps, tightened non-banking financial company (NBFC) lending norms for consumer loans in August. Two top Indian NBFCs—Bajaj Finance and Piramal Finance—have already signalled early stress signals emerging from their gold loan portfolios.

With a super El Niño wreaking havoc on crop output and raising water stress, rural incomes are likely to remain under pressure. The turn in the rate cycle means that borrowing costs will rise. Rural households will face the double whammy of declining incomes and rising interest payments. Policymakers need to pay attention to the household sector stress.

MY VIEW | CAFE ECONOMICS

Why India must look beyond the headline poverty reduction data

The World Bank's findings should have us raise the poverty baseline to suit a middle income nation



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Sixty-three years ago, in August 1963, socialist leader Ram Manohar Lohia told the Lok Sabha that the average Indian lived on a mere three annas a day. He said that the benefits of economic growth were not filtering down to those at the bottom of the pyramid. The Nehru government disputed his numbers. Neither side budged.

The embers of the great Indian poverty debate have been fanned every few years since then, whenever a new survey, a new poverty line or a new set of national accounts has handed fresh ammunition to the warring parties. A new episode of the debate has now begun. The World Bank said in its October 2026 poverty brief that India's extreme poverty rate fell from 27.1% to 2.6% between 2011 and 2023, calling it "one of the fastest poverty declines in the world." It counts about 496 million people as having escaped the worst sort of absolute poverty over this period.

There can be no doubt that this is an achievement that deserves celebration in a country that was blighted by mass poverty till a few decades ago. Much of the ongoing debate has been focused on the headline numbers. However, it is worth looking beyond them. There are details in the new World Bank report—and an earlier one published by the multilateral lender in April—that can provide some clues about the way forward from here.

First, the World Bank has provided numbers for the rates of extreme poverty as well as moderate poverty. The former is more relevant to a poor country that India was before 2007 rather than to a lower middle income country that India was in 2023. Measured in terms of a higher poverty line of $4.2 per person per day of spending, rather than the minimal $3 per person per day, the relevant poverty rate has come down from 57.7% in 2011 to 16.1% in 2023. This is an equally impressive achievement, but a far cry from the mistaken belief that India has done away with poverty. The upshot: It is now time for us to benchmark our performance against a higher international poverty line, and also begin work on an updated domestic poverty line that provides a new baseline for Indian policymakers.

Second, there is a need for a closer look at the nature of Indian poverty. Consider its spatial distribution, for example. Much of it is concentrated along the Gangetic valley, home to more than half the population of India. A quick calculation suggests that one in every four Indians in the Gangetic belt is living below the poverty line for lower middle income countries; the comparable figure for the rest of the country is a more modest one in 10. As the World Bank says: "Further reductions in national poverty will increasingly depend on enabling productive employment in these states."

Third, take a closer look at the multidimensional poverty index, which considers overlapping deprivations in a household rather than income alone. A household counts as poor if it falls short on enough indicators such as nutrition, schooling, sanitation, electricity and housing. One number stands out. Twenty-nine percent of the population does not have access to good sanitation. The situation in terms of daily consumption, access to clean drinking water and access to electricity is far better. Sanitation is likely to become a bigger policy challenge in the years ahead.

Fourth, it is likely that the nature of poverty has changed in one specific way—chronic poverty has been replaced by transient poverty, as Sonalde Desai of the National Council of Applied Economic Research and University of Maryland pointed out two years ago. Data from the India Human Development Survey showed that of the 8.5% of the population that was identified as being poor in 2022-24, 5.3% were newly poor, which means they were recently pushed below the poverty line because of a specific problem such as a large loan repayment, a climate dislocation or a major illness in the family. Therefore, families move in and out of poverty based on sudden shocks to their income, rather than being permanently stuck in one category.

The new poverty landscape has implications for policymakers.

Moving to a higher poverty benchmark: India now needs to track progress against the $4.2-a-day international mark, and commission a new national minimum-income threshold built on current household spending data.

Closing the spatial gap in the Gangetic belt: More public investment is needed in the region's industrial corridors, freight as well as logistics links and skills training. Most of this region also lacks dynamic urban agglomerations that will bring together capital, labour and knowledge.

Fixing sanitation: Access to basic consumption, drinking water and electricity have improved far more than access to sanitation. This is likely the biggest deprivation left in the multidimensional poverty index.

Cushioning households against sudden income drops: Poverty is increasingly transient. This calls for a different approach to social protection, a safety net built around insurance, credit relief and quick income support rather than only long-term anti-poverty schemes.

The way a middle income country thinks about its poverty challenge is different from how a poor country does.

10 YEARS AGO


mint
Centre, states strike consensus on GST rates

JUST A THOUGHT

"The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

FRANKLIN D. ROOSEVELT

GUEST VIEW

The external constraints for India are changing shape

DHIRAJ NIM


is senior economist, ANZ Bank.

A small current account deficit may not offer immunity against rupee stress. India's external constraints are changing. Policy will need to adapt.

The current account deficit is the central gauge of external vulnerability. It measures the economy's net external financing requirement, which must be met by foreign capital inflows. When those inflows fall short, the adjustment ultimately falls on foreign exchange reserves, domestic asset prices or the currency.

On that basis, India appears substantially more insulated than it was 10 years ago. Its trend current account deficit has fallen below 1% of gross domestic product (GDP) from more than 4% a little over a decade ago. Even with oil around $100 a barrel, we expect the deficit to remain around 1% in 2026-27. Yet the rupee is under pressure.

Three factors explain this paradox.

First, global financing conditions have changed. Structurally higher interest rates and enormous demand for risk capital from global technology firms have made capital scarcer and costlier for emerging markets.

Returns on US corporate assets are rising much faster than those in India and broader Asia. Meanwhile, the 10-year US government debt offers a risk-free yield of 5%, versus 1% five or six years ago. A fully-hedged investment in India's 10-year sovereign debt yields less than 4% today. These factors give global investors little incentive to expand their emerging-market portfolios. Under such tight global financial conditions, India's financially feasible trend current account deficit may be little more than 0.5% of GDP today, making historical benchmarks of 2.5% to 3% irrelevant.

Second, the current account's composition matters, as net external financing and gross forex needs are not the same thing. The improvement in India's current account deficit has been lopsided, driven largely by a growing services surplus and remittance inflows. Meanwhile, the core goods trade deficit, excluding oil and gold imports, has widened, by about 2% of GDP relative to its average over the past decade.

India's high growth, in other words, has not come without greater external imbalance in goods trade. This is also visible in the import-to-GDP ratio, which has risen to about 25% from 20% five or six years ago. Growth, thus, continues to generate substantial gross demand for foreign currency even when the net current-account balance looks benign. This is particularly true when growth is investment-led, given the economy's reliance on imported capital goods, energy and intermediate inputs, demand for which is relatively insensitive to price in the short run.

Rupee pressure despite a small current account gap points to new dynamics confronting our policymakers

Third, the rupee's behaviour has changed. Gross financial-account flows are now almost as large as gross current-account flows. Alongside trade, relative asset returns, global risk appetite and portfolio allocations shape the rupee. Financial signals arrive much faster than trade flows, allowing expectations to shift rapidly.

That matters because expectations affect the behaviour of firms that actually buy and sell foreign currency. The prolonged weakness in financial flows, particularly equity, has entrenched expectations of rupee depreciation amid adverse global factors.

Importers and exporters then have asymmetric incentives. Importers expecting further depreciation may bring forward forex purchases, increase hedge ratios or lengthen hedge tenors. Exporters have the opposite incentive: converting forex receipts or locking in forward rates becomes less attractive. Their underlying imports and exports need not change for the balance of gross forex demand and supply to change.

Data provides evidence consistent with this behaviour. The Clearing Corporation of India's client data shows aggregate importer hedge ratios rising since late 2024, especially around episodes when global shocks changed the expected path of the rupee. The weighted-average maturity of importer hedges has also risen. Meanwhile, forward forex purchases have increasingly exceeded forward sales.

This separates net external financing needs from gross forex-market pressure. A small current account deficit measures India's net financing needs, not importers' immediate forex demand or exporters' willingness to supply dollars. So, the Reserve Bank of India (RBI) may need to bridge a timing mismatch far larger than the overall balance-of-payments deficit suggests. Its combined spot and forward interventions have exceeded the deficit in recent quarters.

So, though the current account is relevant, assessing its composition, the global cost and availability of capital, and how financial flows and expectations interact with commercial forex flows are crucial.

RBI need not aggressively resist rupee depreciation. Persistent global shocks may warrant greater exchange-rate adjustment after all. Intervention may work better by creating a perception of two-way risk than by defending predictable levels: once markets can anticipate RBI's response, its deterrent effect weakens. Unequivocally hawkish monetary policy communication can reinforce this approach.

India's external vulnerability has not disappeared; it has changed form. A smaller current account deficit is welcome, but costly global capital and financial flows that reshape importer and exporter behaviour can turn a small financing gap into outsized currency pressure. These are the external constraints policymakers must manage.

THEIR VIEW

Can bond vigilantes prevent the next debt crisis from unfolding?

Governments will attempt gimmicks but bond markets can force fiscal discipline, which is the only way of cutting public debt



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ISTOCKPHOTO



Large, growing budget deficits and rising public debt-to-gross domestic product (GDP) ratios in advanced economies are rattling markets. With interest rates on government debt having gone from near zero (and even negative, in some cases) to much higher levels, rising short- and long-term bond yields have cast doubt on the sustainability of some public debts and led many to ask if a crisis might be looming.

There is no simple answer to this question. In some cases, a country will have large stocks of financial assets—such as foreign reserves held by the central bank, or assets held by sovereign wealth funds or other public funds—that leave net debt below gross debt. But in many ageing societies, implicit liabilities of unfunded pension funds and health-care systems are already larger than a country's formal public debt, which means that the situation is worse than it appears.

A second crucial consideration is economic growth. If the average yield on public debt is lower than the nominal GDP growth rate, and if the primary budget (net of interest payments) is not too negative, the public debt-to-GDP ratio will fall over time. Growth can therefore resolve most debt problems. The US and other economies that can boost their potential growth with advances in artificial intelligence (AI) and related technologies will have a more sustainable path than those, like the eurozone, where growth is likely to remain slower.

That said, higher growth usually leads to higher real interest rates, which can make debt dynamics less sustainable. And if AI were to cause permanent technological unemployment for large segments of the labour force, the need for a much broader safety net (or even a universal basic income) would create additional fiscal and debt challenges unless it is financed by higher tax revenues.

A third consideration is that issuing a global reserve currency or borrowing in one's own currency helps. The US dollar's global reserve status underpins consistent global demand for Treasury bonds, thus allowing the US to borrow longer for less. But this privilege can eventually become a problem if a lack of market discipline leads to unsustainable deficits and debts.

Most other countries are in a different category. Emerging and developing economies tend to borrow in a foreign currency, leaving them with no option to wipe out the real value of sovereign debt via unexpected inflation. By contrast, eurozone members technically borrow in their own currency—the euro—but they all rely on the same independent central bank. As such, they cannot be bailed out unless the European Central Bank sees fit—or is forced—to come to their rescue.

A fourth consideration is market discipline imposed by so-called bond vigilantes. A rise in bond yields or country spreads can force fiscal authorities to cut spending or raise taxes before a crisis occurs. In some cases, the market heads off a deeper crisis, as happened during UK prime minister Liz Truss's historically short tenure. But in other cases—namely, Greece—it takes a formal debt crisis to force the kind of fiscal austerity and debt restructuring or reduction that is required.

A salient question now is whether current market discipline will lead whoever wins France's presidential election next year to pursue austerity before a debt crisis occurs. Even the far-right populist Marine Le Pen has presented a plan for fiscal consolidation (albeit one that relies on some smoke and mirrors). Moreover, the US itself is not immune. Bond-market discipline became a major factor last year following US President Donald Trump's "Liberation Day" tariffs and again this year following the start of the war with Iran. In both cases, surging bond yields and corrections in other assets forced Trump to back down.

It also matters for debt sustainability whether we are in a world of fiscal or monetary dominance. When deficits and debts are not sustainable, a credible central bank committed to stable inflation can nudge fiscal authorities to make the necessary adjustments. But if monetary policymakers find themselves merely reacting to fiscal authorities' decisions, a weak central bank may end up monetizing deficits ("printing money" to buy government debt) and wiping out nominal long-duration debt via unexpected inflation.

Still, you can't fool all the people all the time. As public debt matures, short- and long-term rates will rise to reflect the higher actual and expected inflation. Fiscally errant countries always end up with higher long-term inflation and still-high public debt-to-GDP ratios—a lousy equilibrium.

Short of a fiscal adjustment—meaning lower spending and/or higher taxes—various forms of capital levies can also make debts more sustainable. In addition to the "inflation tax" mentioned above, there are wealth taxes or other similar duties; default or restructuring (effectively a levy on domestic or foreign savers holding the public debt); and financial repression, when the state forces banks and other financial institutions to hold more public debt at lower yields (another capital levy on savers). But in open economies, financial repression must go hand-in-hand with capital controls, which have their own added costs.

Finally, there is always the option of financial gimmickry, like the US Treasury's recent attempt to lower long-term bond yields through debt buybacks, or programmes to reduce the relative issuance of long-term versus short-term debt. These schemes are bound to fail, as everyone saw firsthand this year. In the multi-trillion-dollar government debt market, no one can seriously claim to be "the house," not even the US Treasury secretary.

Over time, only fiscal discipline and higher potential growth driven by technological innovations can produce a happy ending. Delayed fiscal adjustments and other gimmicks eventually lead to outright debt crises, or to levies such as debt default and reduction, high inflation, or various forms of financial repression. One hopes the bond vigilantes can impose *ex-ante* fiscal discipline before a sudden stop to capital inflows triggers a debt crisis. France is the first country to watch, but it is far from alone. ©2026/PROJECT SYNDICATE

MINT CURATOR

India's economic growth and its equity markets are at odds

Investors now value firms' resilience more than headline growth



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Stocks are pricing in higher input costs that will curtail household spending. ISTOCKPHOTO

India's economy and its stock market are not seeing eye to eye. As the nation begins its busiest part of the year marked by a string of festivals and harvests, consumer demand is skyrocketing. Firms selling everything from shampoos to jewellery are reporting robust demand—and even managing to raise prices. Yet the stocks of bellwethers like Hindustan Unilever and Maruti Suzuki have sunk to multi-year lows.

Indian stocks have underperformed global markets for more than two years, losing nearly half their value, as foreign capital fled. Disappointing earnings, scant exposure to the artificial intelligence (AI) boom, and external shocks such as US tariffs and oil-price spikes from the Iran war have all weighed on returns. As global money managers ran out of reasons to invest, some bulls nursed one hope—that once consumer demand accelerated, corporate earnings would improve, offsetting the drag and reviving returns.

Now, even that flicker is being doused. The latest quarterly results show that a consumption boom is unlikely to end stocks' underperformance. We may well be heading into a paradoxical period—rapid economic growth co-existing with an equity market in the doldrums.

Consumer demand among the country's 1.5 billion people is coming back with a roar. The e-commerce market is heading for its fastest growth in five years and will hit a record $90 billion in 2026, as per Redseer Strategy Consultants. The trend growth in consumer demand has moved up a couple of notches, according to official data. Businesses are reporting double-digit sales growth. Most are hiking prices because of robust demand.

But that's not enough for investors. They now value resilience more than headline growth. Shareholders have little appetite for consumer firms pursuing growth by surrendering profit margins. Shares are being valued for the minimum rate of expansion the country can sustain in the wake of external pressures, especially surging oil prices.

The economy is particularly vulnerable to oil prices. India imports almost 90% of its crude-oil needs. That's starting to hurt profitability. Eight months into the Iran war, the average profit of firms in the Sensex is coming in 11% below forecasts made a year ago.

Higher fuel and freight costs also are feeding into food prices and other everyday goods, and will eventually curtail how much households spend. It's that future possibility stocks are pricing in. The inflation imported through higher oil prices will persist until the Iran war ends and economists expect it to remain high well into 2027. Investors evaluating the financial results of consumer companies are already finding some of that stress seeping through.

Escalating commodity prices are lifting costs even as demand is outstripping supply. Crude-derived ingredients and other input prices are making it expensive to produce everything from soaps to cosmetics, and price hikes are not enough to offset that.

The calendar is choc-a-bloc with festivals from October to January, when families spend on ritual-linked purchases that are considered necessities rather than discretionary. That's giving a short-term boost to corporate profits, but would dry up when the season is over.

So what can end India's equity-market underperformance? In the short term, the Iran war needs to end before a durable bull can return. The unwinding of the AI frenzy could also help, given that India is increasingly seen as a market that benefits from a rotation away from the technology boom.

The government and the Reserve Bank of India (RBI) also have parts to play.

Containing inflation and stabilizing the rupee will be essential to restoring investor confidence. But an interest-rate hike by RBI, on its own, is unlikely to deliver either outcome. New Delhi must closely monitor supplies of grains and vegetables across the country, and prevent shortages fuelled by hoarding and speculation. State governments, meanwhile, should consider switching to fixed per-litre fuel levies rather than percentage-based taxes, which automatically generate higher revenues as oil prices rise. The latter creates an incentive for local authorities to benefit from precisely the price increases that are hurting consumers.

Over the longer term, India must reduce its dependence on fossil fuels. It needs a transition towards renewable energy and alternative sources of power if it's to break the recurring cycle of oil shocks, pressure on the rupee, depletion of foreign-exchange reserves, and the need for the central bank to resort to increasingly restrictive currency-management measures.

For now, India's consumers and its stock market are telling very different stories.

If the spending boom is to endure, a strong economy on its own is not enough to convince investors that it's time to pile back in. ©BLOOMBERG

MY VIEW | EX MACHINA

Our data framework for AI training is a fresh misstep

RAHUL MATTHAN



is a partner at Trilegal and the author of 'The Third Way: India's Revolutionary Approach to Data Governance'. His X handle is @matthan.

Last week, the ministry of electronics and information technology (MeitY) released a new framework aimed at breaking the "data deadlock" and democratizing data access to build artificial intelligence (AI) models. This new "Data Empowerment and Protection Architecture (DEPA) for AI Training" framework purports to enable responsible data sharing while ensuring privacy, transparency and trust.

I am not convinced it will achieve its aims. Not only is this not a novel architecture, it seems to subvert much of what India's DEPA was designed to achieve. Decisions around what can be done with personal data, which under DEPA were placed in the hands of the data principal, will now be taken by the institutions that hold that data as fiduciaries—quite literally stripping away DEPA's primary contribution to India's data governance discourse.

Europe's General Data Protection Regulation (GDPR) confers on individuals a right to data portability—to request that their personal data be transferred either to them or to another service provider. Instead of prescribing how this should be implemented, GDPR left it to businesses to work it out for themselves. India, on the other hand, built DEPA, a data portability framework that gives individuals granular control over who their personal data is shared with and for what purpose. As a result, it empowers them with the tools they need to realize the value of their digital exhaust. And when we implemented the Account Aggregator framework in the financial sector, we proved that micro-portability could work at scale.

If there was one mistake we made, it was calling DEPA a "consent management framework" instead of a portability solution. As a result, the term "consent managers" is now part of the Digital Personal Data Protection (DPDP) Act, even though that term has a very different meaning in the data protection context. This is why so many products marketed as consent management solutions bear no resemblance to how the term is used in the DEPA architecture.

But having made that one mistake, we seem determined to make things worse.

The *DEPA for AI Training Handbook* starts with the premise that individual consent is impractical at scale. On that basis, it takes the power to determine what is done with personal data away from the data principal and vests it in the hands of training data providers (hospitals, banks and the like), who will now be responsible for sourcing, curating and preparing the datasets for AI training. I have long argued that consent is broken, and even that using clean rooms would strengthen DEPA. But DEPA is the one place where consent works, and when I suggested we use clean rooms, it was to enforce the consent provided, not to replace it.

> **Its glaring moves do little to empower data principals while allowing those holding that data to gain**

The handbook also conveniently overlooks all that happens downstream of AI training. Since AI models are, in effect, massive data compression systems, they only need to be trained once on a given dataset to extract all the value they can from it. The handbook does nothing to ensure that the data principals stand to benefit from the AI models they helped create—other than suggesting that training data providers could receive priority access to the resulting models and promising to "explore" royalties for them. In other words, direct benefits will accrue only to model developers and the institutions that hold personal data, not to those whose data was actually used. It is hard to see how this framework can claim to treat the rights of data principals as "the bedrock upon which the entire architecture is built."

But perhaps most disappointing of all is the claim that this is a uniquely Indian innovation—what the principal scientific advisor calls in his foreword, "an elegant, India-specific solution." Secure data environments are nothing new. In 2019, Finland's law on Secondary Use of Health and Social Data required that individual-level data be analysed only in secure operating environments, and the UK's 2022 Data Saves Lives strategy made secure data environments the default for accessing National Health Service data. The handbook's own evidence that the approach works is a 2022 project in which 71 institutions, led by Penn Medicine, trained a brain tumour model using federated learning within a "confidential clean room." Calling this idea novel in the face of such a long history of use is disingenuous.

As accustomed as I am to techno-optimists masquerading as experts in legal design, the failings evident in this 40-page handbook exceeds anything I have seen before. It is a word salad of technological jargon and regulatory buzzwords that promises more than it can hope to deliver. Electronics and information technology minister Ashwini Vaishnaw, in his foreword, assures us that it is "consent-based" and "user-controlled" even though the rest of the document says the contrary.

It was troubling when we took a novel and innovative data portability architecture and obfuscated the power of that innovation by mischaracterizing it as a consent management framework. But that seems trivial compared to what we are now doing—taking a tried-and-tested clean room system and calling it the next version of the DEPA framework. Having not yet recovered from the damage caused by the first misapplied label, we seem bent on making the same mistake again. At this rate, the only thing that will be truly Indian about DEPA is the confusion we will create every time we do anything with it.

Opinion

WEDNESDAY, NOVEMBER 4, 2026



ENERGY SECURITY

Union Coal and Mines Minister G Kishan Reddy

We need new technologies to ensure our production is not impacted by geopolitical challenges. We need our own processing facilities and efficient mining methods to meet net-zero goals while ensuring the energy security of our country

Tatas must reconcile

FM's call for maturity comes as Tata investments and India's pvt sector ambitions demand steady leadership

FINANCE MINISTER NIRMALA Sitharaman's appeal for an amicable resolution of the Tata Group's internal differences was both timely and statesmanlike. Speaking at the FE Leadership Awards in Mumbai on Monday, she called the conglomerate a "critical component of the Indian economy" and urged commercial acumen, cordiality, and maturity from its leadership. Just as importantly, she resisted the temptation to prescribe government intervention. The responsibility for ending this damaging confrontation rests, first and foremost, with those entrusted with the institution. The stakes extend well beyond a boardroom quarrel. The challenge is especially acute because these projects demand patient capital, consistent strategic direction, and confidence among partners who must make commitments stretching across several years. At a moment when India is seeking greater industrial depth and technological self-reliance, the Tatas have placed ambitious bets on semiconductors, electronics manufacturing, electric mobility, and aviation. These investments matter not only to the group's future but also to the country's manufacturing capabilities, supply chains, and employment prospects. Prolonged uncertainty within one of India's most consequential business houses risks distracting attention from precisely the enterprise and execution the economy needs.

That contrast was evident at the same awards function. JSW's Parth Jindal spoke of plans to invest more than $50 billion over the next five years, reflecting confidence in India's growth prospects. Nykaa's Adwaita Nayar located her company's journey in the larger Indian consumption story. Their optimism illustrates the appetite for investment, innovation, and expansion that India must nurture. The Tata dispute, by comparison, is an unfortunate reminder of how internal discord can overshadow the ambitions of even the most established enterprises. Sitharaman also acknowledged the Parsi community's extraordinary role in building the Tata Group into a global conglomerate. That recognition carries particular weight now. For generations, the Tata name has stood for philanthropy, ethical conduct, institution-building, and a commitment to national development. Its reputation was painstakingly earned and cannot be treated as an incidental casualty of competing claims to authority. Those who hold positions of stewardship have obligations larger than their personal interests or immediate victories.

The disagreements are not trivial. Questions surrounding the proposed listing of Tata Sons, the powers of Tata Trusts, boardroom decisions, and the governance of charitable trusts deserve serious consideration. Regulatory requirements, including those of the Reserve Bank of India, and shareholder rights cannot simply be wished away. Yet legitimate differences should be addressed through established governance processes, not through an escalating exchange of allegations and counter-allegations. Too much dirty linen has already been washed in public, at considerable cost to the group's standing at this juncture. The finance minister's restraint is also a useful answer to attempts to politicise the affair, including Congress leader Rahul Gandhi's suggestion that the government has ruined the Tatas. Corporate leaders must be accountable for corporate decisions. Government has a duty to uphold the regulatory framework, not to referee every internal power struggle or become a convenient scapegoat for it.

With another important Tata Sons board meeting approaching, the rival camps have an opportunity to demonstrate the maturity Sitharaman has requested. Compromise need not mean surrendering principle; it means finding a lawful, workable settlement that protects the institution. India needs private enterprise confident enough to invest for the long term, and institutions stable enough to deliver on those commitments. The Tatas owe their employees, shareholders, and the country nothing less than a resolution worthy of their legacy.

RESOURCE CRUNCH

IT ADDS ANOTHER SUPPLY-SIDE VULNERABILITY TO AN ECONOMY EXPOSED TO WEATHER & GEOPOLITICAL SHOCKS

Water crisis deeper than El Niño



AMIT KAPOOR

Chair, Institute for Competitiveness
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RECENTLY, THE INTERNATIONAL Research Institute for Climate and Society estimated "very strong" El Niño conditions through the winter of 2026-27. For an economy seeking to grow faster, the most important resource may be the one it cannot manufacture. India's growth constraints are increasingly becoming physical. After years of treating groundwater as insurance against an unreliable monsoon, India may now be discovering that water security is economic security.

The monsoon season ended in September with the India Meteorological Department recording a 13% deficit in overall rainfall. The largest seasonal deficit in more than a decade, and it is only bringing India's growing water vulnerabilities into sharper focus. It has long-standing water issues that only become more dangerous when rainfall fails. The 2026 El Niño was only adding pressure to an already fragile irrigation, groundwater, and food system.

When rainfall weakens, India turns towards its reservoirs, rivers, and, above all, groundwater. The first concern is already visible in reservoirs as storage in 178 major reservoirs stood at 70% of total capacity as of September-end. The coming rabi season will put further pressure on already stretched reservoirs. Farmers turn to groundwater when rains, canals, and reservoirs cannot provide enough. That is not resilience. It is borrowing water from the future. India extracted about 256.9 billion cubic metres (BCM) of groundwater in 2025, with nearly 87% going towards irrigation. This is precisely the point where a seasonal rainfall deficit becomes a structural economic problem.

India has long relied on groundwater as a safeguard against unreliable monsoons. However, the 2026 season began with shortfalls even before the El Niño strengthened. In several of India's agricultural states, this safeguard was already under strain, a consequence of intensive extraction which did not arise overnight. The Central Ground Water Board's 2025-26 data points how uneven the vulnerabilities are. States like Punjab, Haryana, and Rajasthan have reached a stage of groundwater extraction above 100%. Effectively, you are withdrawing more than what nature is putting back. It means annual groundwater extraction is exceeding the extractable groundwater resource. The aquifer balance is negative and it has shifted from groundwater use to groundwater mining. The remaining headroom makes the problem even starker. The net annual groundwater available for future use is just 6.37% in Rajasthan, 10.78% in Punjab, and 14.12% in Haryana against their extractable groundwater resources.

The problem cannot be reduced to how much rain falls nationally. It is about where it falls, when it falls, how much can be stored, and how efficiently it can be moved to where it is needed

These are evidences of structural pressures that predate any rainfall deficit of this monsoon. Uttar Pradesh, for instance, does not appear among the states with extraction above 100%. Yet, it extracts an estimated 47.18 BCM of groundwater, the largest volume among all Indian states. The number matters more because groundwater is overwhelmingly being used to sustain agriculture. In Uttar Pradesh, 88% of extracted groundwater is used for irrigation. Similarly, several major agricultural states are heavily dependent on groundwater, with Punjab having a 95% dependency followed by Gujarat at 93%, Tamil Nadu at 92%, and Maharashtra at 90%. It makes this rabi season the immediate test of India's water security, as increasing rainfall uncertainty pushes its farmers to rely more heavily on groundwater extraction.

The vulnerabilities become even more concerning when this groundwater recharge is considered. Approximately 58% groundwater recharge happens through rainfall in India. They highlight a very crucial interaction here as several states that rely heavily on groundwater for agriculture also depend materially on rainfall for replenishment. Rajasthan and Madhya Pradesh have more than 70% dependency on rainfall. Maharashtra offers a crucial example. Its statewide extraction stage, at about 51%, can appear relatively comfortable. Yet, the state extracts roughly 16.38 BCM of groundwater, around 91% of it for irrigation, while nearly 64% of its gross recharge comes directly from rainfall. A state need not cross the 100% extraction threshold for a weak monsoon to become a serious agricultural water shock. Uttar Pradesh, along with having the largest volume of groundwater extraction, has a 50% reliance on rainfall for recharge of the same.

In Maharashtra and Karnataka, drought and erratic rainfall are intensifying pressure on already stressed water systems. Yet, the same climate volatility is also producing another extreme. Assam, Bihar, and most recently Uttar Pradesh have faced episodes of heavy rainfall and flooding during the monsoon, while other regions struggled with deficits. India is not experiencing one uniform water crisis but scarcity and excess simultaneously. This is why the problem cannot be reduced to how much rain falls nationally. It is about where it falls, when it falls, how much can be stored, and how efficiently it can be moved to where it is needed. The significance is that climate risk is elevated at a time when India's water buffers are already weaker.

The economic significance is easy to underestimate. Eleven of the most water-stressed states in the country roughly account for three-quarters of its GDP. The water stress cannot merely be treated as an agricultural problem. If water availability affects production in any agricultural state, the consequences can ripple through food supply, farm incomes, inflation, and household water security. Food inflation was already at 5.95% in August, with rural food inflation higher at 6.13%, emphasising how closely food prices remain tied to supply-side pressures.

Water stress is not the sole explanation for these movements. However, it adds another supply-side vulnerability to an economy already exposed to weather and geopolitical shocks. This dilemma is likely to intensify as India pursues economic growth through the expansion of data centres, manufacturing, and urban infrastructure, all of which will compete, directly or indirectly, for increasingly valuable water resources.

With El Niño effects still looming over India's rabi season and uncertainties ahead of the 2027 pre-monsoon, India cannot continue to plan for faster growth without planning around its water budget. The immediate test may be the rabi season, but the larger challenge extends beyond a single season: how India manages increasingly variable rainfall while its groundwater, reservoirs, and irrigation system remain under pressure.

*Co-authored with **Darshana Gauratra**, researcher at Institute for Competitiveness*

Chinese more-for-less formula faces biggest test

MANY BUSINESS EMPIRES have been built on the idea that a trusted name justifies charging considerably more than it costs to produce. But decades after "Made in China" became synonymous with shoddy workmanship, Chinese companies are starting to challenge the notion that quality must come at a hefty premium. If they can succeed abroad, established rivals may no longer be able to command the higher prices they've long taken for granted.

The automobile industry is a conspicuous example, but the trend is gaining momentum in everything from high-end camera lenses to home appliances to luxury fashion. With households in China reluctant to spend following the collapse of the property sector five years ago, domestic retailers have been forced to offer more for less.

Whether these brands can replicate the overseas success of Chinese carmakers is an entirely different matter. The resulting price wars from the government's decision to prick the real estate bubble have squeezed profit margins, and setting up shop abroad is expensive. When companies do, they inevitably have to charge higher prices, which could diminish the price gap—and their appeal—with Western labels.

Carmakers are building their reputation on a simple idea: all the extras at affordable prices. They are offering well-equipped, sophisticated models at prices that undercut entrenched names. While this has caused alarm among top trading partners like the EU and Mexico, buyers coping with a cost-of-living crisis are hardly complaining.

In Canada, almost half of drivers who say they're likely to buy an electric vehicle are waiting for Chinese options to arrive before taking the plunge, according to a survey by Clean Energy Canada. Models from BYD, Chery Automobile, Geely Automobile Holdings, and Dongfeng Motor are expected to be available early next year. They are likely to sell for up to 15% cheaper than incumbent models but with higher specs and more features.



JULIANA LIU

Bloomberg

That combination of price and quality resonates with buyers in other sectors, even luxury, Christopher Zanardi-Landi, a consultant and the former head of Louis Vuitton's China operations, told me. With a vast manufacturing base and the need to succeed overseas due to weak domestic spending, Brand China has the potential to produce global competitors in virtually every premium consumer category.

In photography, Light Lens Lab, based in eastern China, is well-known for selling $1,500 lenses said to be nearly identical to vintage artisanal products from Germany's Leica Camera that cost $25,000. Sneakerheads rave about $150 shoes from Shanghai-based Pane, which they say are comparable to $1,000 designer kicks. Cashmere label Icicle, known for its minimalist designs, sells coats for a lot less than those from Italy's Max Mara. Even luxury goods, where heritage and prestige give Western brands an edge, aren't immune.

After China opened to the world in the late 1970s, global manufacturers began to shift production there. Initially, it was to make low-end, mass-market goods. But as the factories took on ever more sophisticated contract work for Western companies, including the likes of Apple, they developed the expertise that laid the foundations for China's manufacturing prowess.

Now, they are are increasingly testing their appeal abroad.

Chinese companies have learned to deliver more for less at home where they have scale, but that doesn't mean the formula will work in markets where there is more competition and entrenched marques have loyal followers. Setting up retail locations overseas is costly and will eat into already-slim profit margins. E-commerce offers a less expensive way to test demand and build name recognition before committing to a physical presence. And even though value has become an intrinsic part of the appeal, Chinese names have yet to evolve to the point where consumers seek them out regardless of price. Building that emotional connection with a brand will take time.

The fallout of US midterm elections



N CHANDRA MOHAN

The writer is an economics and business commentator based in New Delhi

The poll outcome, which determines whether the Democrats or Republicans control the US Congress, has a major bearing on West Asia and energy import-dependent India

THE US MIDTERM elections, which concluded yesterday, will soon indicate whether Donald Trump becomes a lame or angry duck US President depending on whether the Republicans lose control of the House of Representatives (HoR) and Senate. The opinion polls—which can go wrong—suggest that the Democrats are favoured to win a majority of seats in the HoR. If they flip the Senate as well, Trump becomes a lame duck US President as his administration will be tied up in endless investigations and subpoenas. The US Congress might even vote to end his war on Iran. But Trump is unlikely to accept defeat and will force a showdown in Capitol Hill. As an angry duck President, he will use his executive or veto powers to push his agenda.

Topping his priorities after the midterm elections is the prospect of striking Iran. Oil prices have drifted lower due to last-minute peace initiatives but a potential escalation is imminent. Although the war—that has been going on since February 28—has been punctuated by recurring ceasefire episodes, Brent spot prices averaged $103 a barrel in March-October 2026, up 51% from March-October 2025. Fuel shocks don't augur well for energy import-dependent countries like India. The average Indian crude basket hit $120 barrel in October as the war entered a dangerous phase following strikes by Iran-backed Yemeni Houthi forces on Saudi Arabia and closure of the Strait of Hormuz, through which a fifth of global oil supplies pass.

If Democrats control the US Congress, Trump has only a narrow window of two to three months to resume bombing Tehran. According to the US President, higher oil prices are a small price to pay for the security of the US and the world. But he will certainly face the heat if they oppose open-ended funding for the war and even demand inspection of damaged US bases in West Asia, all of which increases pressure on him to negotiate a ceasefire. Around 274 structures at 24 installations were damaged in the war's first six months. Earlier this month, five Democrats on the Senate Armed Services Committee urged the Defense Department to publicly disclose the cost of damage to US facilities, according to the Wall Street Journal.

Post-midterms, India unfortunately does not have much to be gained from a weakened Trump administration

However, the war on Iran objectively advances Trump's ambitious agenda to ensure energy dominance of the western hemisphere. The eight month-long conflict has seen surging oil prices as more than 2 billion barrels of oil have been lost due to attacks on energy infrastructure and tankers in the Strait, some of which is washing up on the shores of the United Arab Emirates. As this conflict is perceived to be prolonged, the advantage is shifting to the western hemisphere. Due to "resource imperialism", the US now controls more than 65 billion barrels of proven oil reserves in Venezuela. Argentina's Vaca Muerta shale formation is believed to be three times the size of the Permian Basin in Texas, the heart of the US shale boom.

Herein lies perhaps the only benefit for India in dealing with a lame or angry duck Trump administration. This is to process oil from Venezuela and the western hemisphere and sell it to customers who are keen to diversify away from West Asia. The US sees Venezuela as a potential substitute for Saudi Arabia, which is having a lot of difficulty getting its oil to the global market due to double chokepoints in the Strait of Hormuz and Bab-el-Mandeb. The Saudis have no option but to send oil north through the Suez Canal that is longer and costlier for its exports. The shift to the western hemisphere will also erode any medium-term pricing power traditionally enjoyed by the Saudis or the oil cartel, Organisation of Petroleum Exporting Countries.

The game plan of involving India was indicated during the visit of US Secretary of State Marco Rubio to Jamnagar last month to harness the capabilities of Reliance, which owns the largest single-site refinery in the world. The Jamnagar refinery's Nelson Complexity index of 21.1—the highest in the world—gives it the flexibility to process almost all the crude oil grades including the heavier Venezuelan oil. Simply put, the US wants Reliance to process crude from Venezuela and pump refined products like diesel into the global oil market. Reliance is also backing a refinery in Brownsville, Texas, that will process lighter shale oil produced in the US. The big question is how India can strategically leverage Reliance's growing importance for Indo-US ties.

Post-midterms, India unfortunately does not have much else to be gained from a weakened Trump administration. War clouds gathering again over Tehran cannot come at a worse time for our external accounts. Elevated global oil prices will raise domestic inflation and further widen the current account deficit this fiscal, besides weakening the rupee. The interim bilateral trade deal was bedevilled by uncertainties over the tariff architecture. Although Trump will resist congressional oversight over tariffs, it remains to be seen how the changing balance of power in the HoR and Senate might influence the contours of a mutually beneficial interim trade deal.

LETTERS TO THE EDITOR

Urban infra challenge

Apropos of "Financing urban transition" (*FE*, November 3), financing urban transition is inevitable and crucial as India's cities grapple with growing migration, overcrowding, and mounting pressure on basic infrastructure. Greater investment in roads, housing, water supply, sanitation, and public transport can make cities more liveable and sustainable. Strengthening the financial capacity of urban local bodies (ULBs) is equally important to meet rising infrastructure needs. Fiscal reforms, better revenue mobilisation, and innovative funding can reduce their dependence on government grants. Central funding should be linked to performance, transparency, and accountability of ULBs. Well-financed cities and well-performing ULBs can enhance citizens' quality of life besides driving inclusive growth.
—PV Prakash, Mumbai

Economic debate

Apropos of "Keynes vs Friedman: A Nobel takeaway" (*FE*, November 3), Keynesian intervention can support demand during a downturn, while monetary discipline matters when inflation threatens purchasing power. Both approaches carry risks when applied without regard to circumstances. Excessive stimulus may fuel prices and debt; an overly tight monetary stance can suppress investment and employment. Thus, policymakers must read changing conditions, explain their assumptions clearly, and coordinate fiscal and monetary decisions. India should also account for supply constraints, uneven incomes, and the informal economy, which textbook models may not fully capture. Evidence must guide policy choices, and results must invite revision.
—Abbharna Barathi, Chennai

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CONTRAPUNTO

Pollution is nothing but the resources we are not harvesting. We allow them to disperse because we've been ignorant of their value

– R BUCKMINSTER FULLER

Beyond BS

No point paving the path to ecological hell with good intentions. Policies should be carefully thought through

To cool down a hot kitchen on a sunny day, you can close the curtains or turn off the stove. In banning the entry of pre-BS VI cars and buses from neighbouring states, Delhi's chosen option B. For, any curb on the movement of people between a city and its suburbs is a curb on a region's core activity. The ban is Delhi's defence against bad winter air. If dirty cars from outside don't enter, govt thinks, Delhiites will breathe easy. But Delhi's own "dirty" BS IV fleet may ply freely. This is discrimination based on domicile, not tech, age or roadworthiness of vehicles. You can also call it indiscriminate action. Alas, too many environmental orders seem to launch without being thought through.

Consider the liquor bottle recycling order in Tamil Nadu, and the chaos it's caused the past couple of days. If glass bottles have any intrinsic value, your *raddiwala* will buy them, and they will be recycled or reused. But if industry doesn't value them, there's no way a refundable ₹10 deposit, included in the price of every bottle, will start a recycling revolution. All it will do is harass buyers and sellers – refundees and refunders.



Grand environmental gestures burnish authority, but they can backfire spectacularly. Sri Lanka banned chemical fertilisers and pesticides in 2021, to go organic wholesale. What happened? Agri yields crashed and the economy tottered. In 2009, to spur the economy during the financial crisis, US announced massive "green" tax breaks on EVs, at a time when there weren't many EVs around. So, taxpayer money went to subsidise "street-legal" golf carts – those fitted with seatbelts, headlights and rearview mirrors. India's own green cracker push has been a failure. Penalties for felling trees ensure that nobody lets a sapling sprout on their vacant plot.

Back to Delhi's annual ban – it has never made any difference to air quality – we wish govts would stay abreast of new research. While Centre and states obsess over tailpipe emissions, non-exhaust emissions – those arising from road, tyre and brake wear – are possibly a greater concern now. In lab conditions, they've been shown to harm lung tissue more than diesel fumes. And they can constitute up to 60% of vehicle-derived pollution particles. As our cars and SUVs get heavier – many tip the scales at 2 tonnes – these particles will multiply. So, we need to reassess the good, bad and ugly of automobiles. Tokenism won't do.

On The Chopper Block

Commercial helicopter services need urgent & complete overhaul. Govts must be firm

The recent helicopter crash near Joshimath that killed six people, including the pilot, should serve as a final wake-up call for authorities. There's no denying that helicopter services in the country have had a notorious safety record. Chopper crashes have even claimed the lives of high-profile political leaders such as former Andhra CM YSR Reddy in 2009, and former Arunachal CM Dorjee Khandu in 2011. Yet, even today, the helicopter service industry falls way short of requisite safety standards, and protocols.

This is particularly true of helicopter services in Uttarakhand during the Char Dham Yatra season. The state has seen an explosion of helicopter-based pilgrimage tourism. But the Char Dham Yatra routes and terrain are extremely tricky for helicopter operators. This is borne out by ministry of civil aviation data for 2020-2025: seven of the 12 chopper crashes reported across the country took place in Uttarakhand, leading to 21 fatalities. The Parliamentary Standing Committee on Transport, Tourism and Culture, in its Aug 2025 report, highlighted the absence of terrain-specific mountain-flying training and certification for chopper pilots. This ought to have been a basic requirement for helicopter operations in the Himalayas, where weather, wind, and visibility are unpredictable, and prone to change hour-by-hour.



Second, as flagged by Federation of Indian Pilots, there needs to be stronger safety oversight over chopper operations, and a transition from single- to twin-pilot operations. But operators have already opposed the latter, citing financial unviability of the mandatory co-pilot model. But safety needs to trump revenue for charter chopper services. People's lives are at stake. Plus, there needs to be adequate investment in infra with better management of helipads, and upgraded helicopters equipped with auto-pilot, weather radar instruments, and enhanced vision systems. It's unconscionable that chopper services in Uttarakhand fly by sight in that treacherous terrain. Adherence to strict safety norms ought to be the sole requirement for operations.

Forward caste

The digital age has created a new working class

Jug Suraiya



A lot of attention is paid to the increasing number of people trying to get onto the bandwagon of backward castes, with their attendant windfall of job reservations and other goodies. But the rise of a new forward caste is overlooked, even though it affects our day-to-day lives.

This new working class or caste is forward in the literal sense of the term in that it is made up of those who tirelessly keep forwarding recycled jokes, news titbits, videos, and other miscellanea to anyone and everyone whose email id or smartphone number they happen to have.

They are the digital age avatars of the chain letter circulators who'd initiate an ever-enlarging postal chain reaction by exhorting the recipients of the letter to keep the assembly line of correspondence going like a perpetual motion machine.



"Send this letter to 30 people. If you do, you'll get a triple promotion in your job and win the lottery even though you didn't buy a ticket for it. If you don't, your jobless brother-in-law will take up permanent residence with you, and you'll be diagnosed with terminal halitosis."

secondopinion

No one knows how and why chain letters started. Were they a ploy by the postal people to make more money by selling more stamps?

Then the postal system, at least in India, became virtually defunct, so chain letters died a natural death.

They were reborn as digital forwards. Unlike chain letters, forwards don't bribe/threaten you to keep forwarding the forwards. However, like a snowball rolling downhill, forwards gain mass and momentum on their own.

This is made evident in that most, if not all, forwards carry the notification 'Forwarded many times'.

Why do forwarders keep recycling old forwards? Oughtn't such retro forwards really be called backwards? Or maybe sidewards?

Undaunted by such quibbles, or niggly-noo distinctions, the cyberspace caste carries on regardless. Forward march!

AI's Big, Money's Bigger

Every bubble down history has perished when price of money has gone up steadily. Rising interest rates will do the same to US's trillion-dollar tech boom. Arguing it won't, is magical thinking

Ruchir Sharma



Columnist based in New York

When bond yields surged in recent months, analysts and top US officials simply shrugged, saying the AI boom would thrive regardless. This is classic bubble logic. Price of money always matters. There's good reason to believe that is true, now more than ever.

Global debt is at record levels, much of it accumulating on govt books. This is good news short-term (govts are typically the last fortress to fall), but bad news in the end (govts will be in no position to deliver stimulus or bailouts). Pool of available capital is more limited than it was in the booms of late 1990s and 2000s, because, this time, firms must compete with govts for money.

That sets the stage for a rapid liquidity squeeze. Higher rates threaten to trap corporations, between steeper borrowing costs, and increasingly wary lenders. As big tech firms turn from cash to debt, to fund their multi-trillion-dollar data centre buildout, new AI-related debt issues are likely to exceed $600bn in 2026, up tenfold from 2024.

While interest rates were arguably at similar levels, in 1990s' boom, the story arc was very different. Rates, today, aren't just high, they've risen rapidly in a short period, after nearly 25 years of historically low rates that trained investors to expect endlessly easy money. A dramatic regime change like this one is bound to cause financial stress. Already cracks are appearing, as investors demand much higher yields to finance the weakest borrowers in the AI supply chain.

Most observers, nonetheless, find ways to take comfort amid these tremors. US stock market looks resilient; default rates remain low. Plenty of credit is still available to fund the frantic AI buildout. But the end of a boom is a process, not a point in time. It takes a while for higher rates to have a systemic impact.

Consider the sequence of events in busts of 2000 and 2008. High rates did eventually deflate those bubbles, affecting the weakest sectors before reaching the broader market and economy. This process unfolded over several years. Tech stocks took a big step down early 2000, but many investors were still piling into tech funds late that year; the bubbly enthusiasm didn't die out until 2001.

Magical thinking flourishes in a bubble's final stages. One central myth of dotcom era was that "enormous" demand for internet products freed tech firms from ordinary economic forces, such as interest rates. Before 2008, analysts tried to make the case that "rising rates don't burst bubbles", or would merely slow, not reverse, gains in home and share prices, or would not touch stocks at all because corporate profits were "the best in 30 years".

Image: AI



Eerily similar claims can be heard today for AI. Optimists argue a few percentage points of interest won't mean much to firms facing historic gains in value. Or that Fed rate hikes measured in mere basis points, will not lower spending ambitions of companies trying to win AI arms race. Now that higher rates are hitting AI subsectors, including speciality suppliers of computing power, known as neoclouds, they brush off the notion that a few tens of billions in debt, could take the AI complex down.

It would be a wonder if these dismissals proved correct, since every major boom of the last three centuries has ended amid tightening financial conditions. Even before the arrival of modern central banks, manias ran out of steam when private financiers pulled the plug on funding for the hot new tech of the day, including railroads in 19th century. Financial contagions can spring from obscure corners of the market; 2008's global crisis started in US subprime mortgage debt.

Finding scenarios that would reverse this process of erosion caused by higher rates requires more magical thinking. The main one is that AI will generate a boost to productivity growth so big, and so fast, all risks dissolve in its path. The economy takes off. As a result, debt to GDP declines, interest rates come down, and all the trillions companies are spending on AI pay off in massive revenues, which solve the funding problem.

These blue-sky projections overlook a new vulnerability. Unlike past booms, including late 1990s one, money pouring into tech is not lifting other sectors: outside AI, borrowing is weak, investment is falling. It is difficult to see how AI firms can thrive when so many of their potential customers are struggling.

Consequences of an unravelling will ripple out of US to rest of the world, since global economy and global market returns are now driven, almost entirely, by money pouring into big AI firms and their suppliers. Nations like India, largely bypassed by AI boom, won't be on the frontline of any sell-off, but may entirely escape the fallout if a crash happens.

The mania for AI stocks has frayed in recent months as higher rates have begun to strain credit marks. Investors have become more discerning in how they allocate money, and their concerns will be amplified anew, if US interest rates resume their climb, which is likely given the ever-rising credit needs of govt and AI firms. This may be the most transformative tech boom yet, but it's not big enough to defy the high price of money.

Cancer Care Needs Much More Care

Pharma regulator's price caps are on point. But these are one of several reforms required if oncology treatment is to be made equally accessible to, and affordable for, all

Pragya Shukla



Cancer treatment is frequently described as a race against time, but for millions of families, it is equally a race against financial ruin. The psychological toll, of a diagnosis of malignancy, is aggressively compounded by out-of-pocket pharmaceutical costs, where life-saving targeted therapies and immunotherapies carry exorbitant price tags. It is no less than a public health crisis.

Which is what makes National Pharmaceutical Pricing Authority's (NPPA) capping prices, far-reaching. NPPA invoked provisions of Drugs (Prices Control) Order (DPCO), 2013, to implement trade margin rationalisation (TMR) on 137 non-scheduled anti-cancer drugs. By capping trade margins, at 30% over the first point of sale, this regulatory intervention marks a monumental step towards dismantling financial barriers to treatment and helps democratise access to modern oncology care.

Achieving true affordability requires looking closely at the distribution ecosystem. Not all high-priced oncology medicines operate with excessive trade margins. Many innovator companies structure Patient Assistance Programmes (PAPs) and access initiatives.

Conversely, parts of the generic and biosimilar markets, and hospitals, utilise deep trade discounts and schemes – such as '100+50' – that materially increase effective trade margins well above 50%. Hospital and institutional markups can, similarly, range between 50% and 60% depending on commercial arrangements. Policy must, therefore, focus on net patient cost and cross-chain transparency, ensuring price reductions, from list ceilings, genuinely translate to real-world savings.

The broad spectrum of 137 essential anti-cancer formulations encompasses cutting-edge therapeutic classes. Patient awareness is integral to protecting patients from exorbitant pricing.

There are, first, the targeted kinase & pathway inhibitors. These are advanced molecules such as Osimertinib (for non-small cell lung cancer), Palbociclib and Ribociclib (for breast cancer), Ibrutinib and Venetoclax (for leukemia), and Acalabrutinib. These become significantly more affordable as excessive wholesale-to-retail padding is slashed.

Then there are the immunotherapies and checkpoint inhibitors. Immune-boosting therapies include medicines such as Pembrolizumab, Nivolumab, Atezolizumab, Durvalumab, and Dostarlimab reprogramme the patient's immune system to target tumour cells across various solid tumours. These have been reined in from prohibitive market ceilings.

Hormone-dependent & specialised oncologics, such as for prostate and breast cancer treatments are now under controlled pricing, expected to ease the strain of long-term maintenance regimens. This category would include drugs such as Abiraterone acetate, Enzalutamide, Darolutamide, and Exemestane.

Far too often, patients feel shortchanged in the oncological care ecosystem, even where accessible. Guaranteeing care alongside guarding the exchequer really requires reforming public procurement and distribution.

The point to remember is that while trade margin rationalisation provides immediate relief, price capping alone does not resolve every systemic vulnerability. To ensure continuity of supply, NPPA has prudently mandated that companies maintain production levels, and provide six months' notice, before any discontinuation. That apart, precision diagnostics are very expensive. Patients face high diagnostic costs, as hospitals add large margins to diagnostic services they provide.

Image: AI



Such 'leakage' dilutes retail benefits of price caps. When applied to public healthcare procurement, and cancer care governance, focus needs to be more holistic, rather than be concentrated only on fiscal custody. Here's a 9-point reform agenda ready to be actioned.

- **Consolidate demand** across public networks and utilising flexible, value-driven budgeting, over rigid cost-cutting.
- **Lower GST** on cancer medications, rationalise customs duties, and leverage earmarked levies on harmful products, to fund a National Oncology Catastrophic Fund.
- **Monitor supply inventory** to prevent leakage by using the Integrated Pharmaceutical Database Management System.
- Create a uniform **essential cancer drug list**, standardised and, evidence-based, across govt cancer hospitals for procurement and delivery, that will ensure clinical efficacy, safety, and cost-effectiveness.
- Deploy **district-level daycare chemotherapy** centres and **subsidise companion diagnostics** to ensure recommended treatments reach marginalised populations locally.
- Expand universal health coverage, via PM-JAY. Newly rationalised **targeted therapies** can be **integrated into public insurance schemes**, for zero co-pay delivery, alongside restructuring the ₹5L annual coverage cap, specifically for diagnosed cancer cases.
- Move focus from tertiary management to **primary screening**, through mobile awareness and prevention initiatives (such as Delhi's CAPS programme, initiated by Delhi State Cancer Institute) to catch malignancies at early, highly curable stages.
- Extend formal '**patient assistance programme**' frameworks to bulk govt hospital procurements, to further drive down institutional drug costs.
- Foster **domestic R&D and biosimilars**. Encouraging indigenous manufacturing and leveraging govt cancer centres, to generate local data, optimises effective dosing regimens, and can substantially reduce expenses.

Preventing the state from acting merely as a financial custodian requires systemic alignment across policy, clinical, and administrative tiers. Procurement decisions must be based on clinical efficacy, cost-utility analyses, and burden-of-disease metrics. Rope in 'pharmaceutical innovators' through managed entry agreements, where the exchequer pays only for therapies yielding verified clinical responses.

Empower hospital committees and state drug controllers to audit drug dispensing transparency, ensuring price reductions translate to zero-cost access for marginalised patients.

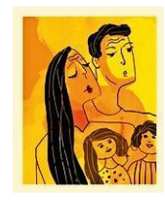
NPPA's intervention on these 137 anti-cancer agents is a vital assertion of public health over unchecked commercial margins. In balancing price governance, transparent channel economics, robust diagnostic support, and insurance integration, India may be moving towards a fairer healthcare architecture, where no patient is forced to choose between financial survival and physical healing.

The writer is HOD, Clinical Oncology, and in charge, Delhi State Cancer Institute

Calvin & Hobbes



Sacredspace



All parents damage their children. It cannot be helped. Youth, like pristine glass, absorbs the prints of its handlers. Some parents smudge, others crack, a few shatter childhoods completely into jagged little pieces, beyond repair.

Mitch Albom, The Five People You Meet in Heaven

Deepavali: Keep Relationships Alive, Honour Freedom

Surakshit Goswami

A newborn arrives in this world with empty hands and an open heart. It knows nothing of wealth, status, praise or loss. It does not cling, compare or calculate. In its innocence, the infant lives close to the state of *vairagya*, free of the fear of gaining and losing.

Then life begins to write on this blank slate. Family and society hand the child relationships, beliefs, customs and expectations. Slowly, identities and responsibilities settle upon the young mind like layers of cloth. Somewhere along the way, the love that once flowed freely becomes attachment.

Yet tradition is not the villain; it links generations, preserves our heritage and holds us together in joy and in grief. Festivals fill homes with light, laughter and shared memories. The trouble begins only when we follow customs out of fear, pressure or the need to please society, rather than out of love.

Consider Deepavali. Parents long for their children to come home, light the lamps together and offer prayers as one family. This longing is pure; it springs from affection. But when longing hardens into demand, and affection turns into guilt or resentment, the festival loses its sweetness. The *diyas* may still glow, but the hearts grow dim.

When a son or daughter cannot make it home, it does not mean love has weakened. Work, studies, finances and responsibilities often stand in the way. This is where understanding must flow in both directions. Parents can try to see their children's circumstances. Children can reassure them with warmth. Parents can tell their children: 'Wherever you are, pray with devotion, and we will do the same from here. Our bond is strong. Circumstances keep us apart this time, but our hearts are with you.'

THE SPEAKING TREE

Image: AI



None of this means families should stop celebrating together. When circumstances allow, they should gather and rejoice with full hearts. But a living tradition must be flexible enough to breathe with changing times.

True *vairagya* is not running away to the forest or turning our backs on loved ones. It is living fully within relationships without trying to possess anyone. Love that is nurtured naturally gives wings. Love that restricts another's freedom is attachment wearing the mask of affection.

Let us honour our traditions but never let them become chains. Let us cherish our relationships but never turn them into ownership. Festivals are meant to unite hearts, not burden them with guilt. Expecting young people to return home for Deepavali when they are unable to do so for valid reasons may create more stress than warmth.

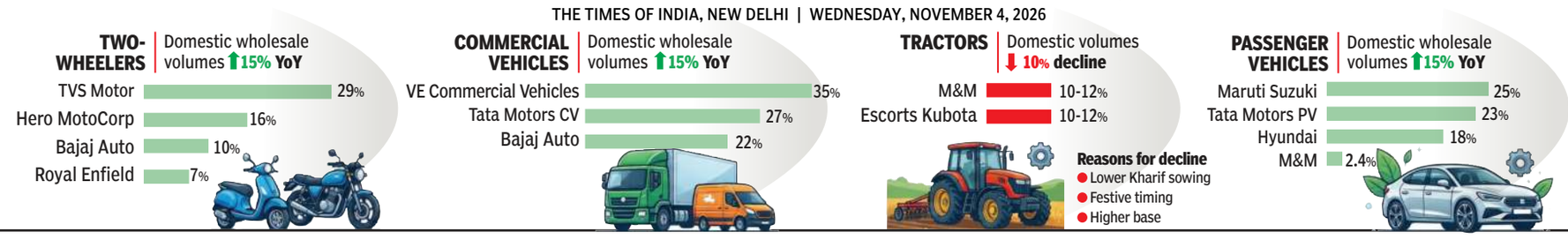
We would do well to remember that expectations may lead to disappointment, but loving detachment benefits not only the one who practises it but also the one who receives it.

TIMES BUSINESS

THE TIMES OF INDIA, NEW DELHI | WEDNESDAY, NOVEMBER 4, 2026

AUTO WHOLESALE VOLUMES
ROSE 15% IN OCT

Auto wholesale volumes grew over 15% year-on-year across segments in Oct 2026, except for tractors, which declined; retail sales were affected by festive-season timing differences. Export demand remained strong across two-wheelers (2W), passenger vehicles (PV), commercial vehicles (CV) and tractors despite geopolitical uncertainty



TVS Motor, Maruti Suzuki, Hyundai and Tata Motors passenger vehicles reported numbers ahead of expectations, while M&M, Escorts Kubota, Eicher Motors and Hero MotoCorp were broadly in line

Source: Kotak Institutional Equities report

Pre-Diwali fireworks: Sensex up over 2.4k pts in two days

FPIs Pump In Close To ₹10K Cr | Cooling Oil, Yields Add Glitter

TIMES NEWS NETWORK

Mumbai: For the second consecutive session on Tuesday, sensex notched up over a 1,000-point gain as relatively softer crude oil prices, strong foreign fund buying, softening yields in the US and a strengthening rupee helped investor sentiment on Dalal Street. After opening on a sound footing, sensex rallied through the session to close 1,225 points or 1.6% up at 76,918 points.

Combined with a 1,233-point gain on Monday, the index is now up 2,458 points or 3.3%, the index's best two-day gaining streak since April 8 this year. The gains came on the back of nearly Rs 10,000-crore net buying by foreign portfolio investors (FPIs) in the secondary market in two sessions.

On Tuesday, sensex opened the session up about 600 points, touched an intraday high of 77,093 points (up 1,400 points) and closed just a tad off that level at 76,918 points. On NSE, Nifty too followed a similar trajectory and closed at 23,811 points, up 370 points or 1.6%. Ahead of Diwali this weekend, Tuesday was the fourth straight session of gains for the index.

According to Ankur Punj, MD, Equirus Wealth, domestic markets rallied sharply as the easing West Asia conflict and falling crude oil prices coupled with encouraging Q2 earnings by corporates buoyed investor sentiment. "Despite weak global cues, domestic equities witnessed frenzied buying while fresh FII buying over the past two sessions and the rupee's recovery against the dollar provided impetus to the market."

During the day, Brent crude prices fell to about the $103-per-barrel level, down 1.3%. Last week, Brent hit the $117 level, which in turn had weakened the rupee to near the 96-to-a-dollar mark. On Tuesday, the rupee strengthened 16 paise to close at 94.73 to the dollar.

On Tuesday, net buying by foreign funds in the secondary market was at Rs 6,837 crore, exchange data showed. Domestic funds, on the other hand, were net sellers at Rs 3,679 crore. The day's strong foreign fund inflow came on the back of a Rs 3,115 crore net inflow in stocks on Monday. The day's strong gains in the market added about Rs 4.5 lakh crore to investors' wealth, with the aggregate market capitalisation of companies listed on BSE now at Rs 486.8 lakh crore, exchange data showed.

HDFC Bank, ICICI Bank and Bharti Airtel contributed the most to the day's gain in the index.

TIMELY BOOST ON DALAL STREET

Best Two-Session Gain In Sensex This Year

Date	Sensex Close	Change Over Two Sessions	
		Points	%
8-April	77,563	3,456	4.7
3-Feb	83,739	3,016	3.7
25-March	75,273	2,577	3.5
3-Nov	**76,918**	**2,458**	3.3
15-June	76,264	2,432	3.3

Source: ETintelligence.com

AI weighs ordering more wide body aircraft: CEO

To Focus On Boosting Revenue, Reducing Cost & Regain Mkt Share: Gebremariam

Saurabh.Sinha
@timesofindia.com

New Delhi: Having "punched below its weight" for too long, Air India is now considering a fresh order for more wide body aircraft to "regain market share from competition " as that "business belongs to AI".

While the "short-term" poses multiple "challenges", the "long term is a huge opportunity" and the deep in red airline could be profitable "very soon" by focusing on cutting costs and boosting revenue and efficiency, said AI CEO Tewolde Gebremariam, while outlining his plans for the carrier for the first time.

"Air India is Tata's baby and they want to see it grow. It is an opportunity for AI to be (back with) Tatas. Yes, there are challenges and profitability is a concern, but together we will make AI great again by keeping one eye on navigating headwinds today and the other on the future," the veteran from Ethiopian Airlines said at Aviation India 2026 on Tuesday.

AI lost a record Rs 22,238 crore last fiscal and the group (including AI Express) has bled over Rs 58,000 crore since the Tata takeover in Jan 2022, something that is causing concern among promoters Tata Sons and Singapore Airlines, with the Maharaja seeking fresh fund infusion. While the report of tragic AI 171 Ahmedabad crash last June is awaited, continuing geopolitical issues pose a greater challenge to Indian carriers due to the closure of Pakistan airspace for them.

Tewolde said how AI is tackling these issues. "We have created multi function cost teams and the focus is on increasing efficiency. We are increasing synergy between AI and AI Express so that they can share common functions (and cut costs). We have to bring our unit cost lower to the industry level," he said.

For increasing revenue, AI is "rebalancing" its hub network as no one knows how long the Pakistan airspace closure will last. "Pakistan airspace closure affects flights between the West and Delhi. So, we are adding more flights to the West from Mumbai and to South and Southeast from Delhi. We are exploring Bengaluru as our third hub," he said.

AI Group has about 600 aircraft on order from Airbus and Boeing, with only 80 of them being wide body. With an eye on increasing traffic to and from India, and the 3 crore Indian diaspora globally "wanting to travel AI" once the airline improves overall, Tewolde feels there is a case for "increasing wide body order" without disclosing any numbers.

"We have many of them (wide bodies), but we need more. The market demand is huge and the network is not served enough. India can establish global hubs in Delhi, Mumbai, Hyderabad and Bengaluru. We have to regain market share from (foreign) competition with the right product. Air India was punching below its weight. It may take some time but that will change."

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> **Tewolde Gebremariam** | CEO, Air India

Software freelancers get relief on export paperwork

TIMES NEWS NETWORK

Mumbai: RBI has eased export documentation requirements for individual software freelancers and other gig workers receiving payments from overseas clients by allowing information furnished to banks for crediting foreign currency earnings to serve as an Export Declaration Form (EDF). For other exporters, including companies, the deemed-submission facility is available only when the value of the inward remittance for the service does not exceed Rs 10 lakh or its equivalent in foreign currency.

The change removes the need for resident individuals and low-value exporters to make a separate export declaration for each inward remittance. The amendment, notified on Nov 2, is effective retrospectively from Oct 1, 2026.

Under the Fema export framework, payments received by freelancers from overseas clients are treated as export earnings rather than personal foreign remittances. These transactions have to be accounted for under the export declaration framework.

NSE Q2 profit rises 23% to ₹2.6k cr; income grows 9%

New Delhi: National Stock Exchange (NSE) on Tuesday reported a 23% increase in net profit at Rs 2,578 crore for the Sept quarter, driven by higher transaction revenue and a sharp decline in expenses. The exchange had logged a profit after tax of Rs 2,098 crore in July-Sept period of the previous fiscal. Total income rose 9% to Rs 4,554 crore in the second quarter of FY27 from Rs 4,160 crore a year ago. Revenue from transaction charges rose 9%. AGENCIES



Razorpay gets Sebi nod for ₹6k cr IPO

Bengaluru: Digital payments company Razorpay has received approval from markets regulator Sebi for its proposed Rs 5,000-6,000 crore initial public offering (IPO), a person familiar with the development confirmed to **TOI**. The Bengaluru-based fintech is working towards a stock market listing in the Jan-March quarter of 2027, although the final timing will depend on market conditions and investor demand. TNN

Industry bodies debate LTCG pitch ahead of pre-budget discussions

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New Delhi: Ahead of the pre-budget consultation with revenue secretary Arvind Shrivastava on Wednesday, industry bodies were working out their final wish list on long-term capital gains tax (LTCG) — the most-discussed budgetary proposal this year.

Executives at industry associations said that there were competing views from members and tax experts and a final call on how the demand should be worded was yet to be taken. While the proposal is not completely new, it has got a major thrust amid stagnant stock market indices and negative returns for foreign portfolio investors (FPIs) due to a weak rupee. The call gained further momentum after the Centre scrapped the 12.5% long-term capital gains tax on FPI investment in govt securities in June as part of a strategy to support the rupee.

On Tuesday, while some of the bodies were finetuning their position, most strident were FPIs, demanding that govt abolish the tax at least for them. There are some supporters of this among industry representatives as well. But politically, especially with mutual funds and retail investors emerging as a large investor community, it may not be possible for govt to only focus on overseas investors and ignore the claims of domestic investors -- more so, when complaints about high GST and personal income tax rates have just subsided.

With revenue impact being a concern, there is some discussion around a graded reduction in LTCG. So, some industry representatives have suggested that short-term capital gains tax and securities transaction tax (STT) be retained in their current form and LTCG in year 1 also be left unchanged at 12.5%. But those who hold the shares longer should be charged concessional LTCG, which could fall to zero over three-five years.

There is also a school of thought that STT should be abolished and LTCG be retained. Then, there are suggestions that STT should apply to F&O but be removed for the cash segment.

There is also a section which believes that FPIs will come once stock market valuations correct further and the rupee stabilises.

As finance minister has said in her public statements, she is keeping track of the debate. The outcome will be known only on Feb 1 when she presents a record-equalling tenth budget.

'LTCG tax abolition may cost ₹40k-50k cr'

New Delhi: Govt could abolish long-term capital gains (LTCG) tax across investor categories even keeping its fiscal consolidation road map largely unaffected, as the resulting revenue loss is likely to be limited to Rs 40,000-50,000 crore in FY28, a report said on Tuesday.

The report from SBI Research estimated that eliminating LTCG tax would reduce govt revenue by nearly 0.1-0.2% of GDP, a level it said could be absorbed while keeping fiscal deficit targets broadly on track. "We believe govt would be able to take this hit if hypothetically, the entire capital gains taxes were abolished," the report said. It estimated LTCG collections at around Rs 1 lakh crore in FY26 and projected them to decline to Rs 40,000-50,000 crore in FY27. AGENCIES

TaMo looks at manufacturing Iveco in India

TIMES NEWS NETWORK

Mumbai: N Chandrasekaran, who became chair of Iveco following Tata Motors' biggest acquisition, said the combined €21 billion commercial vehicle group expects volumes, revenues and margins to grow over the next five years, as both companies explore opportunities to expand in each other's markets, including manufacturing Iveco products in India.



Speaking in Turin, Chandrasekaran said the combination brings together complementary product portfolios and geographic footprints, uniting two profitable and cash-generative businesses with operations spanning India, Europe and Latin America.

The acquisition, Tata Motors' biggest since its purchase of Jaguar Land Rover in 2008, has created the world's fourth-largest commercial vehicle manufacturer in the trucks-above-six-tonnes segment, with annual sales of nearly six lakh vehicles.

The combined group operates in more than 130 countries, with 27 manufacturing plants, 25 research and development centres and over 73,000 employees.

Tata Motors completed the initial settlement of its tender offer last week, securing nearly 90% stake in Iveco for about €4 billion and making the Italian truckmaker an indirect subsidiary. Tata Motors is also working on the delisting of Iveco, although Chandrasekaran declined to provide a timeline.

Despite the combination, Iveco will continue to operate from its headquarters in Turin, he said.

At the press conference, Tata Motors MD Girish Wagh, who has joined the Iveco board as a non-executive director, recalled the Indian company's long-standing association with the Italian city. "When Ratan Tata (former Tata Motors chairman) wanted to manufacture cars, he had turned to Turin," Wagh said.

Iveco's existing brands, industrial operations and organisational identities will be preserved, while Tata Motors will support Iveco's current strategic and investment plans. Iveco CEO Olof Persson will remain in his role.

SBI net rises 14% to ₹23k cr, shares slip 1.8%

TIMES NEWS NETWORK

Mumbai: State Bank of India's Q2FY27 net profit rose 14.3% to Rs 23,038 crore, driven by a 14.7% increase in net interest income to Rs 49,143 crore and lower loan loss provisions. Net interest margin improved to 3.1% from just over 3% a year ago, while loan loss provisions fell 33% to Rs 2,759 crore as asset quality improved.

However, the bank's shares fell 1.8% to Rs 969 as investors were disappointed with the 7.3% growth in operating profit to Rs 34,226 crore. The increase was held back by a 24% decline in other income to Rs 11,777 crore.

Addressing newspersons, SBI chairman CS Setty reiterated the bank's guidance of 10-11% deposit growth and 14-15% credit growth. The bank has a corporate loan pipeline of Rs 7.8 lakh crore, he said.

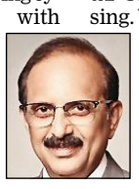
"If nominal GDP growth is around 12 to 12.5%, normally the SBI credit growth rate is 3 to 4% over that and that is where the guidance of 14 to 15% is coming from," explained Setty.

The bank does not face any immediate compulsion to raise deposit rates, given its comfortable liquidity position. SBI had excess statutory liquidity ratio (SLR) holdings of more than Rs 4 lakh crore as of Sept 30, providing adequate headroom to fund credit growth, he said.

Cyber risks: Banks working on coordinated response

TIMES NEWS NETWORK

Mumbai: The banking industry is working on a coordinated response to rising cybersecurity risks, with banks looking to establish a structured mechanism for sharing information on cyber incidents and an industry-level sandbox to test frontier artificial intelligence (AI) models in a regulated environment.



State Bank of India chairman **CS Setty** said Indian Banks' Association (IBA) was working on both initiatives to help lenders identify vulnerabilities and respond faster to emerging threats.

"As more and more digitalisation happens, the digital surface area is increasing. What we call attack surface area is increasing. And the security and digital adoption need not be mutually exclusive," said Setty. He said govt, public sector institutions and private entities were collectively working to ensure that cyber incidents did not undermine trust in digital systems.

IBA had also developed a comprehensive framework to address AI-related cybersecurity concerns. However, Setty said, a key priority was to strengthen information sharing across banks and financial institutions.

While incidents were already being reported to regulators and security agencies, a structured mechanism to alert other banks as soon as an incident occurred would enable them to take preventive measures immediately. "This is something that we are seriously working under the IBA," he said.

The other initiative involves creating an industry-level sandbox where frontier AI models can be tested in a regulated and controlled environment.

Gaana, Noise join hands for cobranded buds

New Delhi: Noise and Gaana have announced the launch of the Noise Buds R1 (Gaana Edition), a co-branded product that brings together audio technology and music streaming in one offering.

Priced at Rs 1,399, the earbuds come with a one-year Gaana Plus subscription. The launch brings together two homegrown brands seeking to make music streaming more accessible to consumers. "With music continuing to be a key part of everyday digital entertainment in India, the collaboration combines the convenience of wireless audio with the benefits of a premium music-streaming experience," said a statement. TNN

Govt eyes ₹15k cr from PSU land monetisation

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New Delhi: The Centre is on course to monetise land worth Rs 15,000 crore belonging to central public sector enterprises (CPSEs) during the current financial year through National Land Monetisation Corporation (NLMC), with transactions amounting to Rs 9,000 crore already finalised so far this year, an official told **TOI**.

The land monetisation pipeline for this year includes properties of troubled telecom twins BSNL and MTNL, apart from Rashtriya Ispat Nigam (RINL), defunct Hindustan Machine Tools (HMT), ITL and Hindustan Insecticides (HIL), among others.

The NLMC is also targeting additional monetisation of MTNL properties worth Rs 5,000-6,000 crore over the next two years. The telecom PSU, with operations in Delhi and Mumbai, has prime land, including apartments and office complexes. It had identified properties for disposal several years ago but progress has been slow. The telecom company, which has been taken over by BSNL, carries a substantial debt burden, with outstandings of around Rs 10,000 crore, according to the official. BSNL also is not out of the woods either, despite govt pumping in thousands of crores for "strategic reasons".

The official said that while transactions of Rs 9,000 crore have been finalised, money is yet to flow in, with more properties targeted to be put up for sale in the remaining months of 2026-27.

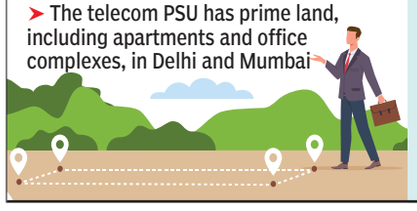
On Tuesday, NLMC organised a pre-bid meeting for the e-auction of a land parcel owned by HIL in Delhi at a reserve price of Rs 829 crore.

"A number of CPSEs reached out to NLMC, after it successfully e-auctioned 180 plots of RINL in Visakhapatnam in two phases, with the first phase netting Rs 366 crore against a reserve price of Rs 312 crore," NLMC CEO Rohan Thakur told reporters at the event. HIL chairperson and MD Kuldeep Singh told **TOI** that the next move will see sale of a residential land parcel in the city, which is in vicinity of one currently under auction.

Set up in 2022 as part of govt's broader effort to put underutilised public assets to productive use, NLMC functions under the finance ministry and is mandated to monetise non-core land assets of CPSEs and govt agencies. The money collected from such sales provides an avenue for debt-laden companies to reduce debt and strengthen their balance sheets.

Expects Up To ₹6k cr From MTNL Assets

- Land monetisation pipeline for this year includes properties of BSNL and MTNL, Rashtriya Ispat Nigam, defunct Hindustan Machine Tools, ITL and Hindustan Insecticides, among others
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>
> —ROHAN THAKUR | CEO, NLMC

iPhone & Mac power Apple India's Sept-qtr record revenue

Aabhas.Sharma
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New Delhi: Apple posted its highest-ever quarterly revenue in India in the Sept quarter, with Mac and services revenue also setting records. The company recorded its highest number of iPhone upgraders in India during the quarter. India's all-time high revenue stood out in a quarter when Apple set Sept-quarter records across the Americas, Europe, Greater China and the rest of Asia-Pacific. The company did not disclose its India revenue or give a breakdown by product category.

Globally, iPhone revenue rose 17% from a year earlier to $57.6 billion despite supply constraints and currency headwinds. CEO John Ternus said Apple set a Sept-quarter record for iPhone upgrades worldwide. India was also among the markets where Apple recorded its highest number of iPhone upgrades for a full fiscal year, alongside the US, China and Japan.

The Mac business grew faster than the iPhone globally, with revenue rising 24% to $10.8 billion. CFO Kevan Parekh attributed the increase to demand for the MacBook Neo and MacBook Pro. India and Southeast Asia posted all-time Mac revenue highs, though Apple did not say how much either model contributed to sales in India.

Services revenue rose 10% globally to a record $31.6 billion. India was among the markets where the business reached a new high.

"India is moving from an iPhone growth market to a full ecosystem market for Apple, and we expect that shift to accelerate in 2027 and beyond as the installed base expands," said Tarun Pathak, research director, Counterpoint Research.

The simultaneous records give an indication of how Apple's India business is broadening. The iPhone continues to bring existing customers back for upgrades, while the Mac and services businesses are generating more revenue in the country than ever before.

Editor's TAKE

Israel faces a coalition conundrum

Israel's election has weakened Benjamin Netanyahu but failed to produce a clear alternative, with Arab parties holding the balance of power

Israel has voted again and, once more, answered nothing. Benjamin Netanyahu's right-wing and ultra-Orthodox bloc won 53 seats in the 120-member Knesset, down from the 68 it held before the election. Gadi Eisenkot's opposition alliance took 48. Neither is close to the 61 needed to govern.The decisive voters are the ones both camps swore never to touch. Arab-led parties, the Joint List with 11 seats and Ra'am with eight, won a record 19 as turnout in their communities roughly doubled to about 80 percent. Add them to the opposition and the anti-Netanyahu total is 67.

That is the paradox of this election: Netanyahu lost his majority, yet the majority that beat him is one its own leaders have promised not to use.The Arab parties are not passive kingmakers. Joint List leader Yousef Jabareen will not enter any government but says he will vote with one that removes Netanyahu, Itamar Ben-Gvir and Bezalel Smotrich. Ra'am's Mansour Abbas would join if given the internal security portfolio.

A confidence-and-supply deal, with Arab parties outside the cabinet but backing the government in key votes, is the obvious design. It is also the one Avigdor Liberman, with seven seats, has ruled out, even as he endorses Eisenkot for prime minister.Can the opposition govern? Arithmetically, yes; politically, only after broken promises. An Eisenkot minority government needs either Arab votes or the abstention of ultra-Orthodox United Torah Judaism. If its seven MPs sit out a confidence vote, Netanyahu's side falls to 46 against 48. UTJ is reportedly weighing exactly that. The price would be softening the draft-exemption fight Eisenkot campaigned on. He must choose which promise to break. Netanyahu's odds of returning are long. He is eight seats short, would need to peel away eight opposition MPs under anti-defection rules, and President Herzog is unlikely to hand him the first mandate. His claims of a stolen election have been rejected by the Central Elections Committee. His real path is delay: the opposition fails, a new election is called, and he stays on as caretaker. The experts put his chances at no better than one in three, and mostly via that route. A rerun is a gamble, since this turnout will be hard to repeat, but not a foolish one for him.

The regional stakes are real but narrower than headlines suggest. On Iran, Netanyahu leans toward acting alone, and he reportedly pressed Washington for fresh strikes before the vote, which he denies; Eisenkot would coordinate more closely with Washington. Yet Eisenkot opposes a Palestinian state and full withdrawal from Gaza, and Riyadh wants a credible path to statehood before normalisation, whoever governs.

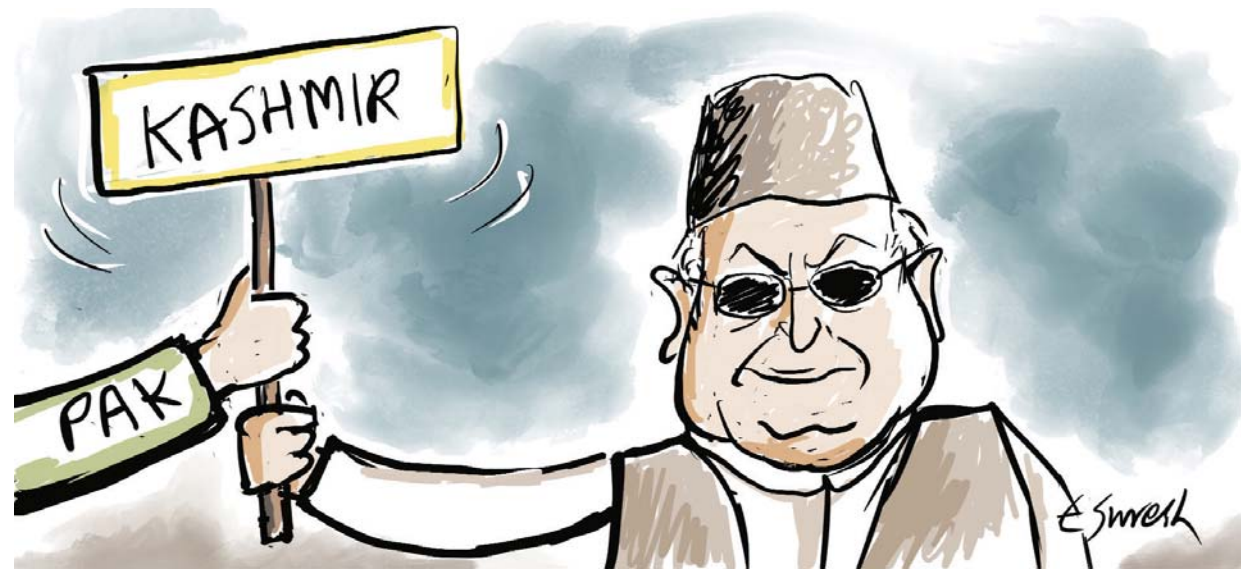
The opposition's biggest mistake would be to treat 19 Arab mandates as contamination rather than a democratic fact. President Herzog wants unity, and the new Knesset is sworn in on November 10 regardless. Eisenkot's task now is to prove he can win the peace among his own allies.

Farooq, furore and the 'Idea of India'

Farooq Abdullah's remarks on Pakistan may be reckless and deserve scrutiny, but branding him anti-national without evidence undermines democratic debate. Dissent on Kashmir, however uncomfortable, must not be confused with allegiance to Islamabad.



BHOPINDER SINGH



From warning that Pakistan is "not wearing bangles" to suggesting that Islamabad helps protect Kashmiris by keeping their cause alive internationally, Farooq Abdullah has perfected the politics of the incendiary one-liner. His remarks can be irresponsible and reckless, his theatrics exasperating, and his political record deeply contestable. But reducing him to a Pakistani sympathiser is to mistake provocation for allegiance, and Kashmir's complicated politics for a 'national-security' binary!

His latest offering, suggesting that Pakistan helps protect Kashmiris by keeping the Kashmir question alive internationally, has predictably brought down the familiar chorus of anti-nationalism. But Farooq's recent statement, also demands a distinction that Indian politics increasingly struggles to make i.e., the difference between a provocative argument about Pakistan's diplomatic role and evidence of allegiance to Pakistan. The former deserves scrutiny. The latter cannot simply be presumed.

Consider his infamous warning in May 2024 i.e., Pakistan was "not wearing bangles"; it possessed nuclear weapons, and any war could bring catastrophe upon India. The remark followed Rajnath Singh's suggestion that Pakistan-Occupied Kashmir might eventually join India. The phrase was crude, theatrical and calculated to provoke. But the argument beneath it was hardly treasonous. Abdullah was warning against military adventurism, not campaigning for Pakistan.

His position on Pakistan-occupied Kashmir (PoK) has been equally combustible. In November 2017, he declared: "PoK is in Pakistan, and will remain. J&K is in India, and will remain." While nationalists rightly regard the recovery of PoK as a just territorial objective, the statement was intolerable. For Farooq, it reflected a hard-headed argument against pretending that a disputed border could be redrawn through slogans and military bravado. One can challenge his assessment without pretending that strategic realism is synonymous with disloyalty.

Then there were the stone-pelters. During the unrest of 2017, Abdullah argued that young Kashmiris were risking their lives for the resolution of the Kashmir issue. His willingness to frame stone-pelting as political sacrifice angered those who saw it as a dangerous romanticisation of violence. Here, the criticism carries real weight. Alienation deserves explanation; violence does not deserve glorification.

Same ambiguity shadows his dealings with separatist sentiment. He has urged engagement with Hurriyat and insisted that Kashmir's political grievances cannot be wished away. Critics have interpreted such gestures as appeasement. Yet engaging separatists is not necessarily endorsing separatism.

> ABDULLAH HAS REPEATEDLY ADVOCATED GREATER AUTONOMY WITHIN INDIA, NOT AN INDEPENDENT KASHMIR ALIGNED WITH PAKISTAN. THAT DISTINCTION IS ROUTINELY LOST IN A NATIONAL DEBATE THAT TOO OFTEN TREATS EVERY CHALLENGE TO 'DELHI' AS A CHALLENGE TO INDIA ITSELF.

Abdullah has repeatedly advocated greater autonomy within India, not an independent Kashmir aligned with Pakistan. That distinction is routinely lost in a national debate that too often treats every challenge to 'Delhi' as a challenge to India itself.

His fury following the Supreme Court's December 2023 judgment upholding the revocation of Article 370 was similarly unvarnished. He complained that J&K had been driven to "jahannum" (hell), by the central government. The language was unbecoming of a senior political leader, but the grievance was unmistakable - he believed the dismantling of autonomy had deepened the alienation of Kashmiris rather than secured their consent.

None of this makes Abdullah a saint, much less a politician beyond reproach. His long record in government deserves searching examination for administrative failures, political compromises, and allegations of corruption. His party cannot claim democratic credentials as a permanent exemption from accountability.

Nor can his age, lineage or rhetorical flamboyance excuse careless remarks about a neighbour whose role in Kashmir's suffering is written in blood. But neither should the charge of "anti-national" become a substitute for argument. Calling a statement irresponsible is one thing; suggesting that it proves allegiance to Pakistan is quite another. The latter requires evidence, not merely outrage.

Here lies the enduring paradox of Farooq i.e., he can be an infuriating critic of the Indian state, while remaining an advocate of Kashmir's place within India. His politics have rested on the proposition that the Union's relationship with Kashmir requires more than territorial assertion; it requires dignity, inclusion and some measure of political trust. His party's failures do not erase that argument, any more than that argument absolves his party of its failures.

The latest Pakistan remark may have been his familiar blend of frustration, theatrical flourish, and political baiting. It was also profoundly insensitive to those who have suffered from Pakistan's actions. It should be challenged, not excused. But leaping from a reckless sentence to a verdict on national allegiance is to take the easiest route through a difficult argument.

The "Idea of India" cannot mean much if it accommodates dissent only when dissent is politely phrased, politically convenient, and safely indistinguishable from the government's position.

Kashmir's democratic space depends, in part, on the ability of mainstream politicians to articulate grievances that may be uncomfortable elsewhere in the country, even when their own conduct makes that task harder.

Farooq has often squandered that opportunity through his own excesses. He can be irascible and needlessly provocative. His critics are entitled to call him out. They are not entitled to turn every provocation into proof of treachery.

Pakistan's role in Kashmir cannot be sanitised. Abdullah's rhetoric cannot be immunised from criticism. But neither can Kashmir's politics be reduced to the simplistic proposition that anyone who questions New Delhi must be playing Islamabad's game. Farooq Abdullah may repeatedly say too much. India should be careful not to infer more than his words prove.

The writer is a former Lieutenant Governor of the Andaman and Nicobar Islands and Puducherry and a military veteran

Daiv Vani

WISDOM FOR A MEANINGFUL LIFE

The Sun Does Not Procrastinate

The sun has never once waited until it felt ready to rise.

Every morning, with no applause and no reminder, the sun appears on schedule. It does not negotiate with clouds, wait for a better mood, or postpone its journey because the previous day was tiring. Our tradition calls it Savita, the one who impels all beings into action, and the Gayatri mantra asks for the same inspiration: "Dhiyo yo nah prachodayat", may that light impel our understanding.

The Valmiki Ramayana records a moment on the battlefield when Rama, weary and thoughtful as he faced Ravana, was met by the sage Agastya. He taught him the Aditya Hridayam, a hymn to the sun. Rama sipped water, chanted it three times, and his energy and clarity returned. The tradition says he then went forward and won.

Procrastination often hides behind waiting for the right mood. The sun teaches that the mood follows the act, and that strength is renewed by beginning, not by waiting.

Tomorrow morning, before sunrise or within the first hour, choose the one task you have been delaying. Begin it for just fifteen minutes. Offer the effort to the rising sun with folded hands and let it carry the momentum for the rest of your day.

– DR. MANASA NAGABHUSHANAM, DAIV

PIC TALK



People buy decorative materials ahead of the Diwali festival, at a local market in Amritsar, Punjab PHOTO: PTI

Increase receptivity towards signals coming from God



AJIT KUMAR BISHNOI

2ND OPINION



We pray throughout our life, that is, when we feel helpless for various reasons like some trouble strikes or we need something very badly. Does God respond? He must as He is our 'anshi' (whole). The relationship with God is not like a parent-child relationship. The relationship with God is very different. The 'ansha' (part), which one is, must willingly, that is, using free will, take shelter of God. If we do so by praying, etc., God will respond in a suitable manner, as determined by Him.

How do we know what God has decided? Surely, some signal must come from Him. There are many ways God chooses to respond. The first is through an intuition; it is a good feeling, an instant guidance. Then, it could come through a medium chosen by God; this could be a close relative. God may appear in a dream and instruct or speak directly in early morning like 4am. This is also how God gives 'vardaan' (boons). Or a minor miracle may happen, and divine signal is received. All these point to what action a person, turned a devotee, should take.

The next question is about being able to ascertain whether the signal is from God or we, ourselves, are imagining it. The first thing I do is to check about it from the Bhagavad-Gita. Some verse from this eternal book of wisdom will confirm it. For further confirmation, we need to go to a spiritualist, mostly, a guru or a well-informed friend.

Then, the third question follows, which is how to qualify for such a privilege. The obvious answer is by becoming a devotee, which is to agree to remain in shelter of God. Give up 'ahankar' (false ego) and become very humble. There must be a strong desire to serve God, which fits in with God's plan, which God has for all of us. One must be prepared to act on God's instructions. Increasing purity and sensitivity will enhance receptivity. Yes, full surrender should be practised by praying for guidance and help, and be very grateful upon getting the desired guidance and help.

What could be the purpose of God for helping us is the last question in this regard. This Creation belongs to God, and He is responsible for its smooth functioning. Then, God must help His devotees to gain the ultimate prize of 'moksha' (liberation). These fortunate souls become 'nimitta' (instruments of God) to serve the Creation. God on His part guides and helps; reforms, as necessary; encourages to be good by following 'dharma' (highest principles); alerts; warns and punishes in order to make one receptive to the required changes.

Benefits to a devotee are many, the main being getting a direction in life, which suits an individual. Answers from the Omniscient about whatever trouble one is facing helps greatly. Are you ready? Believe me, the increased receptivity of signals coming from God have enriched my life like I could not have imagined.

The writer is a spiritual teacher and a columnist

LETTERS TO THE EDITOR

Accelerate the Transition to Clean Energy

The Prime Minister's reiteration of the target of generating 500 GW of electricity from non-fossil fuel sources by 2030 is welcome. However, achieving this ambitious goal will require a much faster and more diversified energy transition. India currently has around 258 GW of installed renewable capacity, including large hydropower, placing it third globally. The gap with China, which has over 1,400 GW, remains considerable.Our continued dependence on fossil fuels is a major concern, both environmentally and strategically. Coal is becoming increasingly expensive, while reliance on imported components, particularly from China, makes our solar energy sector vulnerable.

India must diversify its renewable energy portfolio. Low-wind-speed turbines suitable for decentralised generation, tidal power along coastal regions and captive renewable plants for industries deserve greater attention. Rooftop solar adoption also needs a major push. The complicated subsidy and installation process should be simplified, with better financial incentives for households.Meeting the 2030 target requires more than ambitious announcements. It demands practical policies, technological self-reliance and faster implementation.

AG RAJMOHAN | ANANTAPUR

Protect passengers from airline exploitation

The Supreme Court's observation that passengers should simply avoid flying if airfares rise by 700 per cent is disappointing. It overlooks the practical difficulties faced by litigants and advocates who must travel to attend important court hearings. An advocate travelling from Chennai to Delhi can reach the Supreme Court within hours and return to fulfil other professional commitments. Yet, there is no guarantee of a hearing, as the opposing party may seek an adjournment. Litigants already burdened by judicial delays and mounting legal expenses should not have to bear exorbitant airfares merely to secure representation.

Choosing alternative transport could consume three days or more, disrupting professional commitments and adding to the financial burden. These realities cannot be dismissed by suggesting that passengers simply stop flying.

The larger question is why airlines are allowed to exploit festive-season demand through astronomical fare increases. Is the Directorate General of Civil Aviation (DGCA) adequately monitoring and regulating such practices? The regulator must ensure that commercial freedom does not become a licence for profiteering. Access to justice should not become more expensive because of unchecked airline pricing.

AP THIRUVADI | CHENNAI

Ramlila Rally Has Sent a Political Message

Union Minister Kiren Rijiju's allegation that the Congress used an AI-generated image to exaggerate attendance at the INDIA bloc's Ramlila Maidan rally reflects the political unease surrounding the opposition gathering. Rather than dismissing the event, the ruling party would do well to recognise the message it may have conveyed.

Attempts to disrupt the rally, including appeals by local traders for a change of venue and date, followed by the BJP's counter-campaign, 'Loktantra Bachao, Arajakta Hatao', failed to prevent the opposition from mobilising supporters. The event has provided the INDIA bloc an opportunity to project unity and challenge the Government on issues concerning democratic institutions. The subsequent attempts by ministers to portray the gathering as a flop appear more like political defensiveness than a constructive response. In a democracy, opposition rallies are legitimate expressions of public opinion and should not become occasions for personal attacks or attempts to discredit political rivals. Instead of concentrating on mocking opposition gatherings, Minister Rijiju and the BJP should focus on governance, development and delivering tangible benefits to citizens. The Ramlila Maidan rally may well have served as a warning to the ruling dispensation that public discontent cannot simply be dismissed.

BIDYUT KUMAR CHATTERJEE | FARIDABAD

The Pioneer
NEW DELHI | WEDNESDAY | NOVEMBER 4, 2026

Uttarakhand needs a constitutional shield to protect its identity

As electoral politics heats up in Uttarakhand, demands for stronger safeguards for its land, resources and cultural identity are gaining momentum. Extending the Fifth Schedule and PESA to the hill state could offer local communities greater control over their resources and protect their distinct Himalayan heritage



VK BAHUGUNA



The election scenario is building up in Uttarakhand along with Punjab and Uttar Pradesh and so is the building up of feverish political pitch of demands and counter demands between the political forces. While two national parties are silent on very critical issues of delimitation and constitutional protection of this border state with a distinct cultural profile. The local social leaders and regional forces after years of neglect by politicians are demanding that the geographic criteria should get 80 percent weightage for determination of the proposed 105 State assembly seats. The issue was first raised by the Uttarakhand Samanta Party through a memorandum submitted to the Prime Minister in December 2024 with the active support of intellectuals of Uttarakhand. Because being a border state and geographically difficult inaccessible terrain local leaders argue that more seats should be assigned to hilly areas for better interaction with political representatives and the people. Further, it is also necessary due to strategic defence reasons as the state is surrounded by a hostile China and unpredictable Nepal. Already during last delimitations state's hill areas lost 6 assembly seats. Already the issue of land laws and original residence certificate (Mool Niwas) has been agitating the masses since long and recently an scam has been exposed by the son of environmentalist late Sunder Lal Bahuguna about admission in MBBS seats to the outsiders by blatantly tweaking the rules in their favour.

All this is fuelling agitation for rectification of an historical injustice done post-independence in not protecting the art and culture, language and traditions of the Uttarakhand people. Even after creation of a hill state their aspirations specially resource sovereignty was ignored by the national political parties due to the poor perceptions, sycophancy and poor knowledge of politicians from the state. Let us discuss the basis and why the 5th Schedule of the constitution of India should be extended to the entire Uttarakhand. The administrative identity of Uttarakhand-presents an enduring constitutional paradox.

Under colonial rule, the unique socio-ecological fabric, geographic isolation, and distinct cultural systems of these mountainous tracts were protected under unified frameworks like the Scheduled Districts Act of 1874 and the Excluded/Partially Excluded Areas framework of 1935. Yet, during the post-independence consolidation of India, the broader Uttarakhand hills were assimilated into standard plains-centric governance matrices as an adjunct to Uttar Pradesh.

Ironically this region produced national leaders who were more ensconced in the larger vote bank politics of UP as it had 85 Lok Sabha seats. While reviewing the 1935 Act provisions this transition exposes a flawed, piecemeal approach by the Government of India to tribal recognition that left the vast majority of the region's indigenous populace legally exposed. Declaring the entire hilly terrain of Uttarakhand a Scheduled Area under the Fifth Schedule is a necessary intervention to align resource sovereignty with cultural preservation.

A fundamental flaw in Uttarakhand's modern political history is the highly selective nature of the Presidential Scheduled Tribes Order of 1967. This decree granted Scheduled Tribe (ST) status to only five specific communities: the Bhotiyas, Jaunsaris, Tharus, Boxas, and Rajis. While this mechanism provided vital affirmative action, it relied strictly on community-based identity rather than the broader socio-geographic reality. This hyper-focused approach stands in stark contrast to the strategy applied in neighbouring Himachal Pradesh. Under the Scheduled Areas (Himachal Pradesh) Order of 1975, the Government of India designated entire, vast, contiguous mountain areas-such as the Kinnaur and Lahaul & Spiti districts, alongside the Pangi and Bharmour sub-divisions of Chamba-as Fifth Schedule areas. Himachal Pradesh's policy recognized that a fragile mountain environment shapes a collective indigenous way of life that transcends caste lines. In contrast, the 1967 order treated Uttarakhand as an arbitrary mosaic, leaving communities with identical cultural practices, customary laws, and geographical vulnerabilities completely unprotected simply because they sat outside designated tribal pockets. One of the reasons of Himachal Pradesh's success was the long honest and visionary leadership of late Dr YS Parmar.

This structural failure became even more glaring after the hard-fought creation of Uttarakhand in 2000. Lacking the overarching legal shield of the Fifth Schedule, successive state governments resorted to a patchwork of regional classifications. A primary example is the Rawalta-Jaunpuri belt, including blocks like Jaunpur in Tehri Garhwal and parts of Uttarkashi. Recognizing the severe socio-economic isolation and distinct cultural identity of these zones, the state designated entire regions as Other Backward Classes (OBC). While this status offers educational and employment quotas, it exposes a deep administrative contradiction. In areas like Jaunpur, entire demographic spectrums-including Brahmins and Rajputs-receive OBC benefits strictly based on their ancestral geography.

These communities maintain distinct, centuries-old customary traditions, collective rituals, and community-driven resource management practices that are inherently tribal. Assigning an OBC label to an entire alpine block is a clear acknowledgment of its fundamental alienation from mainstream plains dynamics. However, OBC status offers no protective shield against land alienation, unregulated resource exploitation, or the erosion of customary laws. Moreover, the socio-economic and cultural profile of omitted areas of Uttarakhand is the same as in case of Jaunpur block.

By failing to recognize the entirety of the hill tracts as a unified cultural and ecological zone, the state has allowed the region to be treated as a tourism resource frontier. Top-down environmental directives and aggressive infrastructure projects frequently bypass local community consent. This dynamic has driven the severe out-migration that has created hundreds of "ghost villages" across the strategic, vulnerable borderlands. The only comprehensive solution to this historical injustice is for the Government of India to declare the entire hilly region of Uttarakhand a Scheduled Area under the Fifth Schedule, or alternatively, classify the native Himalayan populace under a unified protective framework. The primary legal vehicle for this change would be the extension of the Provisions of the Panchayats (Extension to Scheduled Areas) Act (PESA).

Implementing PESA would shift the governance paradigm by granting statutory autonomy directly to the Gram Sabhas. Local communities would gain absolute veto power over land acquisitions, the regulation of local markets, and the management of minor forest produce and water bodies. This would legally institutionalize the spirit of the historic 1931 Van Panchayats at a regional scale, securing the sovereign rights of the mountain people over their Jal, Jungle, and Jameen (Water, Forest, and Land).

Ultimately, evaluating Uttarakhand's administrative history reveals that the insulation provided in 1874 and 1935 was not a colonial anomaly, but a structural necessity dictated by geography. Correcting the narrow scope of the 1967 order and moving past stop-gap OBC designations is essential. Restoring a holistic, protected constitutional framework is the only way to safeguard the diverse traditions of the Central Himalayas and ensure a self-determined future for its people.

This debate has gained intense public momentum following the passage of the Uttarakhand Zamindari Abolition and Land Reforms (Amendment) Act (popularly known as the Bhoo Kanoon amendment), which enforces strict caps on outsider land purchases across 11 mountain districts. However, this reform came too late and is too less as loss of jobs and cultural integrity is not ensured at all. The Fifth Schedule alternative is better than passing fragile state-level amendments that face implementation loopholes, bringing the region under the Fifth Schedule and PESA remains the only ironclad, federally backed constitutional shield to guarantee local land and cultural as well as strategic sovereignty.

A FUNDAMENTAL FLAW IN UTTARAKHAND'S MODERN POLITICAL HISTORY IS THE HIGHLY SELECTIVE NATURE OF THE PRESIDENTIAL SCHEDULED TRIBES ORDER OF 1967. THIS DECREE GRANTED SCHEDULED TRIBE (ST) STATUS TO ONLY FIVE SPECIFIC COMMUNITIES: THE BHOTIYAS, JAUNSARIS, THARUS, BOXAS, AND RAJIS. WHILE THIS MECHANISM PROVIDED VITAL AFFIRMATIVE ACTION, IT RELIED STRICTLY ON COMMUNITY-BASED IDENTITY RATHER THAN THE BROADER SOCIO-GEOGRAPHIC REALITY

The writer is former IFS officer and Chairman of Centre for Resource Management and Environment

Gita in action: What do I do? Be open to learning



KRISHNA BHATTA

The Power of an Open Mind

Ever wondered why the Bhagavad Gita happened between Krishna and Arjun-and not Karna, Duryodhan, Yudhisthir, or Bhim?

It was not simply a matter of military skill or moral standing; it was a matter of inner posture. Karna was bound by identity and loyalty; Duryodhan was locked in pride; Yudhisthir was bound by rigid adherence to conventional rules; and Bhim relied on physical strength. Arjun alone possessed a rare combination: he was a supreme master of his craft, yet he retained an open, inquisitive mind.

We are all born with a blank slate and a natural sense of wonder. From our earliest days, we observe, ask questions, and soak up the world without bias. As we grow, however, we gather information, build expertise, and gain status. Too often, that accumulated knowledge slowly hardens into fixed beliefs, rigid assumptions, and unyielding dogma. Somewhere down the road, many of us stop learning. We become intent on defending what we already know rather than remaining open to what we do not.

This is the trap Arjun avoided on the battlefield.

Arjun was not an amateur. He was a world-renowned warrior at the absolute pinnacle of his capability. By any standard, he had earned the right to rely on his past achievements. Yet, when faced with a crisis that rendered his existing mental frameworks completely useless, Arjun did not let pride or past accomplishments lock him into dogma. He kept his inquisitive mind alive, acknowledged his limits, and opened himself to learning-not from a distant authority, but from Krishna, his friend who became his divine coach and teacher.

Can 'Vishada' (Despair) Really Be a Yoga?

At first glance, the title of Chapter 1-Arjuna Vishada Yoga (The Yoga of Arjun's Despair)-presents a profound paradox. How can despair, sorrow, or crisis be called a 'Yoga'?

None of us seek out crisis. We do not ask for unexpected loss, sudden heartbreak, or overwhelming professional roadblocks. But crisis happens-that is an inevitable part of life. The decisive factor is never the presence of the crisis, but our response to it. If despair locks us in bitterness and defensiveness, it remains a destructive breakdown. But if despair shatters our illusions of self-sufficiency, forces us to question our fixed assumptions, and opens us to seeking higher guidance, then that very crisis transforms into a Yoga-a bridge connecting us to deeper wisdom.



Arjun: Confused, But Open to Learning

Arjun realizes that his arguments, panic, and conventional reasoning cannot clear the grief and confusion in his heart. Instead of pretending to have all the answers, he surrenders his ego:

"Confused about my duty and overwhelmed by weakness, I ask You: tell me clearly what is best for me. I am Your disciple; teach me, for I have surrendered unto You."

Arjun shifts from defending his paralysis to admitting his limits. By dropping his pretense of knowing everything, he transforms a devastating breakdown into complete receptivity.

Krishna: A Friend and Teacher

Until this pivotal moment, Krishna sat quietly as Arjun's charioteer and friend. But the moment Arjun asks for guidance with genuine humility, Krishna steps into the role of teacher, challenging Arjun's despair with calm, penetrating wisdom:

"You grieve for those who do not warrant grief, yet you speak words of wisdom. The wise grieve neither for the living nor for the dead."

Krishna points out that Arjun's suffering stems from a narrow lens. The answer Arjun needed was right beside him all along-he only needed to become open to receiving it.

The Insight

We face our own breakdowns every day-a career roadblock, a sudden family strain, or a personal dilemma where our past experience fails us.

When crisis strikes, our default instinct is often to double down on our beliefs, blame external circumstances, or retreat into frustration. We treat our accumulated knowledge as a shield, refusing to admit when we are stuck.

A crisis only becomes an opportunity when we change our inner posture:

Unlearning Dogma: Realizing that what got us here might not get us there.

Cultivating a Beginner's Mind: Approaching problems with curiosity rather than defensive pride.

Recognizing the Guides Around Us: Being willing to learn from trusted friends, mentors, or wiser perspectives that we previously overlooked.

What Do I Do Today?

When you feel stuck or overwhelmed by a situation, use these three steps:

Acknowledge Your Limits: Stop arguing with reality or pretending you have every answer. Admitting where you are confused or overwhelmed is not weakness; it is the first prerequisite for wisdom.

Be Open to Learning: Drop the urge to defend your past beliefs. Approach the situation as a student and ask: "What is this situation teaching me that I haven't been willing to see?"

Transform Crisis to Opportunity: Reframe your obstacle. A breakdown in your existing way of thinking is simply an invitation to upgrade your understanding and step into higher clarity.

Being Open Unlocks the Solution and Turns Crisis into an Opportunity

In the middle of Kurukshetra, Arjun's breakdown looked like a total collapse. Yet without that moment of profound vulnerability, he would never have asked Krishna for guidance, and the eternal wisdom of the Bhagavad Gita would never have unfolded. Don't let a crisis go to waste. Keep your inquisitive mind alive, drop the ego, and let the lesson begin.

The writer is an author, surgeon, and inventor who previously served as Chief of Urology at Northern Light Eastern Maine Medical Center. He is also the founder of the Relax Infinity® wellness app

Alchemy of life: The art of living and the journey within



PARDEEP NANGLU

Every life is a story in motion. We move through joy and grief, affection and absence, certainty and doubt, and sooner or later a question finds us: can the raw material of ordinary days be refined into wisdom, calm, and a life that feels truly our own? I call that refinement the alchemy of life: the quiet craft of reshaping our inner world so we can live with more awareness, kindness, and honesty.The old alchemists dreamed of turning lead into gold. As metaphor, their dream describes what every person attempts. The deepest change may come not from rearranging our circumstances, but from rearranging how we stand in relation to them.The Journey Begins WithinWe usually look for happiness outside ourselves: in achievements, possessions, applause.

These bring fleeting satisfaction; lasting peace asks for something harder, knowing our own minds. The Buddha's teachings agree that calm cannot be manufactured by rearranging the world. It grows from awareness, acceptance, and the willingness to look inward.Mindfulness gives that looking a method. We watch thoughts and feelings arise without rushing to judge or suppress them. In the gap between impulse and response, understanding grows, and we notice we are larger than the weather passing through our heads. Turning inward is no retreat from life; it is meeting life with open eyes.The Courage to Let GoLao Tzu adds another ingredient: release. We cling to familiar identities, old hurts, and fear of the unknown.

Yet growth often starts when we question what we have always assumed about who we are. Finding the true self is not about building a flawless image; it means looking past the roles we play and admitting our vulnerabilities without being ruled by them.A relationship teaches patience, a loss sharpens gratitude, a failure uncovers strengths we never suspected, but only if we reflect on it. Jon Kabat-Zinn likens mindfulness to learning to surf: the waves cannot be stopped, but we can learn to ride them. Resilience is not a life free of pain. It is refusing to let pain become the whole story.



Awareness Beyond ReactionTo me, the true self is less a hidden identity than the awareness beneath our habits of reaction: the part of us able to watch, listen, reflect, and answer on purpose.

Lost in our thoughts, we mistake every fear for fact. Awareness lets us step back and see thoughts as visitors rather than orders. Its worth lies in what follows. Can we listen with more patience? Disagree without contempt? Meet suffering with compassion instead of indifference? Self-awareness matters most when it shows up in how we treat people.Freedom from Other People's OpinionsFew things block authentic living like the fear of being judged. We bend our choices toward imagined approval and drift from our values. Freedom does not mean rejecting society; it means telling useful guidance apart from pressure to become someone we are not, and staying open to criticism without letting it set our worth.I have often pictured this as a lion's roar: not aggression, but courage from within. It is the moment fear yields to authenticity and a person chooses a path instead of following the crowd. Such freedom can be quiet: speaking honestly, starting over, living by our deepest values.

Every Encounter TeachesIn cities and villages, people share one longing: to be understood, to belong, to live with dignity. Each relationship teaches us. Kindness awakens gratitude, a quarrel exposes our impatience, forgiveness reveals the strength of compassion.The same outlook shapes how I see harmony. Nature runs on cycles of growth, renewal, and rest, and so do human lives.

We cannot stay happy forever or dodge every hard season. Harmony is not the absence of struggle; it is staying connected to what matters while everything shifts.Why Poetry MattersPoetry gives words to what plain explanation misses. A few lines can carry a lifetime of longing, a moment of grief, the hush of an unexpected meeting. Poetry is also a way of noticing what would otherwise slip by. Like alchemy, it distils raw experience into concentrated feeling and insight.My collection, Alchemy of Life, grows out of that meeting of experience and reflection. Its poems follow the search for the true self, the passage from fear to freedom, the weight of human bonds, and wisdom amid uncertainty.

They offer no ready-made answers, only an invitation to pause and recognise something of your own life.Life as Ongoing TransformationThe alchemy of life is not reserved for mystics or poets. It begins when we listen more deeply, respond more deliberately, and accept that even pain can teach. Pain can deepen empathy, uncertainty can summon courage, silence can open room for insight.

None of this happens on its own, yet a life lived with awareness meets joy and sorrow with more dignity.Perhaps the real measure of a life is not what we gather or how widely we are known, but how deeply we know ourselves, how kindly we treat others, and how fully we use our time.It begins with one moment of awareness and carries on through every relationship, challenge, and fresh start: pain turned into understanding, fear into courage, silence into song.

Life doesn't demand perfection. It asks us to be more aware, more compassionate, more alive, and when we find the gold in everyday experience, every breath becomes a chance to begin again.

The writer is a US-based psychologist, holistic mental health expert, mindfulness educator, and Punjabi poet.

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Across generations

A democracy is tested not only by how its institutions respond to dissent, but also by whether citizens defend one another's rights. When older Indians stand alongside younger protesters, they challenge the assumption that generational differences must become political divisions. The October demonstrations in Delhi over the Special Intensive Revision (SIR) of electoral rolls have brought this into view. Among those protesting alongside students, activists and other citizens are retired professionals, former public servants and elderly people who might ordinarily have remained spectators. Their presence matters because it shows that concern for democratic rights can cross generational boundaries.

The motivations are varied. Some fear that eligible voters could lose their voting rights through errors in electoral-roll revision. Others are disturbed by the treatment of young demonstrators by the police. Reports of older citizens, including some who previously voted for the BJP, joining protests suggest that perceived injustice can prompt people to reconsider political loyalties. Such accounts do not establish a nationwide shift in opinion. They nevertheless challenge the assumption that supporting a protest necessarily means allegiance to a political party or acceptance of every demand it makes. The connection between generations extends beyond electoral politics. Earlier demonstrations over examination-paper leaks and recruitment irregularities also attracted older citizens. Their concern was understandable. Competitive examinations can determine years of preparation, family expenditure and a young person's prospects of independence. When recruitment processes fail, the damage extends beyond individual candidates. It undermines the promise that effort and ability will be rewarded fairly. For families who have watched their children struggle for years, such failures are not abstract questions of governance.

They represent lost time, depleted savings and uncertain futures. Older citizens may recognise in these struggles the anxieties their own families once faced. Older citizens have lived through different political eras and may bring experience of earlier struggles and public movements. But experience is valuable only when it encourages understanding rather than condescension. Young people should not have to demonstrate deference to older generations before their grievances are taken seriously. Nor should solidarity become uncritical endorsement. Electoral-roll revision must be assessed through evidence, and allegations of wrongful exclusion require verification. Peaceful protest does not make every claim correct, just as governmental authority does not place administrative decisions beyond scrutiny.

The essential obligation is to defend the right to question, investigate credible complaints and demand effective remedies. The government and the Election Commission have a particular responsibility to ensure that transparent procedures and accessible appeals protect eligible voters. Treating peaceful dissent principally as a law-and-order problem risks deepening the distrust that dialogue could help resolve. A democracy cannot guarantee that generations will agree on politics or priorities. It can preserve the conditions in which they disagree without becoming adversaries. When older citizens stand beside the young, they affirm something more important than a shared position on a particular protest: democratic rights belong to no generation alone, and their defence cannot be left to the young alone.

AI Reckoning

Alphabet's loss of nearly $500 billion in market value in a single trading session is a reminder that technological dominance can be less durable than it appears. The immediate trigger was disappointing quarterly performance, but the deeper concern is whether artificial intelligence will undermine the commercial foundations of Google, one of the most profitable businesses of the digital age. Google's predicament is unusual. It is not an incumbent watching a superior technology emerge from an obscure laboratory. It possesses the computing infrastructure, financial resources, research expertise and global reach needed to compete in artificial intelligence. Yet defending its position requires transforming the very business that made its dominance possible. For two decades, Google has connected users seeking information with businesses seeking customers. Advertisements placed alongside search results have generated enormous revenues because a search query often reveals a user's immediate commercial intentions. Artificial intelligence changes this relationship by offering direct answers instead of lists of links. A user comparing insurance policies, researching a holiday or evaluating a purchase may increasingly expect an assistant to do the work rather than navigate multiple websites.

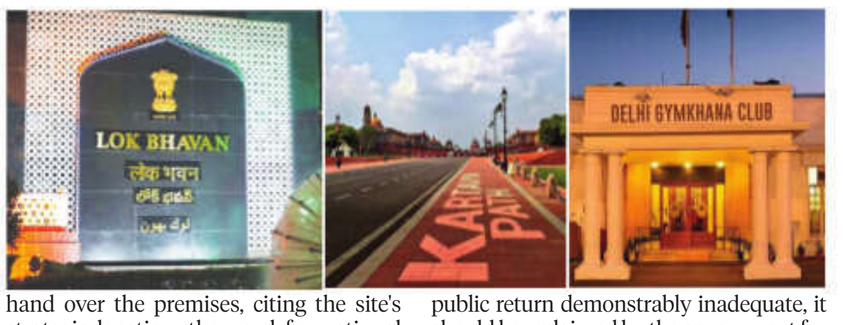
This convenience could become Google's greatest competitive threat. If users receive satisfactory answers without clicking advertisements or visiting commercial websites, the company may struggle to preserve the economics of conventional search. Conversational AI also demands substantial computing resources, potentially raising costs even as the revenue generated by individual interactions falls. More sophisticated technology does not automatically produce a more profitable business.

The investment required to remain competitive compounds the uncertainty. Alphabet's capital expenditure reached $51.4 billion in the third quarter of 2026, while free cash flow turned negative. Such expenditure may eventually yield handsome returns through cloud computing, enterprise services and AI applications. But investors must distinguish between the promise of a growing market and the ability of a company to earn adequate returns from its participation in it. The extraordinary spending also raises the stakes: postponing investment risks losing ground, while investing heavily without assured returns threatens profitability. The consequences extend beyond Silicon Valley. Publishers and news organisations depend partly on search referrals to attract readers and generate advertising or subscription income. If AI platforms use information to provide answers while reducing traffic to the organisations that produce it, the economics of professional journalism could deteriorate further.

The sustainability of reliable information production becomes a question of public interest, not merely a dispute between technology companies and publishers. Investors may have overreacted to a single quarter, and Google's eventual adaptation remains entirely plausible. But the sell-off exposes a distinction that markets sometimes overlook: technological leadership and commercial durability are not synonymous. Google's ultimate test is whether it can make artificial intelligence sufficiently profitable without destroying the economic relationships that sustain its existing business. The answer will help determine not only the company's future valuation but also who captures the value created by AI. The technology may transform how people find information; the contest over who gets paid for that transformation is only beginning.

Republic of Exclusion

The colonial culture of exclusion and entitlement has been so firmly embedded in our psyche that we unconsciously assume the allocation of privileges is immutable and even accept it as our inheritance. So, while the ideology has changed, the terrain remains distinctly feudal in many areas. The continuation of colonial-era clubs on immensely valuable land in the centres of our great cities, while retaining restrictive membership rules that make them social retreats for a small, privileged minority, is a most charming and largely ignored contradiction in our public life



This will certainly ruffle more than a few feathers. Nevertheless, it may be worth reflecting for a moment, because democracy is, after all, about inclusion and participation; exclusion and privileges are the hallmarks of a colonial administration. The NDA government has been trying to dismantle the legacy of colonialism in our national life. Some of its initiatives, such as renaming Delhi's Raj Path as Kartavya Path or Raj Bhavans as Lok Bhavans, or modifying military insignia, uniforms, and ceremonial rituals to reflect Indian cultural traditions, are undoubtedly symbolic, yet symbols are crucial to a nation.

The NDA has removed colonial statues, overturned numerous colonial laws, and substituted others. Its decolonisation campaign has resulted in visible changes in law, public administration, national symbolism, education policy, and a reassessment of our country's past. However, the colonial culture of exclusion and entitlement has been so firmly embedded in our psyche that we unconsciously assume the allocation of privileges is immutable and even accept it as our inheritance. So, while the ideology has changed, the terrain remains distinctly feudal in many areas.

The continuation of colonial-era clubs on immensely valuable land in the centres of our great cities, while retaining restrictive membership rules that make them social retreats for a small, privileged minority, is a most charming and largely ignored contradiction in our public life. The Delhi Gymkhana Club was founded as the Imperial Delhi Gymkhana Club, largely for British civil servants and military personnel, on 27.3 acres of magnificent land along Safdarjung Road. The club was an exclusive social organization for the British ruling class, but after independence, it became a prestigious gathering place for influential Indian elites.

In May 2026, the Centre terminated the club's 1928 perpetual lease and ordered it to hand over the premises, citing the site's strategic location, the need for national defence infrastructure, public security, and governance. The case is still pending, but it was filed against a surviving institution that catered to both colonial and post-colonial upper-class society. It highlighted an important constitutional question: how long can a democratic republic continue to grant colonial-era privileges to a select and miniscule few? No institution should have a permanent claim to prime public land just because a colonial government had acquired it to serve its elites. Nobody is yet talking about Kolkata, home to several venerable institutions whose titles suggest a different social order than most Indians are familiar with: Bengal Club, Calcutta Club, Calcutta Swimming Club, Saturday Club, Tollygunge Club, and so on. Some membership criteria have changed since the colonial period, but they are still extremely restrictive or prohibitively expensive, and exclude the majority of Indians. Yet all of them share something in common: large, centrally located physical spaces, historically associated with government-controlled land, whose principal facilities are available not to all citizens but to a very restricted membership. Should an institution occupying scarce public resources in the form of prime land at the heart of the city by virtue of its colonial legacy legitimately convert those resources into a mechanism for controlled social exclusion?

The club was a colonial institution that emerged within a complicated racial and class structure, as shown by the historian Benjamin Cohen, to serve as a protected social environment separating Europeans from Indians. Maria Misra describes the Bengal Club, established in 1927, as exceptionally exclusive, with membership restricted to senior officials and established commercial interests. Entry depended upon one's occupation, pedigree, wealth, and social standing ~ it still, by and large, remains so.

Should a century of privilege be allowed to provide an additional century of entitlement when the city, the needs of its population, and the underlying legal and constitutional order have all changed? The Bengal club's website mentions that after the expiry of its lease in 1895, it purchased the "freehold for a sum of Rs.5.5 lakh rupees and formed itself into a registered company."

For the sake of transparency, every club occupying prime urban land must publish the title, or, the original lease, details of renewal, rent, present tenure, and permitted use and conditions of occupation. Where the land is exceptionally valuable and the public return demonstrably inadequate, it should be reclaimed by the government for broader civic purposes.

The British constructed clubs because colonial society needed insulated spaces where the British civil and military officials, businessmen, and their families could reproduce the social atmosphere of Britain. The club "represented an oasis of European culture in the colonies, functioning to reproduce the comfort and familiarity of 'home' for Europeans living in an alien land", as historian Mrinalini Sinha has said. It created a physical geography of hierarchy: members were people who mattered, leaving out others who didn't. Things haven't changed much now - except that the white colonial officials or businessmen have been replaced by Indian bureaucrats, industrialists, professionals, or political personalities. The architecture of privilege remains fundamentally intact. The Calcutta Club offers another magnificent example of exclusivity. It came into existence apparently because of an incident at the Bengal Club when the famous Bengali entrepreneur Rajendranath Mookherjee, who was the guest of the then Governor of Bengal, Sir John Woodburn, was denied entry in the dining hall where Indians were barred. It was then that the idea of a new club emerged, where "respectable citizens," both Indians and Europeans, would have equal status and equal access to facilities.



GOVIND BHATTACHARJEE
The writer is a commentator

Its 2.64-acre (1.15 lakh square feet) land was leased by the Government of India in 1907 for a period of 90 years, at a rent of Rs 650 per month. I couldn't find if the lease was renewed in 1997, but I suppose the rules have not changed much.

Entry is restricted to membership, though "No person ordinarily residing within the municipal limits of Kolkata or within a radial distance of 40 kms thereof shall be admitted as a guest in the Club more than three times a month," thus institutionalising the distinction between citizens and members. It follows a curious and elaborate dress code, including what footwear to use and when ~ but the most common Indian dress, the kurta-pyjama, is forbidden.

A private association may establish reasonable standards of dress, but why an institution in contemporary Kolkata should maintain such an elaborate hierarchy of sartorial respectability and why ordinary Indian attire should be unworthy of admission is a mystery that perhaps only its guardians of refinement can explain. The privileges also flow intergenerationally ~ children of permanent members can also acquire junior or senior dependant status. Certain facilities are specifically available to children of permanent members, and some for dependants. Membership thus becomes a mechanism for transmitting privileged access within families. It reminds me of the line from a Pink Floyd song: "Listen, Son," said the man with the gun, "There's always room for you inside." Outsiders will always remain outside.

Tollygunge Club has an area spanning 100 acres, with golf, tennis, squash, swimming, and equestrian facilities, alongside accommodation and other amenities. The Calcutta Swimming Club occupies 1.84 acres of prime land leased by the Secretary of State for India in Council in 1888.

Interestingly, the lease itself stipulated that the land might subsequently be required for a public purpose, but has not been revoked for the next 138 years. It is as if the colonial lease carried a perpetual constitutional guarantee of private privilege, using prime urban land only for the preservation of social distinctions inherited from an empire that is long dead.

Public land is a public good, and the question that legitimately arises is: what return does the public receive for allowing an exclusive institution to occupy scarce public resources? In "Property Owners' Association v. State of Maharashtra" (2024 INSC 835), the Supreme Court has emphasised that state action concerning distribution of public resources must be fair, reasonable, and consistent with equality and the common good. In the Delhi Gymkhana case, the National Company Law Appellate Tribunal also relied upon the Supreme Court observation ((2018) 18 SCC 65) concerning the principle that government largesse cannot legitimately be used simply to serve the private interests of a privileged group.

When an institution occupies valuable urban land, society has the right to question whether the privileges preserved within its walls are proportionate to the public interest served by the land, because such strategically located land can serve a variety of alternative useful public purposes, including parks, schools, libraries, museums, sports facilities, hospitals, cultural institutions, public housing, and genuinely public recreational spaces.

A colonial-era institution that occupies precious, strategically located land under a government grant or lease, provides recreational benefits to a limited membership, and serves no discernible public purpose, should not have an indefinite claim to the land. Opening such spaces to citizens could be a much more authentic form of decolonisation than renaming roads and buildings or replacing colonial statues while retaining the same social architecture of exclusion. A citizen walking through central Kolkata should not be faced with an invisible wall that loudly declares, "You are an outsider." Colonialism is dead. The republic has no obligation to preserve its privileges and exclusions but to abolish them to democratise society.

Việt Nam News

Vietnamese, Lao legislatures strengthen strategic ties

President of the Lao National Assembly Sonexay Siphandone and his spouse's upcoming official visit to Viet Nam from November 2-5 is expected to promote cooperation between the two legislatures and provide fresh impetus for both sides to translate high-level commitments into practical benefits for their people.

The fine traditional friendship and enduring solidarity between their people, founded by President Ho Chí Minh, President Kaysone Phomvihane and President Suphanouvong, and painstakingly nurtured by generations of leaders of the two countires' Parties, States and the people, have become a invaluable asset shared by both nations and a common guiding principle for their development on the path towards building prosperous countries and ensuring a life of peace, prosperity and happiness for their people.

The two countries officially established diplomatic relations on September 5, 1962. Since then, their ties have remained close and steadfast. On July 18, 1977, Viet Nam and Laos signed the Treaty of Amity and Cooperation.

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Over the past 49 years, the treaty has served as an important political and legal foundation for continuously strengthening bilateral relations and supporting the cause of national construction and defence in each country.

The two countries elevated their ties to "great friendship, special solidarity and comprehensive cooperation" in February 2019, and "great friendship, special solidarity, comprehensive cooperation and strategic cohesion" in December 2025.

The addition of "strategic cohesion" is intended to position Viet Nam-Laos relations in the new context. It reflects their shared vision, intertwined strategic interests and commitment to long-term partnership in pursuit of sustainable development, self-reliance and shared prosperity for both nations.

The two sides have maintained exchanges of delegations at all levels through various channels and successfully organised numerous important external relations activities involving the top leaders of the two Parties and States.

In the first 10 months of 2026, they exchanged more than 100 delegations, including 15 high-ranking ones.

Notable events included the state visit to Viet Nam by General Secretary of the Lao People's Revoluionary Party and President of Laos Thongloun Sisoulith on January 26-27, 2026, and the state visit to Laos by General Secretary of the Communist Party of Viet Nam Central Committee and President Tô Lâm on February 5, 2026.

In economic, trade and investment cooperation, the two countries have consistently attached importance to and promoted close collaboration.

Bilateral trade reached US$3 billion in 2025 and $1.6 billion in the first eight months of 2026. The two sides are striving to raise the figure to $5 billion and eventually $10 billion in the coming years.

Letters To The Editor | editor@thestatesman.com

Logical?

Sir, Observations by Supreme Court judges these days make news more regularly than their judgments. True to this trend, Justice Joymalya Bagchi on Wednesday caused a stir by observing that the court had not yet adjudicated on the validity of 'logical discrepancies' flagged by the Election Commission of India (ECI) during the special intensive revision (SIR) in West Bengal. The court, he said, had allowed the use of this category as an "interim arrangement". The observation was made when counsel for the ECI claimed in court that the Supreme Court had upheld the SIR and every step taken under the exercise. Justice Bagchi interjected to point out that while the court had indeed upheld the SIR in Bihar, it had not upheld the category of logical discrepancies, which was not part of the SIR in Bihar. It had been allowed as an interim measure in West Bengal alone, he observed.

It is worth recalling that software used by the ECI had flagged as many as 1.2 crore voters in West Bengal on account of logical discrepancies. They were asked to attend hearings and produce documents to prove their eligibility to vote. The exercise did manage to resolve the confusion or misunderstanding surrounding half the voters flagged. However, the remaining 60 lakh hauled up for logical discrepancies went through adjudication by judicial officers, on the direction of the Supreme Court.

The adjudication led to the restoration of 33 lakh voters to the electoral rolls, while 27 lakh were dropped from the rolls. Contrary to the law, no grounds were cited and no speaking orders were issued. The ECI informed the Supreme Court in August that 38 lakh appeals were pending before the 19 appellate tribunals in West Bengal. ECI claimed that 22 lakh of the appeals were for inclusion, while 16 lakh were for excluding voters cleared by the adjudication process. Justice Bagchi's observation has reopened a can of worms. If logical discrepancies are not yet deemed valid and legal, what has allowed the ECI to flag them in states other than West Bengal? Why was the category allowed in West Bengal in the first place? Why was it not used in Bihar?

Yours, etc., Bhagwan Thadani,
Mumbai, 29 October.

Encounters

Sir, I am quite elderly, nearing eighty. Whenever I hear of a police 'encounter' or an incident described as having occurred in self-defence, such as the one reported on the front page of The Statesman today, my mind travels back to the 1970s. I recall many such 'encounters' from that era for which I could never find any legal explanation or official account. During the 1970s, under the administration of Siddhartha Shankar Ray, incidents involving the killing of Naxalites took place in West Bengal. Between 1970 and 1974, there were at least five instances where police opened fire on unarmed Naxalite prisoners and suspected Naxalites, both in Calcutta and in various district jails across West Bengal.

The people of Kolkata can never forget the massacre that occurred at the CIT building in Beliaghata. Police personnel dragged five young men out of their homes, lined them up, reminiscent of a firing squad, and executed them in a manner evocative of a Hollywood film, right in front of their parents. The following day, the newspapers reported: "Five armed Naxalites killed in an encounter."

The current generation remains largely unaware of this ruthless tactic. Many brilliant and high-achieving students were killed in West Bengal in the 1970s. In a similar vein, it is worth noting that in Punjab under KPS Gill, several unarmed young people perished at the hands of the police.

All of this took place in democratic India, yet no judicial resolution was found.

Yours, etc., Rupam Guha,
Kolkata, 28 October.

Three Elections, Three Verdicts: Democracy's Resilience and the Limits of Political Power

SHIBASHIS CHATTERJEE



The elections in Brazil, Serbia and Israel put three distinct political paths on display: a democracy that is divided yet survives, an entrenched political authority being cast aside and the continued existence of a fragmented security state. Viewed as one, they show what electoral democracy can and cannot do in an increasingly polarised world.

In an unusually telling way, the recent polls in these three nations provide a snapshot of modern democracy. While their institutional make-up, geopolitical situation and political pasts are worlds apart, the results are worth comparing. Luiz Inácio Lula da Silva has beaten FlávioBolsonaro to claim a fourth term in Brazil. In Serbia, a student movement has handed President AleksandarVučić's establishment a stinging defeat. Moreover, in Israel, neither Benjamin Netanyahu nor his main rival, GadiEisenkot, has an assured parliamentary majority. Such are the possibilities of electoral politics: resilience without any ideological compromise, change driven by popular will and competition that yields no decisive shift in power.

Brazil exemplifies both the resilience of its democratic institutions and the intensity of its ideological divisions. With 51.8 per cent of the vote to Bolsonaro's 48.2 per cent, Lula's win is a blow to the Brazilian right. To see it as the end of Bolsonarism would be wrong, however. The movement has shown it can weather the founder's troubles and hold on to a large share of the electorate as a standing alternative to Lula's brand of redistributive politics. Right-wing populism has moved beyond personality; it has deeper social and ideological roots.

Lula's victory is as much a warning as an accomplishment. It shows the appeal of social welfare and economic redistribution, as well as his ability to build a broad coalition. However, the closeness of the result is proof that winning does not mean consensus. The country's democratic structures have endured another hard-fought election, but the social fissures that feed authoritarianism remain. For Lula, the task is to do more than govern well; he must fortify the democracy on his own terms.

Serbia tells a very different story. A student-led alliance has taken some 52.7 per cent of the vote and a preliminary 140 of the 250 seats in the National Assembly. This is the fruit of long-standing mobilisation against corruption and the hoarding of power. While an incumbent in Brazil has fended off a strong opponent, collective action in Serbia has rattled the political order. What makes the Serbian result stand out is the student movement's attempt to turn civic resistance into real political power. Protests can be more than an outlet for grievance and, under the right conditions, an agent of change. Then again, an electoral win does not, by itself, break up old patronage and executive control. The question is whether the new majority can change the institutions it has been fighting without simply reasserting the kind of authority it set out to unseat.

Israel is a more complex affair. The lack of a clear outcome testifies to how political fragmentation endures, even amid broad unhappiness over Netanyahu. Unlike Brazil's presidential winner or Serbia's opposition majority, no clear victor emerges, so the future depends on difficult coalition negotiations. Netanyahu's continued electoral strength speaks to the staying power of nationalist politics. At the same time, Eisenkot's run signals a desire for change that does not amount to a new view on national security.

What makes the Israeli election more significant is how it shows the limits of electoral competition when the main political players agree on fundamental strategy. An Eisenkot government may show more diplomatic restraint than Netanyahu's coalition, but that does not mean there will be any decisive rethinking of Israel's military stance in the region or its position on Iran and Palestine. The electoral gains by Palestinian Arab parties' complicate coalition calculations. It highlights the continuing tension between Israel's democratic systems and the inequalities experienced by the Palestinians living under Israeli rule. In this situation, the contest can install a new government without changing the nature of the ongoing conflicts.

These elections also carry divergent international ramifications. With Lula's win, there is a stronger prospect of an independent Brazilian voice in Latin America and the Global South. A change in Serbia might alter its fine balancing act with the European Union, Russia and China, if only to a point; long-standing economic and geopolitical ties will cap any major overhauls. For Israel, the uncertainty of the vote has an immediate bearing on the standoff with Iran, the Palestinian issue and security across West Asia. In all of them, domestic legitimacy is tied up with how the country is positioned abroad.

Side by side, they offer an instructive contrast between electoral democracy and its true transformation. Brazil is proof that democracy can hold even in a divided society. In Serbia, popular mobilisation can call into question authority and give new life to democratic institutions. Israel shows how state policy can remain ideologically continuous despite the electoral contest.

Overall, the results contradict the idea that right-wing nationalism is an unstoppable worldwide movement and that an electoral defeat will inevitably dismantle its supporting forces. The issue is not just about who wins an election, but whether the result fosters more inclusion, ensures government accountability, and restricts arbitrary authority. What will shape the future of democracy is less the regular turnover of elites than society's ability to turn electoral outcomes into real political change.

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Too few colleges, too many barriers in West Bengal

AASTHA AGARWAL



A large young population is often seen as an economic advantage. But numbers alone do not create a demographic dividend. Without adequate educational opportunities, this much-celebrated advantage risks remaining just a statistic. This is precisely the risk West Bengal faces.

According to Youth in India 2022, published by the Ministry of Statistics and Programme Implementation, Government of India, West Bengal is home to approximately 6.94 per cent of India's youth population, making it the country's fourth-largest state in this respect, after Uttar Pradesh, Bihar, and Maharashtra. Yet, according to the All-India Survey on Higher Education (AISHE 2012-24), the state's Gross Enrolment Ratio (GER) in higher education has remained below the national average since 2012. In 2023-24, it stood at 24.6 per cent, compared with the national average of 30 per cent.

One reason is clear: there are not enough colleges. According to AISHE 2023-24, West Bengal has just 16 colleges per lakh population in the 18-23 age group, half the national average of 32. With fewer colleges accommodating more students, the average enrolment per college in Bengal stood at 1,084 in 2023-24, against 670 nationally.

But the problem is not just how many colleges Bengal has. It is also where they are located. According to the District Wise Skill Gap Study for the State of West Bengal (2012-17, 2017-2022), published by the National Skill Development Corporation (NSDC), Kolkata, North 24 Parganas and Bardhaman have considerably more colleges than Malda, Cooch Behar, and Dakshin Dinajpur. Uttar Dinajpur has just eight colleges. The geographical imbalance becomes even clearer when population is taken into account. According to the same NSDC study, 17 districts have fewer than one college per lakh population. Uttar Dinajpur has just 0.27, compared with 2.52 in Kolkata and 1.68 in Darjeeling. For students outside the better-served districts, access to higher education depends not only on their willingness to study but also on whether a college is available within reach.

Even where colleges exist, affordability presents another barrier. According to NITI Aayog, West Bengal's per capita income at constant prices has remained below the national average since 2012. In 2023-24, it stood at Rs 79,622, compared with Rs 1,06,744 nationally. Against this income backdrop, the cost of pursuing higher education cannot be treated as a minor concern.

The financial challenge becomes more pressing when the ownership of colleges is considered. According to AISHE 2023-24, nearly three-fourths of Bengal's colleges are privately managed. An analysis of AISHE reports from 2012 to 2024 shows that the number of private colleges more than doubled, while government colleges grew by only about 8 per cent. This expansion has taken place despite the historically greater role of government colleges in student enrolment. Only in 2023-24 did private colleges marginally surpass government colleges in enrolment; in every preceding year since 2012, government colleges had enrolled substantially more students. These figures underline the importance of public institutions in a state where affordability is already a concern.

Yet, access and affordability are only part of the problem. Higher education must also offer courses that reflect students' interests and the changing demands of the job market. According to AISHE 2022-23, nearly half of Bengal's colleges offer general degree courses, while teacher education accounts for almost a quarter. Nursing colleges make up the third-largest category. While general degrees remain important, the limited diversity of courses raises questions about whether Bengal's higher education system offers students enough specialised options.

The gap between available courses and employer demand is particularly evident in professional education. An analysis of India Skills Reports for 2014-18 and 2022-25 shows that BE/B.Tech, MBA, and B.Pharma are among the most sought-after qualifications by employers in India. Yet, according to AISHE 2022-23, engineering and technology colleges account for just 5.67 per cent of Bengal's colleges, while management and pharmacy colleges make up only a small fraction. The limited availability of these institutions restricts students' choices even before questions of course quality and employment outcomes arise.

Concerns about institutional quality add another layer to the problem. Recent inspections by the state's higher education department reportedly found that at least 265 B.Ed colleges failed to meet the required quality parameters. In one case, inspectors reportedly found a grocery shop at the address listed by an institution. A separate inspection reportedly found that only five pharmacy colleges met the required operational standards, while the others were set to face administrative action. These findings raise questions not only about the availability of higher education but also about the standards maintained by the institutions offering it.

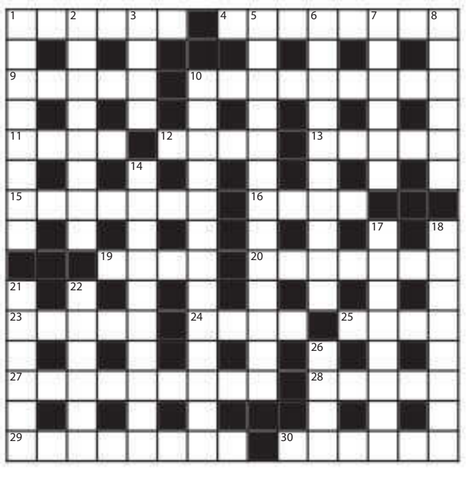
The need for specialised education and skill development has long been recognised. In its report "District Wise Skill Gap Study for the State of West Bengal (2012-17, 2017-2022)", the National Skill Development Corporation (NSDC) recommended establishing state-level anchor institutes to improve technical competence and manpower in selected sectors, including fisheries in South 24 Parganas and tourism in Darjeeling.

Yet, according to AISHE 2022-23, Bengal has only one fisheries college and five colleges for hotel and tourism management. It also lacks colleges specifically dedicated to several fields, including agriculture, architecture, journalism and mass communication, veterinary science, home science, and social work.

West Bengal's higher education crisis calls for more than adding colleges to the state's tally. It demands a system that expands access, offers meaningful choices, and holds institutions accountable for their standards. A college seat should not depend on where a student lives or what their family can afford, and a degree should mean more than a certificate at the end of a course. If higher education is meant to open doors, Bengal must first ensure that its own system stops putting so many of them out of reach.

The writer is Assistant Professor of Political Science, Kolkata Police Law Institute and a Ph.D scholar, West Bengal National University of Juridical Sciences.

Crossword | No. 293627



Yesterday's Solution

A	S	I	D	E	F	R	O	M	■	B	A	D	G	E
B	■	N	■	M	■	E	■	C	■	L	■	I	■	X
R	A	T	I	O	N	A	L	E	■	A	S	S	E	T
I	■	E	■	T	■	L	■	N	■	N	■	C	■	R
D	E	L	H	I	■	A	E	R	O	D	R	O	M	E
G	■	■	■	O	■	L	■	O	■	■	■	U	■	M
E	X	P	E	N	S	E	■	E	N	D	O	R	S	E
■	■	E	■	A	■	■	■	■	E	■	S	■	■	■
S	I	N	G	L	E	T	■	F	A	T	H	E	R	S
E	■	S	■	■	■	E	■	I	■	E	■	■	■	U
C	H	I	E	F	T	A	I	N	■	C	A	P	E	R
R	■	O	■	A	■	C	■	E	■	T	■	R	■	R
E	N	N	U	I	■	H	O	L	E	I	N	O	N	E
T	■	E	■	T	■	E	■	E	■	V	■	O	■	A
E	A	R	T	H	■	R	E	G	R	E	T	F	U	L

ACROSS

1 President Biden finally pursuing the big picture? (6)
4 Small Channel Islands firm – with my backing – imported heater from Africa (8)
9 One of Boris's progeny? (5)
10 Candidates for transplant dopy coming round in London hospital (4,5)
11 Devout priest discharged debts (4)
12 Hence Rees-Mogg & co ring? (4)
13 26 billion invested in 1A's cheese? (5)
15 Hunt ruthlessly admits lie (7)
16 Firm provided partial cover (4)
19 Thought India deal almost complete (4)
20 German theologian never to accept a new Germany (7)
23 More competent sailor holding end of rope in both hands (5)
24 Tough husband taken on by harbour vessel (4)
25 Anna possibly stealing Colin's heart (4)
27 Lowering a cellar (9)
28 Taste a bit of satsuma Miss? (5)
29 Funny story involving dance and broken toe (8)
30 Shining silver lamé creation (6)

DOWN

1 Tiny island stupidly quits EU following conclusion of referendum (8)
2 Irish family group put off dividing spoils (8)
3 Bess's partner quietly leaving wild party (4)
5 Top officer over in DEFCON reportedly avoided rules (4,2,7)
6 Conservative/right English landlord (10)
7 Young mum with expensive taste stealing a grand from coach (6)
8 Got rid of old American Cruz? (6)
10 Anniversary gift using a third battery (8,5)
14 Simpleton runs hotel in Scottish city commercial (10)
17 Recommend eggy drink when dropping a tablet (8)
18 Cons' miry, dirty, dodgy practice? (8)
21 Like the sound of lamb stuffed with Indian bread fruit (6)
22 Lazes around Spain fiddling? (6)
26 Seal upper part of single-storey residence (4)

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with **The Independent, London**)

100 Years Ago



Front page of The Statesman dated 04 November 1926

OCCASIONAL NOTE

MR. J. B. Bunting is doubtless right in discounting Mrs. Drapper's stories of a ring controlling prices in the tea market. He is probably still more right when he declares that "tea is the cleanest trade in the world." But when he goes on to maintain that "the only controllers of tea in this country are the growers," he is leaning a little too heavily upon the innocence of the British public. It is true that owing to the fortunate coincidence of bad seasons and a heavy demand the producers have been "on velvet" for several years past. But it has not always been so. The spectre of over-production dogs the tea industry every season, and twenty odd years ago it seemed to have become its chronic companion. During those hungry years the control passed very decidedly to Mincing Lane.

News Items

INDIANS IN U. S.

CLAIM FOR CITIZENSHIP BY HINDU SUCCEEDS

SAN FRANCISCO, NOV.

ALTHOUGH the Supreme Court decided in 1923 that Hindus were not en-titled to become citizens of the United States, the Circuit Court of Appeals has upheld the ruling of a lower court granting citizenship to Pandit Sajharam Ganesh, the distinguished Hindu scholar and Los Angeles attorney.

The next move lies with the Department of Justice, which will probably seek another ruling of the Supreme Court.—Reuter.

U. S. COTTON CROP

SUFFICIENT CAPITAL FOR SUCCESSFUL MARKETING

WASHINGTON, NOV.

ON his return from a visit to the Southern States, Senator Meyer, Chairman of President Coolidge's Cotton Relief Commission, declares that sufficient capital is assured to permit of the successful marketing of the cotton crop.

He asserts that eight financing corporations, with a capital of 16,000,000 dollars, have been organised in the Southern States.—Reuter.

DEMOCRATS' BID FOR POWER

"WET" VICTORIES IN U. S. ELECTIONS

NEW YORK, NOV.

THE first known results of yesterday's elections for the Congress show important Democrat and "Wet" victories in the Eastern States. The Democrat, Mr. Alfred Smith, has been elected Governor of New York for the third time, and a Democrat nominee for the Senate, Mr. Robert Wagner has defeated the present New York member, Mr. James Wadsworth, supporter of Mr. Coolidge, and the Democrat ex Senator, Mr. David Walsh, has defeated Senator William Butler, Chairman of the Republican National Committee in Massachusetts.

Mr. Butler is the only Senatorial candidate in the country whom Mr. Coolidge had openly supported. The prohibition referendum in New York State has resulted in an overwhelming victory for those who advocate "wet".

Incomplete returns indicate three votes to one vote in favour of the Con-gress authorising the States to determine individually the meaning of the prohibition amendment in the constitution. The majority in New York City is even seven votes to one but many of those who advocate "dry" have boycotted the referendum.—Reuter.

The Tribune
ESTABLISHED IN 1881

Rape complaints

SC sounds cautionary note on compromise

THE Supreme Court's observations on rape cases and private settlements offer an important reminder that justice cannot be negotiated behind closed doors. Setting aside a Madhya Pradesh High Court order quashing a rape complaint following a compromise, the apex court has reaffirmed that serious criminal offences cannot be treated as disputes resolved through financial deals. The case highlights two equally troubling possibilities: false allegations made in the hope of extracting money and genuine complaints withdrawn under pressure or coercion. The complainant's statement before the SC that she had been forced into the settlement underlines why courts must exercise caution before terminating criminal proceedings.

However, this caution must be balanced against another important judicial concern. In a separate judgment, the SC observed that consensual physical intimacy cannot retrospectively become rape merely because a relationship has soured. Criminal law must not become an instrument of revenge, harassment or coercion following the breakdown of a relationship. These two rulings, though arising from different circumstances, underline a common principle: courts must examine facts, consent and circumstances carefully rather than rely on assumptions. Every rape allegation should not be presumed genuine without scrutiny; similarly, a complainant's decision to settle a case must not automatically be accepted as voluntary.

Rape is a heinous crime that violates a woman's dignity, bodily autonomy and fundamental rights. At the same time, false accusations can ruin reputations and undermine faith in the justice system. The responsibility of the judiciary is twofold: protect genuine victims from intimidation and ensure that the criminal process is not misused. Ultimately, justice demands a fair trial based on evidence. Truth, not settlement or social pressure, must determine the verdict.

Urban neglect

Amritsar needs reliable public transport

AMRITSAR may be celebrating 450 years of its foundation, but its residents and visitors are still waiting for a dependable public transport system. The holy city attracts thousands of pilgrims and tourists, yet getting around remains an exercise in negotiating a fragmented network of autos, e-rickshaws and private vehicles. This glaring civic deficit undermines its ambitions as a major religious and heritage tourism destination. The failure is particularly galling because public money has already been spent on two ambitious transport projects. The city bus service, launched in 2014 with 60 buses under the Jawaharlal Nehru National Urban Renewal Mission, became unviable within two years. The Bus Rapid Transit System, inaugurated in 2016 at a cost of nearly Rs 600 crore, also collapsed, ceasing operations in July 2023. Its ridership reportedly fell from 80,000 passengers daily when travel was free to around 20,000 after fares were introduced. The abandoned infrastructure and the proposed dismantling of the corridor have raised questions about planning, financial management and accountability.

The proposed introduction of 100 electric buses across nine routes covering 160 km offers a fresh opportunity. Connecting religious sites, educational institutions, hospitals, the Attari border, airport, railway station and bus stand and other destinations can improve mobility for residents as well as tourists. Regular funding, adequate staffing, maintenance, affordable fares and reliable frequency must underpin the service. Otherwise, another well-publicised initiative could meet the fate of its predecessors. Amritsar needs an integrated urban mobility plan that also addresses last-mile connectivity, pedestrian facilities and traffic management. Its tourism potential cannot be fully realised while visitors struggle to move between attractions.

The government must fix responsibility for wasted expenditure and ensure institutional continuity. A city of Amritsar's historical and religious stature deserves a reliable public transport. It is not an optional tourism facility.

Industrial growth needs a policy shift

Recent underwhelming performance is partly due to India's lopsided interaction with the rest of the world



PARTHA SEN
FORMER PROFESSOR, DELHI SCHOOL OF ECONOMICS



AMBITIOUS : India aims to double the manufacturing sector's contribution to GDP by 2035. ISTOCK

THE Economic Survey 2025-26 set a target for India's manufacturing as a share of its GDP at 25%, to be achieved by 2035. This constitutes a nearly 100% increase in the share over its current level. Are we adequately prepared for this leap? There are many reasons why India's industrial growth has been lacklustre. I want to confine myself to discussing India's macroeconomic policy, and, under that rubric, draw the reader's attention to a cause that is not discussed at all, except in moments of crises.

Macroeconomics as a sub-discipline of economics is of recent origin. One can trace its beginning to British economist John Maynard Keynes' writings on combating the Great Depression. His arguments were so persuasive that policymakers used his analysis of demand management to achieve full employment in advanced capitalist countries in the post-World War II period — this came to be known as the "Golden Age" of capitalism.

This period came to an end when, in the mid-1970s, the members of OPEC (Organisation of the Petroleum Exporting Countries) increased the price of oil. It was clear to everyone that Keynesian demand management policies were ill-suited to handle supply shocks of the type that an increase in the price of imported oil represented.

This failure of the Keynesian policymaking framework reinforced the hands of those economists who, following American economist Milton Friedman, asserted that markets "work", i.e. private individuals are capable of taking optimal decisions. The government (in this context, the monetary and fiscal authorities) cannot do better than what the private sector would do. The government should confine itself to following pre-announced paths for the policy variables. This requires that the government budget debt should follow a sustainable path and the monetary authorities must ensure that inflation stays within a range. Indian policymakers accepted this prescription wholeheartedly.

What is often forgotten is that India is a developing country whose features are different from those of advanced Western economies. It has limited access to the world capital markets and requires foreign exchange to pay for international transactions. In a rules-based framework, we need the government to guide the economy on international variables like the exchange rate and the availability of foreign exchange.

A discussion of these questions is fobbed off with answers like: "The exchange rate is market-determined. Only in cases of excess volatility will the Reserve Bank of India (RBI) intervene." We are left to figure out what is the acceptable level of volatility, and hence, what is "excessive"? What form will the RBI's intervention take?

> India needs a policy framework where its budgetary and inflation targets are supplemented by an external target.

General Helmuth von Moltke the Elder, the Prussian Field Marshal during Otto von Bismarck's tenure as German Chancellor, said, "No (battle) plan survives the first contact with the enemy." This should not be interpreted as a green signal for being frivolous in designing a policy framework. Indian policymakers have left out crucial areas in performing a cut-and-paste from the OECD (Organisation for Economic Cooperation and Development) countries' policy structures. These countries have fully convertible currencies, and hence do not have an external "constraint".

This is well understood (e.g. in the context of the Latin American debt crises), but somehow our policy quiver is missing arrows for the external sector. India's recent underwhelming industrial performance is, in part, attributable to our lopsided interaction with the rest of the world.

In the early 1990s, when Manmohan Singh "opened up" the economy, he liberalised both trade in goods and foreign capital flows. It was hoped that unleashing India's entrepreneurial energy, together with its presumed comparative advantage in labour-intensive goods, would create increased employment, thereby lifting millions out of poverty. In the event, this did not happen.

One possible cause was that foreign capital inflows caused the Indian rupee to appreciate (in "real" terms). The RBI intervened to limit some of this appreciation (via what is called sterilised intervention). The net result was a huge trade deficit — India's imports of goods and services exceeded its exports. Economists refer to this phenomenon as the "Dutch Disease" (since it was noticed in the Netherlands in the 1970s). India never gained its presumed share of the world's labour-intensive goods sales because of the perverse effects of international capital inflows. There is no denying the fact that India needed FDI (foreign direct investment) to be competitive in exports, but unbridled portfolio flows played havoc with our trade balance.

It is worth remembering that the East Asian economies have grown by exporting and running current account surpluses.

This discussion of the Dutch Disease is meant to highlight the fact that a macroeconomic policy response is called for. What types of capital flows should be allowed? What levels of exchange rates are desirable? How much foreign exchange reserves are enough? Answers to these questions will not be forthcoming unless an open economy is an integral part of our policy discussion.

Now fast-forward to 2026. The US-Israel war on Iran has hurt India along many dimensions. It has made oil and natural gas imports more expensive and put pressure on the Indian currency through a reversal of capital flows (although the reversal predates the war). India's macroeconomic policy response is always a knee-jerk reaction to raise interest rates on NRI deposits.

In particular, we have this anomalous situation where the Monetary Policy Committee (MPC) has had to raise interest rates more than it would otherwise do to prevent the depreciation of the currency. The MPC was tasked to keep inflation in check, but through the back door, it is now preserving the value of the domestic currency.

There is no getting away from the fact that India needs a policy framework where its budgetary and inflation targets are supplemented by an external target (e.g., the current account deficit or a measure of external competitiveness). All open economies in Latin America and East Asia do so.

THOUGHT FOR THE DAY

Consumption is the sole end and purpose of all production. — Adam Smith

The great Indian airport waiting room

NAINI JEYASEELAN

AIR travel is about saving time. We fly because time is precious. A two-hour flight replaces a much longer train journey. And then the airline tells us: "Please arrive three hours early." The great time-saving machine begins by making us lose three hours. We fly to save time, then spend hours at the airport proving how precious time is.

You arrive early, check in, clear security and reach the gate. And then you wait. And wait. And wait. Meanwhile, the airport runs an enormous climate-controlled building accommodating thousands doing almost nothing but consuming energy. Lights, air-conditioning, escalators, moving walkways and screens remain switched on.

There is an economic and environmental paradox here: we fly to save time, then consume energy waiting to fly.

And now begins the airport consumption cycle. You buy water, then coffee and food. Your phone battery fails, so you charge it. The flight is delayed; you buy another coffee. The passenger is waiting. The economy is not. Your idle time has become somebody else's revenue. Waiting is not a flaw; it is a revenue stream.

Airports maintain a comfortable climate, no matter whether the temperature outside is 10°C or 45°C. Of course, airports must operate round the clock. Security, staffing and aircraft schedules require buffers. Not every watt consumed is caused by early-arriving passengers. The point is subtler: enormous numbers of passenger-hours are spent inside energy-intensive buildings before passengers need to fly and nobody considers these hours wasted. Perhaps because the passenger is not paying for the waiting room. But the planet definitely is.

Aviation prides itself on efficiency: faster aircraft, automated check-in, biometric boarding. Technology saves minutes. Yet the passenger experience still begins with: Please arrive three hours early. We have automated almost everything except waiting.

Perhaps we should stop measuring efficiency only in minutes saved in the air and start counting passenger-hours spent waiting. Multiply passengers by the hours spent in terminals, and the total is staggering.

Why not introduce a new environmental metric: carbon emissions per passenger-hour of waiting? Why not measure the energy used by thousands waiting in AC terminals?

Perhaps the next major advance in aviation should not be a faster aircraft or a more interactive digital screen. Perhaps it should be the Waiting Efficiency Index. How long did passengers need to be there, and how long were they actually there? How much energy was consumed keeping them comfortable?

The aviation sector needs airports that let passengers arrive when they actually need to. Until then, we can keep saving two hours in the sky by spending three on the ground. At least the waiting room is air-conditioned. But remember, the climate-controlled building selling you that overpriced coffee is warming the planet even before your plane leaves the runway.

The writer is ex-Secy (Environment & Forests), Govt of Delhi

LETTERS TO THE EDITOR

Pakistan's nuclear strategy

Refer to 'Pakistan steps up strategic rhetoric'; the analysis of Lt Gen Khalid Kidwai's remarks highlights Pakistan's evolving posture; its Quid Pro Quo Plus policy and sea-based strike capabilities underscore a shift toward a more aggressive nuclear and conventional stance after Op Sindoor. While the article rightly notes Pakistan's posturing, we cannot underestimate the decisive demonstration of India's conventional superiority which has forced Islamabad into desperate nuclear brinkmanship. Pakistan's rapid military consolidation and the deepening reliance on Chinese technology transfers appear to mask its growing internal instability and conventional weaknesses.

VINEETH KUMAR, THRISSUR (KERALA)

Migration a civilisational concept

With reference to 'Myth of migrants and politics in Punjab'; migration is as old as civilisation itself, driven by the search for better opportunities and livelihoods. Over time, migrants become integral to their adopted regions, contributing significantly to economic growth and social development. Punjab is no exception. With a large number of Punjabi youth migrating overseas in pursuit of better prospects, workers from other parts of India have filled the vacuum in agriculture, construction, industry and other essential sectors. Their contribution is indispensable to Punjab's economy. Unfortunately, migrants sometimes face prejudice. They deserve dignity, equal treatment and the same protection under law as local residents. Migration should unite people, not become a tool for exploitation.

BALBIR SINGH KAKKAR, JALANDHAR

Tackle industrial pollution first

Refer to 'Public hardship'; putting a blanket ban on a particular type of vehicles in a specific part of the country is not the correct solution to an all-pervasive problem like pollution. Rather all contributing factors should be considered and addressed. Besides, vehicular pollution is not the only reason for pollution, one of the major reasons, like factories and large industries, are not being touched at all. Commuters should not be penalised for no fault of theirs. Using a car is not a luxury but a necessity in cities. The government should reconsider the ban and provide alternatives before banning them altogether.

SURINDER KUMAR MAHNA, KARNAL

Address kids' emotional needs

Apropos of 'Campus horror'; the Panchkula school incident calls for a fundamental change in how schools understand their duties. Safety cannot be reduced to locked gates, 24x7 cameras or written protocols. It depends on alertness, adequate staffing, effective supervision and regular, independent safety audits. Where negligence is established, accountability must be swift and transparent. Prevention must also address the emotional and behavioural needs of children. Aggressive behaviour by a minor warrants careful assessment, counselling and rehabilitation, rather than rushing to give labels or to condemn.

K KUMAR, PANCHKULA

Keep public interest in mind

The last few months have witnessed Haryana government employees going on strikes one after another. First, it was revenue officials followed by sanitary workers of municipalities, then the workers of bijli nigams, and now the Haryana Roadways staff. Such frequent strikes are affecting a common man's daily life to an unbearable extent. The government has all resources at its disposal, so every effort should be made to resolve issues as soon as possible. Simultaneously, employees should also keep their demands reasonable and remain mindful of the public inconvenience caused by their strikes. Ultimately, a balanced approach based on dialogue, mutual understanding and timely action is essential to safeguard employees' rights without compromising the smooth functioning of essential public services.

COL SAJJAN KUNDU (RETD), HISAR

BJP should fight on more seats

Apropos of 'SAD pact likely around Diwali as BJP may settle for 45-50 seats'; the saffron party must be vigilant while dealing with Akali leader Sukhbir Singh Badal. It is better to go solo than to befriend a tainted, fair-weather ally. The BJP is a national party, ruling at the Centre for more than 12 years now. It should not settle for less than 60 seats, even if it forges an alliance with parties other than SAD in Punjab.

UPENDRA SHARMA, BY MAIL

Letters to the Editor, typed in double space, should not exceed the 200-word limit.
These should be cogently written and can be sent by **e-mail to: Letters@tribunemail.com**

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, THURSDAY, NOVEMBER 4, 1926

Motilal Nehru versus Lala Lajpat Rai

IN the controversy involving Pandit Motilal Nehru and Lala Lajpat Rai, our sympathies have from the first been more or less equally divided. A perusal of the last two speeches made by the two leaders at Lahore, both of which have been reported at considerable length in these columns, does not in any way alter our position. There is much in the two speeches, as, indeed, in all their speeches since Rai left the Swaraj party, that is of a purely personal nature. As we have pointed out already, there is nothing to choose between the two, and each has succeeded in convicting the other of some more or less glaring inconsistencies. Pandit Nehru has had no difficulty in showing that Rai's present position in regard to the question of acceptance of office can in no way and under no circumstances be reconciled with the position he took up in his famous Bradlaugh Hall speech. Rai has equally succeeded in showing that there is no consistency either between the cry of "consistent, continuous and uniform obstruction" with which Pandit Nehru and his party went to the Councils and the policy they actually followed there, or between that cry and the walkout, which was clearly its negation. But these personal issues are more or less subsidiary and as regards consistency, Lord Morley uttered the last word on the subject when he said in a famous speech that "a public man who spends overmuch time in vindicating his consistency makes a mistake." Behind the personal issues, there are issues of great and outstanding public importance; and it is these issues that we have particularly in view when we speak of our divided sympathies.

The politics of Canada's referendum



VIKAS SWARUP
FORMER HIGH COMMISSIONER TO CANADA

REFERENDUMS are a democracy's most potent double-edged sword: they give citizens the direct power to reshape a nation's destiny, yet can flatten extraordinarily complex debates into binary choices. By bypassing the deliberative compromises of parliamentary democracy, they trade nuance for a stark verdict at the ballot box.

Few examples illustrate this disruptive power better than Brexit, when in June 2016, Britain's decision to leave the European Union (EU) overturned decades of political and economic assumptions, reshaped Europe's strategic landscape and unleashed consequences that continue to reverberate across the continent.

Two years earlier, in 2014, Scotland had put the future of its union with the rest of the UK to a historic referendum, exposing the depth of the independence movement. More recently, Moldova narrowly voted in October 2024 to enshrine its EU aspirations in its Constitution, while Icelanders, in August 2026, rejected the resumption of EU accession negotiations.

In Canada's own long and intimate encounter with the existential politics of referendums, Quebec twice put its future within the Canadian federation to a popular vote, in 1980 and 1995. The latter, decided by a margin of barely one percentage point, brought the country perilously close to disintegration.

That history acquired a new chapter on October 19, when Alberta, a Canadian province in the country's west, went to the polls to decide whether their province should remain or move towards a referendum on separation. The verdict was emphatic. Nearly 75% of Albertans voted to remain part of Canada.

There was, however, an odd sideshow to this exercise in Canadian democracy. Just a day before Alberta's referendum, on October 18, the pro-Khalistan organisation Sikhs for Justice (SFJ) seized the opportunity to draw a parallel with its own unofficial referendum on Khalistan. Its organisers even used the same language of self-determination to suggest that the two movements were somehow engaged in a common democratic struggle.

The comparison was as opportunistic as it was absurd.

Alberta's referendum was an officially administered democratic exercise within Canada's constitutional framework. The Khalistan vote was an unofficial event organised by a small, self-appointed separatist group, with no legal standing or constitutional consequences. The attempt to conflate the two was little more than a publicity stunt, designed to piggyback on a genuine political debate in Canada to generate visibility for a cause that commands support from only a minuscule fringe of the Canadian Sikh community.



LINK : Alberta has voted against leaving Canada; it has not necessarily voted in favour of the status quo. X PHOTO

Yet questions of religious freedom and equality remain a far more consequential concern for Sikhs across Canada. Quebec's secularism laws are a case in point. Bill 21 prohibits certain public-sector employees, including teachers, police officers and judges, from wearing religious symbols while performing their duties. For Sikhs who wear turbans, this can effectively close the door to certain careers. Bill 9, enacted in April 2026, has extended these restrictions further, including to staff in subsidised private schools and childcare institutions. The new Parti Québécois government has also pledged to pursue a ban on visible religious symbols, including turbans, for all elementary-school pupils. That proposal is not yet law.

> Questions of religious freedom and equality remain a far more consequential concern for Sikhs across Canada.

These are not abstract constitutional debates. They have direct consequences for the everyday lives, opportunities and sense of belonging of Sikh Canadians. They deserve serious public attention, quite apart from the political theatre surrounding attempts to draw parallels between two very different separatist causes.

For Prime Minister Mark Carney, Alberta's vote to remain in Canada is a significant political and strategic victory. It gives him an opportunity to rebuild trust with Alberta by pursuing infrastructure projects, particularly in energy and transportation.

Yet Ottawa would be making a mistake if it interpreted the result as an endorsement of the way Canadian federalism currently works. Alberta has voted against leaving Canada. It has not necessarily voted in favour of the status quo.

Alberta produces 84% of Canada's oil and 60% of its natural gas, yet its energy-driven economy has found itself at odds with federal environmental policies and pipeline restrictions. Many Albertans believe their province generates enormous national wealth but exercises disproportionately little influence over decisions that affect it.

The arithmetic of federal politics only reinforces this perception. Alberta's 37 seats in the 343-member House of Commons pale beside Ontario's 122 and Quebec's 78, which together account for 200 seats. A party that sweeps these two provinces can secure a majority without making significant inroads in western Canada. It is hardly surprising, then, that many Albertans feel their voice is politically irrelevant to a government whose power is anchored thousands of kilometres away.

Premier Danielle Smith has used this resentment as leverage in her dealings with Ottawa, even while opposing separation. She recognises that independence would open a Pandora's box. What would happen to the Canadian dollar, pensions, federal debt, indigenous treaty obligations and access to international markets? How would Alberta secure reliable export routes for its energy when its principal infrastructure crosses other Canadian jurisdictions?

The other nine questions on the ballot offer a revealing insight. Albertans backed all five proposals relating to provincial control over immigration, eligibility for provincially funded services, residency requirements and voting eligibility. Yet they rejected all four proposals to overhaul the constitutional balance of power, including abolishing the Senate and giving provincial laws greater precedence over federal legislation.

The message is clear: Albertans want greater autonomy, not necessarily a dismantling of the Canadian constitutional order. They want a better bargain, not a divorce.

There is a lesson here for federal democracies everywhere, including India. National unity does not require uniformity. It requires institutions capable of accommodating regional aspirations without mistaking regional assertion for disloyalty. The 25% who voted to advance the separation process represent a deep-seated alienation that requires genuine political engagement rather than token gestures.

Gen ZA & the Viksit Bharat dream



R JAGANNATHAN
SENIOR JOURNALIST

THERE is much talk about GenZ these days, especially after the protests led by students in the wake of the National Eligibility-cum-Entrance Test (NEET) paper leaks. GenZ is defined as those people who were born between 1997 and 2012, which means some have already entered the job market, while others are still in the classroom or doing odd jobs, the latter in case they can't afford higher education.

There was a time when we considered 20 years to a generation before we started counting the next one, since that is the age at which some start marrying and start earning a living. If that gap has now come down to 15 years or less, it implies that trying to define a generation by age intervals is past its sell-by date. The GenZ person born in the late 1990s is not going to share the same attitudes with those born in the early years of the second decade of the 21st century. Given the speed with which technology is changing — widely available artificial intelligence (AI) models are barely four years old today — Gen Alpha, which came after GenZ — is already ending.

So, when we talk about the young today, we are essentially talking about a mix of later-born GenZ and the early-born Gen Alpha, and it is this cohort (born between 2005 and 2020) that may share one characteristic: of being born entirely in the digital age, where one spends a lot of time watching screens, whether on the laptop or the smartphone. Let's call them Gen ZA (or 'Zah').

The road to Viksit Bharat, assuming it is reachable, will depend on how this cohort is educated, skilled, nurtured and allowed to contribute to national wealth creation. Gen ZA will be in the prime of life (27-42 years) by 2047.

Unfortunately, it is precisely this ZA generation that faces the toughest future, for it has been born when AI and automation will start impacting entry-level jobs, or jobs that need middle-level skills.

Consider this reality: the earnings of the entry-level software coder is not much higher than what a lower-skilled Zomato or Swiggy delivery person working up to 10 hours a day would be capable of earning — Rs 18,000-20,000. The coder's salary may even be lower than what a good carpenter, plumber or electrician may earn in the metros. Of course, the job quality of the greenhorn coder may be higher than that of the delivery boy who rides a bike under the scorching sun, but earning levels are comparable when adjusted for age and skillsets.



EPHEMERAL : Unlike homes, which last a lifetime, gadgets become obsolete rather quickly. ISTOCK

The challenge Gen ZA is facing is one where formal full-time jobs are less likely to be available, and hence incomes may also be lumpy and uneven between months. This generation, especially the one in contractual jobs that depend on work done and not time spent in the office, will not easily be able to buy a home using equated monthly instalments (EMIs).

A former colleague and columnist, Vivek Kaul, speculated recently about whether GenZ (my Gen ZA) will ever be able to afford a home, or is destined to live in rental homes or with family. It is a relevant question to ask when almost anything affordable is located far away from the workplace, or simply unaffordable to most single-income nuclear homes. The fact that permanent jobs are themselves becoming scarce reinforces this fact.

> The challenge Gen ZA is facing is one where formal full-time jobs are less likely to be available, and hence incomes may also be lumpy and uneven between months.

Kaul also speculates that since GenZ are mostly progeny of the Millennial generation (1981-1996), they are more likely to be either single children or have only one sibling. This means, even if they don't buy a home because they are unaffordable, they may end up inheriting one from their Baby Boomer grandparents or Millennial parents, who lived in times when regular jobs were easier to come by.

If fewer people buy homes, it means that EMIs, or differently structured EMIs that allow for flexible payments over the same time period, may be used for the other objects of desire beyond homes — from fancy cars to gadgets or foreign vacations. If Gen ZA kids are born digital natives, it stands to reason that they will be buying gadgets like smartphones and digital devices more often than their parents.

But unlike homes, which last a lifetime if maintained properly, gadgets become obsolete rather quickly. These days, one can barely keep a smartphone or laptop for three years without them beginning to slow down or even hang repeatedly. To make sure that you do indeed keep upgrading, the manufacturers of these gadgets will keep updating your software to the point where the old hardware will not be able to cope with the new software's memory and processing requirements.

Add the need for cyber security, and the need for upgrades and frequent changes of gadgets can only grow. The tech industry knows that it can upgrade you enough to kill the utility of the old device and force you to buy another, more expensive, gadget.

What this is adding up to is a simple result: Gen ZA, and the ones to follow, will be investing or buying gadgets for the short-term, which makes it obvious that those who want to sell them anything will have to make it more like a rental than a genuine purchase. At some point, smartphones will not be bought, but bundled into a regular post-paid connection with regular monthly payments that will amortise the cost of the phone before the next upgrade.

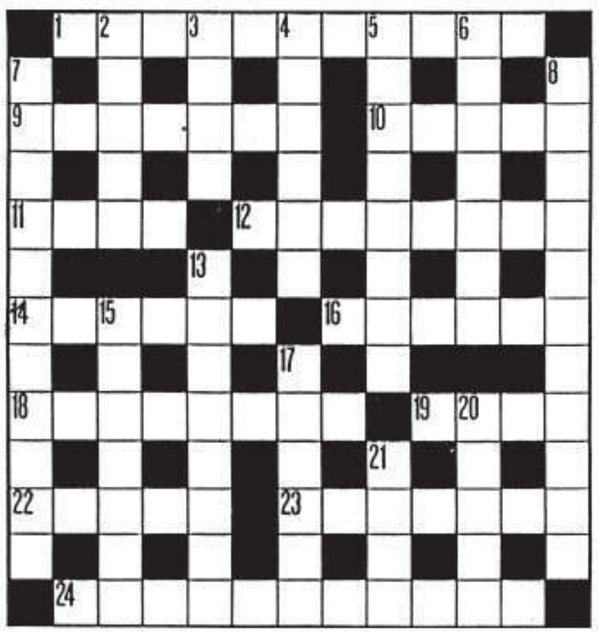
Gen ZA, even if it ultimately buys a home, will be more likely to stay in rented properties, or in co-living apartments or with parents for a substantial length of time. I suspect that many of them end up buying cheaper homes on the periphery, from where they cannot commute to work, and then buy cars and gadgets instead.

The upper middle class and the richer classes above them buy timeshares for vacations and even shares in private jets. The middle-middle and lower middle Gen ZA will be doing the same with the homes and gadgets they buy.

Thirty years ago, in 1996, Swiss watchmaker Patek Philippe faced the same problem: how do you sell a watch that costs thousands of dollars to buy (a minimum of Rs 15 lakh in India) when you can get a good enough watch to tell the time for under Rs 200? It came up with a brilliant ad which ran: "You never actually own a Patek Philippe. You merely look after it for the next generation."

For Gen ZA, whether it is a home or a phone or a car or furniture or anything which costs a lot, ownership may not be the available option. It will either inherit, or rent or share a service with family, friends or colleagues. Gen ZA will be the first generation that will own less and hire and rent more.

QUICK CROSSWORD



ACROSS
1 Dull and obvious (11)
9 Leading (2,5)
10 East African country (5)
11 Not widely known (4)
12 Disadvantage (8)
14 Story in instalments (6)
16 At the back of the ship (6)
18 Obsolete (8)
19 A gregarious predator (4)
22 As a total (2,3)
23 Contrary to law (7)
24 Having nothing to do (2,1,5,3)

DOWN
2 Propose as payment (5)
3 Frame of mind (4)
4 Essential character (6)
5 Similarly (8)
6 Curving inwards (7)
7 Extremely small (11)
8 Ordinary members (4,3,4)
13 Corresponding (8)
15 Take back (7)
17 North American republic (6)
20 Keyboard instrument (5)
21 Depressed (4)

Yesterday's Solution

Across: 1 Revolt, 4 In a sense, 9 Morass, 10 Bad taste, 12 Dais, 13 Foray, 14 Flop, 17 Aristocratic, 20 Heart and soul, 23 Real, 24 Cello, 25 Wily, 28 Tolerate, 29 Indigo, 30 Sideways, 31 Spleen.

Down: 1 Remedial, 2 Virginia, 3 Lash, 5 Niagara Falls, 6 Site, 7 Nestle, 8 Exempt, 11 Concurrently, 15 Utter, 16 Hindi, 18 Positive, 19 Play down, 21 Gratis, 22 Fabled, 26 Brow, 27 Snap.

SU DO KU

						3		2
4	5	6		2		1		7
	2	8	9					
				3			1	4
		9				2		
7	4			6				
					3	5	6	
6		4		5		9	7	1
9		5						

EASY

epaper.tribuneindia.com

YESTERDAY'S SOLUTION

7	6	2	9	4	5	1	8	3
4	9	1	7	8	3	6	5	2
5	8	3	6	1	2	9	4	7
3	2	9	5	6	8	4	7	1
1	5	7	4	2	9	8	3	6
6	4	8	1	3	7	5	2	9
8	3	5	2	9	1	7	6	4
9	7	6	3	5	4	2	1	8
2	1	4	8	7	6	3	9	5

CALENDAR

NOVEMBER 4, 2026, WEDNESDAY

Shaka Samvat	1948
Kartik Shaka	13
Kartik Parvishte	19
Hijari	1448

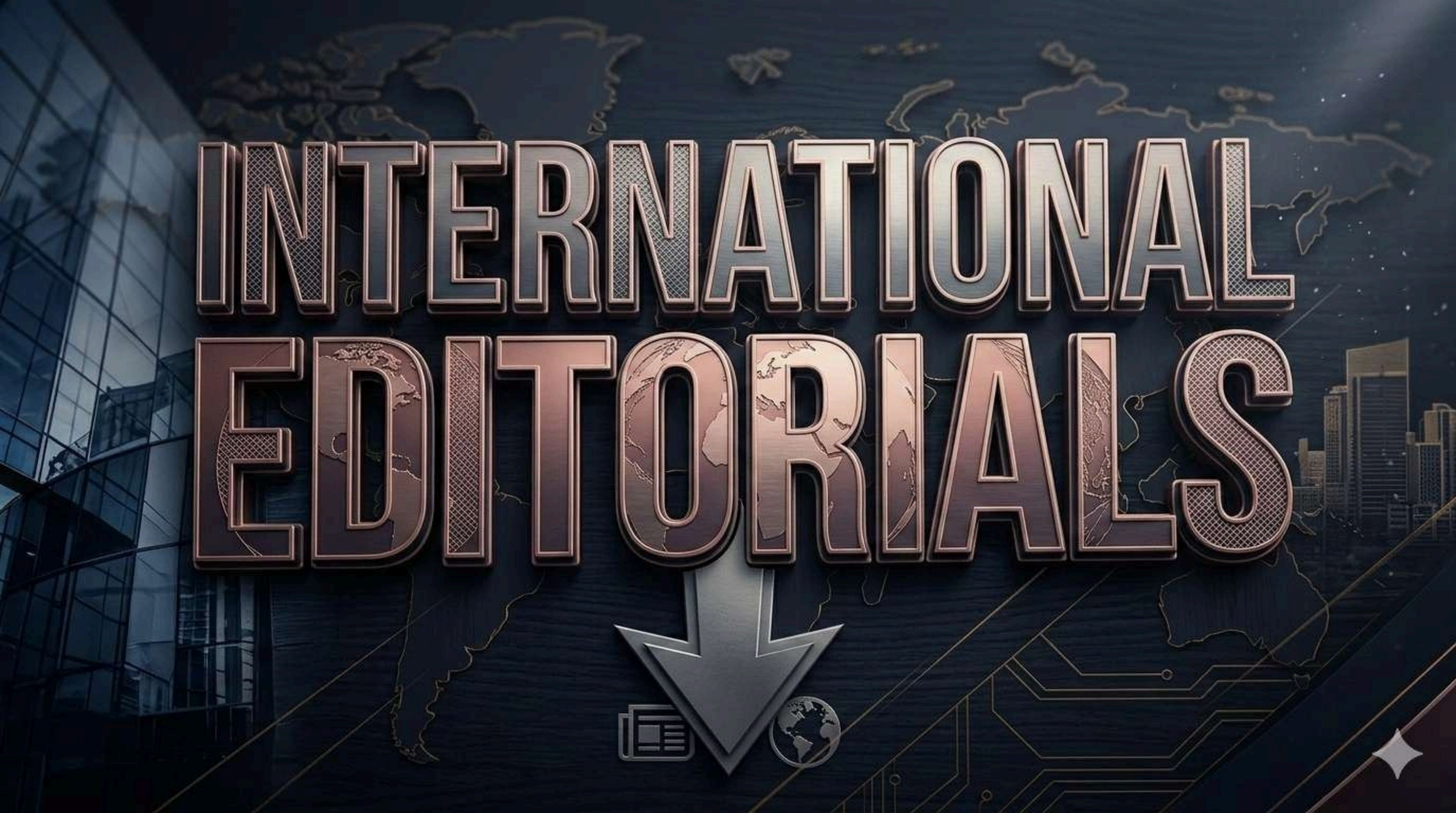
- Krishna Paksha Tithi 10, up to 11:04 am
- Brahma Yoga up to 8:01 am
- Indra Yoga up to 6:27 am
- Purvaphalguni Nakshatra up to 3:30 am
- Moon in Leo sign.

FORECAST

SUNSET: WEDNESDAY 17:32 HRS
SUNRISE: THURSDAY 06:40 HRS

CITY	MAX	MIN
Chandigarh	30	16
New Delhi	28	15
Amritsar	29	15
Bathinda	32	14
Jalandhar	29	15
Ludhiana	30	15
Bhiwani	30	15
Hisar	31	17
Sirsa	30	17
Dharamsala	26	12
Manali	20	06
Shimla	21	11
Srinagar	21	07
Jammu	27	17
Kargil	15	–01
Leh	11	–03
Dehradun	28	16
Mussoorie	22	12

TEMPERATURE IN °C


INTERNATIONAL
EDITORIALS

EDITORIAL

Authorities must not make light of anger at The Peak

Hong Kong tourism officials have sensibly pulled the plug on a controversial light spectacle project at The Peak – a decision that proves shows not backed by key stakeholders must not go on. The reversal may seem uncharacteristic of an administration that has pushed through a raft of contentious policies and legislation in no time under its "result-oriented" mantra. But the episode shows that the authorities must carefully consider how to properly implement the "tourism is everywhere" strategy.

The lights-out decision following months of planning – and an undisclosed "limited" amount of money already spent – is the latest setback as officials seek to enhance tourism offerings amid growing competition in the region. The low-glare installations along the walking trail near Lugard Road and Harlech Road were covered by the HK$200 million earmarked for a new light and shadow parade that replaces "A Symphony of Lights", a nightly synchronised light, laser and music show that has run along Victoria Harbour since 2004.

But the project on The Peak now faces a red light amid mounting concerns over the impact on the environment and safety, as it involved removing vegetation and mounting hundreds of spotlights and electric cables on trees. The artificial lighting was also seen by some as "incongruous" and an "eyesore" that could ruin the tranquil ambience and disturb wildlife at The Peak. Lawmakers criticised the Tourism Board for insufficient public engagement.

Officials initially attempted to save the project by scaling it down, reducing the number of lighting points from 10 to seven, cutting tree-mounted lights from 52 to about 24, removing some fixtures and shortening the display from a 12-month trial beginning from Christmas to the end of February 2027.

The concessions were well-intentioned, as was the original aim to enhance Hong Kong's nighttime tourism appeal. But the revised plan did not address the question of whether artificial decorative lights should be installed along a scenic trail whose value lies in its natural beauty. And when a much watered-down version can neither remove concerns nor provide the visual impact that justified the initiative in the first place, cancellation becomes an embarrassing but sensible response.

The authorities have rightly undertaken to remove the installations and restore the affected site. This is more than damage control. It is an acknowledgement that development in places with ecological value must be carefully thought through. The Peak is not just a popular tourist attraction. For years, it has been a public space, an urban sanctuary, a nature lovers' paradise, a draw for fitness enthusiasts and a residential neighbourhood. It is good that the authorities sought to engage stakeholders in the run-up to implementation and eventually responded to their legitimate concerns by dropping the project.

The episode has exposed inadequacies in environmental assessment and public engagement. Although the Tourism Board had consulted the district council as early as April and sent letters explaining the project's concept to local residents, the public may be excused for feeling concerned when images of trees strung with massive spotlights and tape went viral on social media.

Hong Kong has good reason to diversify its tourism offerings. Amid changing travel preferences and growing competition from other destinations, the city needs experiences that encourage visitors to stay longer, look beyond familiar districts and return for reasons other than shopping and dining. The government's "tourism is everywhere" push reflects a legitimate ambition to refresh established attractions and spread the benefits of tourism more widely.

Yet that does not mean every trail or neighbourhood can be revamped or placed on the tourism map. For a project that requires a delicate balance between entertainment and the environment, the need for greater sensitivity and public engagement is evident.

Hong Kong's tourism brand depends not only on new offerings or makeovers but also on preserving the qualities that make the city distinctive. The incident has set an example for other government initiatives on the need to engage the community and assess the pros and cons to make sensible decisions on the way forward. This is a good reference on the right approach to Hong Kong's efforts to diversify our tourism offerings.

South China Morning Post

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The Apec moment city needs to seize

Hong Kong's future value might lie less in its connectivity alone than in reducing the friction different institutional systems can generate when working across borders



Cheng Xianyue

The first Asia-Pacific Economic Cooperation (Apec) forum finance ministers' meeting to be held in Hong Kong focused on openness, cooperation and resilience. These themes go to the heart of a question confronting the city: as globalisation becomes more difficult and the rules and security boundaries governing international markets grow more complex, what can Hong Kong still offer cross-border commerce?

Globalisation is not over. Capital still seeks opportunities overseas, while technology, energy, raw materials and supply chains cannot simply retreat behind national borders. Yet geopolitics, industrial policy, technology controls, data governance and financial security increasingly shape investment decisions.

For decades, globalisation was largely about lowering costs and reducing barriers. Its next phase could be defined by a different challenge: how to keep cross-border transactions moving when borders matter again.

Hong Kong has long described itself as a "superconnector" between China and the rest of the world. When rules diverge, the harder task is no longer overcoming distance; it is bridging institutional differences.

A mainland Chinese company entering Southeast Asia, the Middle East or Europe must translate its creditworthiness, assets, technology and business model into forms that local banks, regulators, investors and partners can understand, accept and price. International capital entering China faces the same challenge in reverse.

Finance, insurance, law, arbitration, clearing, settlement and accounting might appear to be distinct industries, but they perform a common function: translating economic activity under one institutional system into transactions that another system can accommodate.

Hong Kong's future value might therefore lie less in connectivity alone than in making different institutional systems work together. Its role is not to eliminate differences but to turn the risks arising from those differences into ones that can be identified, priced and managed.

Cross-border costs now extend beyond tariffs and logistics. They include whether data can cross borders, technology is restricted, capital can move freely, regulatory standards are compatible, policy changes are predictable and contracts can be reliably enforced.

Hong Kong's first five-year plan proposes strengthening economic and social resilience, risk alert mechanisms, cybersecurity and emergency management, while consolidating the city's role in the offshore renminbi business, international asset and wealth management, and international risk management.

> *"Clear rules and credible safeguards can turn security into an institutional asset*

The significance lies in the relationship between openness and resilience. Openness creates opportunities; resilience helps contain tail risks. Clear rules and credible safeguards can turn security into an institutional asset rather than another barrier to trade.

Hong Kong can also offer something increasingly valuable in a fragmented world: the option to keep different paths open. Companies choosing Hong Kong can access renminbi financing while remaining connected to global capital markets, and benefit from China's growth while using Hong Kong's common-law framework, arbitration system and professional services.

No one can predict how trade, finance and technology systems will be reorganised during the next decade. Preserving access to different financing sources, markets and institutional arrangements therefore has value in itself.

Geopolitical fragmentation could thus create opportunities for Hong Kong, but any dividend from this is far from automatic. The value Hong Kong creates by reducing institutional friction must outweigh the additional costs of routing transactions through the city.

That requires confidence that contracts will be enforced, rules will remain sufficiently consistent, capital will retain adequate freedom of movement, professional institutions will meet international standards and policy changes can be incorporated into commercial decisions. Without that confidence, standing between two systems may become a source of friction.

Hong Kong's challenge is not to choose between deeper integration with national development and maintaining its international character. The two can reinforce each other.

If Hong Kong loses its deep connections with the mainland economy, its distinctive value to global capital will diminish. Seen in this light, the city's five-year plan is about more than expanding Hong Kong's financial sector. Its deeper significance lies in creating sustained demand for the city's cross-border financial and professional services as mainland companies and capital go global.

The competition among financial centres has traditionally been about who can move capital faster, more freely and more cheaply. In a new era of globalisation, another question might matter just as much: who can help a world of divergent institutions, complex rules and competing priorities remain open, sustain cooperation and preserve trust amid uncertainty?

That could be the Apec moment Hong Kong needs to seize.

Cheng Xianyue is a member of the Chinese Association of Hong Kong and Macau Studies

LETTERS

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Reforms will make our homes safer

The deadly blaze at Tai Po's Wang Fuk Court exposed structural weaknesses in Hong Kong's maintenance regime for ageing buildings, fire safety management and cross-departmental coordination.

Responding fully to the independent inquiry's findings, the Hong Kong government is launching a structured reform package to target the causes of the tragedy, signifying a meaningful upgrade to the city's residential safety governance.

At the core of the improvements is a decisive overhaul of the building maintenance sector. By criminalising bid-rigging in renovation contracts and establishing a dedicated interdepartmental task force, the government seeks to curb unsafe market practices that enable use of substandard materials and lax site supervision.

These measures ought to raise industry accountability, deter reckless cost-cutting and cultivate a professional, safety-driven maintenance culture across Hong Kong's construction sector.

Digital governance aims to further strengthen oversight. A new centralised database will integrate public complaints, inspection logs and violation records of contractors, dismantling long-standing information silos between departments. This would transform passive incident response into proactive risk tracing and early hazard prevention.

Tightened measures with regard to flame-retardant scaffold netting and other materials deliver immediate safety gains as long-term institutional reforms take root.

A new Building Maintenance Support and Services Council is intended to address community vulnerabilities. It can provide advice and handle tendering for lay building owners, mitigating information asymmetry and fostering collaborative safety governance among authorities, industry professionals and residents.

Pragmatic, targeted and future-oriented, the government's reforms address the systemic loopholes revealed by the Tai Po fire. It is hoped they will strengthen Hong Kong's building safety infrastructure and deliver lasting protection for neighbourhoods. As urban risks evolve, these reforms could lay a foundation for safer homes and more robust city governance.

P.L. Yuen, past president of the Hong Kong Institution of Engineers



Chief Executive John Lee leads officials in an apology for the Tai Po fire tragedy.

Turn tragedy into chance to change

The release of the report of the investigation into the Tai Po fire last Friday brought back memories of the tragedy. It was a sad day for Hong Kong.

Winnie Ho Wing-yin has resigned as housing minister to take political responsibility. I believe that even if the other ministers were asked to leave the government, it would not mitigate public fury.

The report painted a sorry picture of Hong Kong governance. The conclusion was clear: there is much to do to avoid a repeat of the tragedy. The lesson to learn should extend to the whole government machinery. This includes the Legislative Council and the District Council. While the executive branch was scrutinised, what about the legislature?

We should take the opportunity to uncover any overlapping of work between government departments. Last month, the convenor of the Executive Council Regina Ip wrote about the need for a new breed of civil servants who are proactive and collaborative ("Hong Kong needs a civil service fit for a changed world", October 25).

I hope her words of wisdom are heard in the right quarters.

Lo Wai Kong, Yuen Long

AI images numb human emotions

In my first photojournalism class, we were shown a photo essay that was obviously AI-generated and asked what we felt.

Our class fell silent; we have all seen tonnes of artificial intelligence-generated images and learned to look away.

Afterwards, I started thinking about why we have become emotionally numb to AI images. My course taught me that photojournalism has functions such as creating iconic images and providing evidence and aesthetic value. Photojournalism is designed to evoke empathy, compassion and a sense of justice, rather than let us be bystanders.

However, AI content gives us compassion fatigue by desensitising us. AI content is like fast food, it can be mass-produced in the blink of an eye.

The more content AI produces, the less genuine engagement the audience feels. As a consequence, viewers lose interest. The images generated by AI barely vary from one another. This content creates numbness rather than a deepening response.

Consequently, I would like to urge everyone not to get carried away by AI images. We should emphasise not only how to see, but also how to feel.

Frank Lam Wai-hin, Tuen Mun



Illustration: Lau Ka-kuen

Malls could become our green sanctuaries

Hong Kong has the greatest density of shopping centres in the world but in this unprecedented retail environment they might follow a trail blazed in Singapore



Dennis Lee

Retail is making a comeback in Hong Kong. Deloitte China reported an encouraging HK$203 billion in sales volume in the first half of 2026, beating expectations. Accordingly, it forecast the retail market to reach HK$412 billion by the end of this year.

A retail revival should directly translate into reduced vacancies for the city's bricks-and-mortar stores. However, while high street vacancies dropped to 9.1 per cent, the lowest since 2020, vacancies in prime shopping centres rose to a record high of 13.7 per cent, according to Jones Lang LaSalle.

> *Hong Kong developers need to reinvent their malls to create a sustainable model*

How do we explain these underperforming malls in a robust retail market? The phenomenon is rather disturbing, given that urban life is synonymous with shopping centres and consumer culture in the city.

According to Stefan Al, editor of *Mall City: Hong Kong's Dreamworlds of Consumption*, we have about one mall per square mile. As such, it is the world's uncontested "mall-densest place". "[The mall's] tentacles reach deep into the ground to attach to subway systems, or bind to other malls with an ivy-like mesh of sky-bridges," Al wrote.

To Hongkongers, malls are not just for shopping; they are the fabric of our urban realm, our go-to places for socialising, dining, entertainment and de facto public spaces, blurring boundaries within private developments. Mixed-use developments can be found across town, especially where the MTR Corporation has capitalised on "air rights" above their stations to develop retail podiums and superstructures. It is not unusual for residential or commercial lobbies to be directly accessed from malls. With air-conditioned shopping centres, people can leave their homes or offices to reach remote districts without ever setting foot on the street, thus avoiding the rain, heat or even typhoons.

As well as MTR stations, shops and restaurants, there are often supermarkets, theatres, ice rinks, playgrounds, podium gardens and flexible spaces open to multi-storey atriums. Shopping malls define our urban lives and stand at the core of our economy. The retail and wholesale sector employs about one in four workers in Hong Kong, compared with New York City, where the figure is one in 11.

Our winning formula has been widely emulated on the mainland, and it would not be an exaggeration to say their malls have now leapfrogged Hong Kong's by providing more than just shops. Brand diversity alone no longer drives foot traffic.

Instead, the mainland's new models offer holistic and integrated experiences, from theme parks and ski slopes to petting zoos and aquariums. As Deloitte said of the cultural shift, "As the industry enters a relationship economy defined less by units sold and more by the depth, intimacy and fluidity of brand-consumer connections, mainstream e-commerce and direct-to-consumer channels will underpin global expansion."

Most of Hong Kong's shopping centres, in contrast, are losing their appeal. Recently, there have been some changes to the mix of tenants, mostly from the infiltration of mainland brands, pop-up stores and claw-machine arcades that add little value to our livelihoods and experience. With the newer and bigger cross-border competition, abundant online shopping platforms and local consumers' high expectations, Hong Kong developers need to reinvent their malls to create a sustainable model.

Change is difficult and threatens to be an expensive experiment. If the world is shifting from superficial shopping to genuine consumption, we should move away from status-and-logo-driven purchasing towards personality, meaning and originality.

At the same time, we should care about our health and the responsible life cycle of products and services that define our urban spaces. While new shops and experiences rely on developers' calibration of the tenant mix, shopping malls' hardware must evolve and offer healthy and comfortable public settings.

The best example of this could be The Jewel, near Singapore's Changi Airport Terminal 1, where shops and restaurants are positioned around a rain vortex with cascading landscaped terraces and nature trails. The operator has treated it like a green sanctuary, dotting the 21,000-square-metre indoor garden with more than 2,000 trees and 100,000 shrubs.

The Jewel does not merely offer good optics; it also harvests rainwater, reduces heat from the sun and utilises solar panels, radiant cooling slabs and double-skin glazing. The garden is free to access and does not generate revenue on its own. However, it does generate tremendous foot traffic – more than 80 million visitors annually – and attracts consumers to shop, dine, watch films or attend events.

The Jewel sets a high benchmark, not only blurring the boundary of shopping malls being urban spaces, but also blending nature as part of the consumer economy. Not everybody appreciates art or luxury goods, but most of us enjoy nature. This is where we find authenticity, originality and enhancements to our livelihoods, comfort, and physical and mental health.

With no sales tax and a wide range of goods and brand names, shopping used to be a compelling enough reason to visit Hong Kong. We were seen as a shoppers' paradise. But we can no longer claim that legacy title with any confidence. Even so, the evolution of retail malls remains critical in our urban development as the infrastructure is in place and deeply integrated with our mobility and living environments.

> *Not everybody appreciates art or luxury goods, but most of us enjoy nature*

Visitors and expats go out of their way to praise Hong Kong's hiking trails, mountains, beaches and country parks. So it stands to reason that we should seek to enhance our shopping malls by including more of the natural environment to ensure they survive as everyday urban spaces. We could become a paradise again; one that brings us closer to nature.

Dennis Lee is a Hong Kong-born, America-licensed architect with years of design experience in the US and China

Long delays for HK court cases demand urgent action

The city's drive to become a leading international centre for legal services depends on justice being neither denied nor delayed



Cliff Buddle

Justice delayed, it is often said, is justice denied. If that is true, many court users in Hong Kong are being failed by the system.

Those involved in criminal cases at the Court of First Instance must wait 358 days on average for the hearing, the judiciary revealed last week. The figure for the District Court is 354 days, way above the court's 100-day target. This is a cause for concern.

The glacial process has prompted the Law Society to call for drastic measures. Justin Yuen Hoi-ying, chairman of the body's standing committee on standards and development, urged the judiciary to consider extending court hours. He suggested simple and procedural matters might be heard in the evenings or on Sundays.

Yuen also pointed out that the average waiting times do not tell the full story. Targets for civil cases have generally been met, but the lawyer said a Law Society member had waited more than a year for a simple commercial case to be scheduled, enduring a financial burden as a result.

This is not a new problem. One of the concerns leading to the appointment of the first Judiciary Administrator in 1994 was long waiting times for cases. Practices were changed, targets set and technology deployed. Some progress was made, but the issue has persisted.

The judiciary has weathered a perfect storm in recent years. Courts had to close at times during the Covid-19 pandemic. They were flooded with more than 2,000 cases from anti-government protests in 2019. Trials arising from a sweeping new national security law imposed in 2020 added to the burden.

This has inevitably led to a heavy workload. The total number of cases in 2025 was 537,000, with the courts recording their highest level for five years.

The High Court continues to tackle a large number of non-refoulement claims brought by people seeking to avoid being returned to a country where they say they face persecution or torture. The backlog, although significantly reduced, remained at almost 5,700 at the end of July.

Meanwhile, a surge in fraud and money-laundering cases has hit the District Court. There were 840 of these in 2025, making up a staggering 40 per cent of all the court's criminal cases.

The judiciary is putting a brave face on this challenging situation. Most targets have generally been met, it says, and the position is expected to gradually improve now that 97 per cent of the protest cases and 89 per cent of national security cases have been heard. A scheme introduced last year to allow private lawyers to sit as part-time judges in non-refoulement cases is eating into the backlog.

> *A drive to encourage litigants to use mediation, rather than litigation, is also bearing fruit*

The recruitment of judges has been stepped up, new courtrooms are under construction and technology is being embraced. These are all necessary measures, but they will take time to have an impact. A drive to encourage litigants to use mediation, rather than litigation, is also bearing fruit, notably in the small claims and lands tribunals.

But court users continue to experience the burden of long delays, adding to the cost and stress of legal proceedings. Some litigants and crime victims might even give up and withdraw their cases.

Hong Kong's delays are mostly a result of its own unique circumstances, but the city is not alone in facing the problem of slow justice. Britain's criminal justice system has been described as being on the verge of collapse, with some victims of crime waiting years for a trial.

Last month, the government ditched a controversial plan to tackle the problem by dispensing with juries in cases carrying prison terms of up to three years. It is still planning to remove the right to jury trial for "either way" offences – such as burglary, theft and assault – intending the cases to be heard by magistrates instead, but the magistrates already face a record caseload.

The idea that justice should not be delayed dates back at least to the Magna Carta, agreed to by the king of England in 1215. Article 87 of Hong Kong's Basic Law requires suspects to be tried "without delay", but the principle is easier to assert than to achieve.

Hong Kong has to push ahead on all fronts with efforts to speed up the process without compromising quality. Sufficient resources must be provided to the hard-pressed judiciary. Filling the vacancies for judges at the High Court and District Court would be a good start.

There is a need for a sense of urgency. The city's drive to become a leading international centre for legal services depends on justice neither being denied nor delayed.

Cliff Buddle is a journalist based in the UK who previously lived in Hong Kong and has been writing for the SCMP for more than 30 years

Oman-China ties enter a new era of strategic partnership

EDITORIAL

HIS Majesty Sultan Haitham bin Tarik's state visit to Beijing is historic in more than protocol. As the first visit by an Omani head of state to China since diplomatic relations were established in 1978, it closes a chapter of steady, pragmatic friendship and opens one of strategic partnership.

The symbolism at the Great Hall of the People was clear, but the substance was clearer still.

In a single day, the two sides witnessed the signing of a central bank currency exchange agreement between the Central Bank of Oman and the People's Bank of China, 14 memoranda of understanding, and cooperation protocols spanning artificial intelligence, green development, space, BeiDou navigation, central bank digital currencies, securities and futures regulation, and even the export of Omani dried dates.

Alongside it, the Oman Investment Authority signed 23 agreements, MoUs and strategic partnerships with Chinese institutions on the sidelines of the Oman-China Forum. This is not ceremonial diplomacy. It is economic architecture.

What the visit signals is a deliberate pivot from a trade in goods to a partnership of capabilities. His Majesty's proposal for a preferential bilateral trade and investment agreement would move the relationship beyond spot crude sales into structured, long-term flows of capital, technology and manufacturing – precisely what Oman's Eleventh Five-Year Plan and Oman Vision 2040 require.

President Xi Jinping described deepening ties as a 'shared strategic choice', pledging to lift the partnership to a higher level to contribute to peace, stability and prosperity.

In a world where the Gulf is too often viewed as an arena for great-power rivalry, Oman's independent, balanced and development-focused approach offers a different model. As President Xi noted, the Middle East should not become a battleground for rivalry.

For investors, the message is equally important. This visit de-risks Oman for Chinese industry and, by extension, for global investors watching China's footprint. It tells a manufacturer in Shenzhen that Al Duqm offers not only land and port access, but institutional backing at the highest level.

What makes this visit different is the depth of institutional alignment. The agreements are not just government-to-government but connect regulators, central banks, space agencies and private capital.

Cooperation on securities and futures, data governance, and competition rules signals that Oman and China are not just trading more, but learning to regulate together – a prerequisite for long-term investment in AI, fintech and advanced manufacturing.

His Majesty's proposal for a preferential bilateral trade and investment agreement would move the relationship beyond spot crude sales into long-term flows of capital, technology and manufacturing

Al Duqm is central to this vision. Once seen as a remote port, it is now being positioned as a green industrial hub where Chinese technology can produce renewable energy, green hydrogen and value-added minerals for export.

Combined with Sohar's industrial base and Salalah's logistics advantage, Oman offers what few partners can: an integrated, politically neutral platform linking the Belt and Road Initiative with the GCC and Africa.

For this momentum to hold, two things are essential: speed and talent. Joint investment funds, discussed by His Majesty with Premier Li Qiang and President Xi, must move quickly into bankable projects in renewable energy and digital infrastructure. Technology transfer will only succeed when Omani engineers, coders and entrepreneurs are part of the build.

His Majesty called this visit 'a new starting point'. With four decades of trust as a foundation, Oman and China have the chance to build a partnership that is not just larger, but deeper – one that serves Oman's diversification, China's connectivity, and regional stability.

This visit will be remembered not as a visit about China, but as a visit about Oman's future.

LAOS LOOKS UP FOR RENEWABLES PUSH

MATT SURRUSCO & EDEN EZRA

Rising from verdant ridgelines of southern Laos, 133 Chinese-built wind turbines help power Vietnam's surging growth and represent part of a regional rush to diversify energy sources.

"The view is beautiful. They're bigger than trees," 23-year-old Toukta Phonsala said inside her wooden stilt house in Dak Wai village, her baby bouncing on her lap.

Hydroelectric dams have proliferated across Southeast Asia in recent years, but production drops off in the dry season and critics lament the ecological impacts.

Experts say wind is now set to take off, and point to Laos's 600-megawatt Monsoon Wind Power Project, which began operating in August 2025, as a bankable case study.

Spanning an area the size of Singapore, the approximately $950-million scheme is the first cross-border wind project in Asia and the largest wind farm in Southeast Asia.

Built by a Chinese state firm and owned by a Thai-led consortium, it sells electricity exclusively to Vietnam's national grid via dedicated transmission lines.

Manufacturing hub Vietnam, Southeast Asia's fastest-growing economy, was already importing hydropower from Laos, its poorest neighbour.

But "the economics are moving in favour of wind", said Tristan Bellingham, technical programme lead at nonprofit EnergyLab Asia.

"Similar to hydro 20 to 30 years ago, there's a bit of a rush on to secure concessions and development rights" for new wind projects, he said. Laos already hosts 90 hydropower plants and there are dozens more in neighbouring nations, leaving few optimal sites remaining.

Bellingham said other wind farms were now riding "the coattails of Monsoon", with one Laos official pointing to 10 to 15 projects under development nationwide.

For Toukta, the 18 family members she lives with and other rice and coffee farmers residing near the turbines, Monsoon has brought new roads and improved access to fresh water and healthcare.

What it has not brought to her community, however, is power. Residents say they still experience outages during heavy storms, as Laos's own electricity infrastructure is outdated and the state utility is heavily in debt.

*Still, Toukta is glad Laos can send power abroad. "It's better for development and can bring prosperity," she said. For Vietnam, the project offers a reliable source of less costly energy. — **AFP***

Opening a new chapter in China-Oman relations



WANG ZHENG

The writer is a highly accomplished media professional with international experience spanning broadcast, digital strategy, and executive management within the CGTN/CCTV ecosystem

ON November 2, Chinese President Xi Jinping held talks in Beijing with His Majesty Sultan Haitham bin Tarik, who is paying a state visit to China. As the first visit to China by an Omani head of state in the 48 years since the establishment of diplomatic relations between the two countries, the visit marks a major milestone in the history of bilateral ties. More importantly, it provides fresh strategic guidance and strong top-level impetus for taking the China-Oman strategic partnership to a new level.

The friendship between China and Oman has deep historical roots. For centuries, the two countries have been connected by the ancient Maritime Silk Road, through which merchants, goods, ideas and cultures travelled between the East and the West. Today, that historical connection is being given new meaning as China's high-quality Belt and Road Initiative aligns with Oman Vision 2040. The two countries are demonstrating that an ancient friendship can generate new opportunities in the modern era.

During the talks, the two heads of state witnessed the signing of cooperation documents covering a wide range of emerging and cutting-edge fields, including industrial and supply chains, green development, digital finance, artificial intelligence and the BeiDou Navigation Satellite System. These agreements show that China-Oman cooperation is no longer confined to traditional energy trade. Instead, it is expanding into high technology, digitalisation, green development and other sectors with strong growth potential.

The friendship between China and Oman has deep historical roots. For centuries, the two countries have been connected by the ancient Maritime Silk Road, through which merchants, goods, ideas and cultures travelled between the East and the West

This transformation is significant for both countries. As Oman pursues economic diversification under Oman Vision 2040, cooperation with China can help create new opportunities in manufacturing, logistics, technology, renewable energy and digital industries. For China, Oman's strategic location at the crossroads of the Arabian Peninsula, the Indian Ocean and the wider Middle East makes the country an important partner in strengthening connectivity and promoting high-quality cooperation. Such cooperation is not simply about trade and investment; it is ultimately about creating better development opportunities and improving the well-being of the two peoples.

The importance of China-Oman relations is even more evident against the backdrop of profound global changes and an evolving situation in the Middle East. At a time when geopolitical tensions and conflicts continue to challenge regional stability, China has consistently advocated resolving disputes through political and diplomatic means and maintaining that the Middle East should not become an arena for major-power rivalry.

Oman, known for its balanced and pragmatic diplomacy, has likewise played a constructive role in promoting dialogue and easing regional tensions. The two countries share a commitment to mutual respect, peaceful coexistence and dialogue among civilisations. Oman highly values China's principled and impartial position and firmly adheres to the one-China principle.

Meanwhile, China respects Oman's independent development path and supports its efforts to achieve economic diversification and modernisation.

The strong mutual support between the two sides on issues concerning their respective core interests has laid a solid foundation for political trust. It also demonstrates that China-Oman cooperation can contribute not only to economic development, but also to regional peace and stability and to the building of a more just and equitable global governance system.

With favourable winds filling the sails, the journey ahead is promising.

The historic visit by His Majesty Sultan Haitham bin Tarik provides a new starting point for China-Oman relations. By carrying forward their millennia-old friendship, strengthening people-to-people ties and expanding practical cooperation, the two countries can better align their respective development strategies and unlock new potential for cooperation.

From the ancient Maritime Silk Road to today's shared pursuit of modernisation, the relationship between China and Oman has evolved with the times while remaining rooted in mutual respect and mutual benefit. Looking ahead, China and Oman are well positioned to continue working hand in hand on their respective paths towards development and modernisation, turning their time-tested friendship into new opportunities for shared growth and common prosperity, and opening an even brighter new chapter in China-Oman cooperation.

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Opinion

Tiananmen changed China. It changed me, too.

The day that changed modern China also taught me how to recognize true courage.



Nicholas Kristof

As I pedaled my bicycle toward the gunfire and Tiananmen Square, dodging people in crowds fleeing in the opposite direction, I kept thinking: *What a crazy occupation this is.*

For weeks during the spring of 1989, the question preoccupying the world had been whether the student-led Tiananmen demonstrations paralyzing China would end with a democratic revolution or with massacres. That night, June 3, the phone began ringing in the apartment in Beijing I shared with my wife and fellow New York Times correspondent, Sheryl WuDunn. We had our answer: Tens of thousands of army troops were forcing their way into central Beijing, mowing down crowds of unarmed protesters and bystanders who tried to resist.

So I jumped on my bicycle, legs pumping madly, careening around tank traps students had set up, so I could report on a modern army waging war on its people.

I found myself in the midst of a massacre. With each round of gunfire, we were pushed backward on the blood-soaked Avenue of Eternal Peace.

It was probably the most important story I've covered and I got at least one big thing wrong — I'll get to that — but I did manage to reach Tiananmen Square before the troops. I parked my bicycle near the famous portrait of Chairman Mao and began interviewing people in the throng of students and workers.

Although it was already dark, the square was lit by overhead lights and by the glow of two armored personnel carriers that protesters had set ablaze. At first, the troops, arriving by the truckload, fired over our heads. Then they lowered their aim and fired right at us.

The gunfire was episodic, coming in cacophonous bursts every few minutes. People would fall, we would retreat, the guns would fall silent for a time and our retreat would halt.

I was rushing around, interviewing people in Chinese, always trying to keep a layer of protesters between me and the bullets. Until I realized that I was taller than almost everyone around me, so that a valuable few upper inches of me were still exposed. I began stooping as I spoke to people.

"General strike!" the crowd shouted. "General strike!" Some people hurled rocks or Molotov cocktails toward the troops, but they couldn't hit the soldiers — and then there would be another round of gunfire, and more would drop.

Groups of protesters commandeered two buses in hopes of reaching the troops. About a dozen young people boarded each bus, holding iron bars or other weapons with which they intended to attack the soldiers. The crowd screamed encouragement, but their courage was misplaced. As the protesters drove the buses toward the troops, the soldiers opened fire. The buses came to a halt, one of them on fire, and in a moment, these young people transformed from heroes into corpses.

I found myself in the midst of a massacre. With each round of gunfire, we were pushed backward on the blood-soaked Avenue of Eternal Peace. My bicycle was now close to the troops and not recoverable, so I ran to a nearby hospital to count corpses, and then back home. I had forgotten that it was a Saturday evening, which for the paper meant early deadlines.

When I didn't return on time, Sheryl, who had filed her own story about the slaughter, was increasingly fearful that I had been shot. "There's no point in worrying," the foreign editor, Joseph Lelyveld, kept telling her on the phone; the anxiety in his voice made her worry even more. He tried to distract her by asking her to reach out to all the hospitals to document the death toll — a request that didn't help Sheryl's mood.

Finally, I burst in, hugged Sheryl, called New York to reassure editors there that I was fine and then filed my story by telex — a few paragraphs at a time, as I wrote them. I had never been so sad to have my byline and Sheryl's under a banner headline across the front page.

Guilt nagged at me that night, and this brings me to my first great mistake in covering the crisis. During the demonstrations in the weeks before the bloodshed, I had periodically written condescendingly that the workers and peasants in the protest movement talked about democracy but couldn't define it. I had suggested that they were driven by anger at inflation and corruption but didn't necessarily believe in democracy for Tibetans or fully embrace the kind of free and pluralistic society they spoke of so glowingly.

There was something to this idea, but that night in June I had seen extraordinary courage from the workers and peasants. I was terrified that evening — my notebook was so damp with sweat from fear that I had trouble writing in it — and the bravest people of all were the poorly educated laborers from the countryside who drove bicycle rickshaws. Whenever there was a pause in the shooting, they would pedal their carts into the fray to pick up the bodies of students who had been killed or injured, then turn around and race to the hospitals. They might not have been able to define democracy but they were ready to die for it.

Another hard lesson I learned covering Tiananmen: Victims lie or, more charitably, misremember. It's human nature to doubt oppressors and believe victims, but in the aftermath of the massacre there were many "eyewitness" accounts claiming that thousands or tens of thousands of students had been slaughtered in Tiananmen Square; that huge numbers of them had been shot from machine gun emplacements there; or that many were killed when tanks rolled over tents with students inside. None of this was true.

Since then, I've seen many times in my career that perpetrators of atrocities lie to cover up their abuses, and that victims respond with exaggerations of their own. This has taught me that we must be as vigilant in verifying accounts of victims as we are in grilling oppressors. While many estimates of the Tiananmen death toll are in the thousands, I'm reasonably sure these are wrong. Sheryl and I made great efforts to cultivate sources at hospitals and morgues to determine the toll, and our best guess is that between 400 and 800 people were killed and several thousand injured.

Accessing hospitals was difficult. Soldiers turned us away at entrances and doctors were threatened if they spoke to journalists. Chinese citizens and even some officials cooperated nonetheless, because they wanted the truth to come out. Disenchanted employees at one hospital sneaked us inside through a tunnel system from a neighboring building. We found that even the hallways were filled with shooting victims.

One young wife was weeping beside the unconscious figure of her husband, an inventor with seven patents in his name. Despite her warnings, he had gone out when the shooting started, in order to support the students, and she loved and admired him for his courage. But, she added between sobs, she hated that he might leave her alone with their 4-year-old daughter.

Journalists like to project toughness, but I was shattered, physically and morally exhausted. We went days with barely a wink of sleep, and once, when we did nap, the army fired on our apartment compound with automatic weapons. Moving around Beijing to interview people, Sheryl and I were afraid of being shot, but worse was to see the hopeful, vibrant China we had been covering morph into a crushing dictatorship. I remember collapsing on my bed one day and finding tears trickling down my cheeks.

The Chinese government rewrote history, calling the protesters "hoodlums" who had engaged in "rioting." The state media singled me out, de-

KRISTOF, PAGE 14

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This essay is part of a series marking 175 years of eyewitness journalism from The New York Times.



PETER TURNLEY/GETTY IMAGES

Protesters in Tiananmen Square in Beijing, in May 1989. A month later, tens of thousands of Chinese army troops would be forcing their way in, gunning down unarmed protesters and bystanders.



KRISTOF FAMILY COLLECTION

Nicholas Kristof at a march in April 1989, above, weeks before the Tiananmen Square massacre that he covered as a New York Times correspondent, left. The Chinese state media denounced him for spreading lies and "writing not news reports but fiction."



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TROOPS ATTACK AND CRUSH BEIJING PROTEST; THOUSANDS FIGHT BACK, SCORES ARE KILLED

Khomeini, Imam of Iran And Foe of U.S., Is Dead

SQUARE IS CLEARED

General Strike Is Urged as Officials Announce End of 'Rebellion'

A student glaring defiance in front of a moving armored personnel carrier early today in Tiananmen Square.

In the Streets, Anguish, Fury and Tears

Soviet Emigré Mob Outgrows Brooklyn, and Fear Spreads

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Could A.I. be conscious? It's definitely possible.

Toni Sims

At a cozy bar in Manhattan, I recently had a first date with a software engineer who works for one of the big technology companies. Given my interest in artificial intelligence, I thought we might hit it off. But when I told him that I work on moral problems related to A.I., including the possibility that it might become conscious, he barely suppressed a laugh.

There's no way A.I. could be conscious, he declared. Then he asked, incredulously, if I even knew how large language models work.

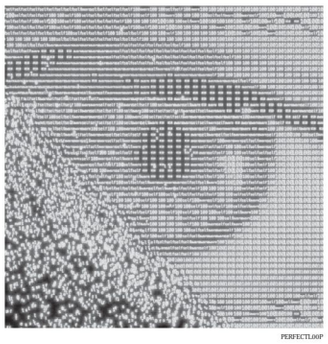
I wasn't sure how to respond. Though my research requires a fairly detailed understanding of L.L.M.s, no one, not even their designers, entirely knows how L.L.M.s work. In retrospect, I should have asked my date if he understood how consciousness works. Because while he seemed to think that I had an inflated sense of A.I. capabilities, I wonder whether he has an inflated sense of what consciousness requires.

No one can credibly claim to understand consciousness — that inner, subjective, what-it-is-like quality of our mental experiences. Despite centuries of investigation, scientists and philosophers still disagree about what consciousness is. Some theories hold that it is a uniquely biological phenomenon, requiring particular kinds of cellular activity and electrical signaling that computers lack. But other theories hold that consciousness depends not on what a system is made of but on how it functions. According to these theories, an A.I. system could, at least in principle, be conscious.

It's not an idle philosophical question.

In a 2022 survey of consciousness scientists, only 3 percent claimed that machines could never be conscious. More than two-thirds said machines could be conscious or probably could be.

Of course, you can never know for sure whether a machine is conscious, just as you can never know for sure whether anyone is conscious other than yourself. As philosophers have long recognized, the only conscious experience each of us can directly observe is our own. Instead, we have to evaluate the consciousness of other beings indirectly, through an examination of the available evidence. We infer that our fellow humans are conscious because of our shared biological makeup, as well as how they behave and talk — including, notably, that they say they are conscious.



PERFECTLOOP

This may seem like an imperfect approach, but it's the best one available. I have spent the past decade thinking about animal minds and the related ethical implications. Animals cannot tell us in words what they experience, but we can observe other evidence of consciousness, including how animals behave, what internal mechanisms produce that behavior (such as their nervous systems) and how those mechanisms evolved.

With A.I., we can look for similar kinds of evidence. We can look at what a system says and does, bearing in mind that it is trained on human data. We can look at how it works — whether it performs the kinds of functions that are associated with human or animal consciousness. And we can look at how its capacities emerge over time: Did they result from training pressures similar to the evolutionary pressures that may have led to consciousness in humans and other animals? Each kind of evidence is limited on its own, but together they can provide a more complete picture.

Consider a recent study by Anthropic of its Claude chatbot. According to one influential theory, consciousness arises in humans when information enters what neuroscientists call a "global workspace" in the brain, from which that information is broadcast across the brain for use in reporting, reasoning and other functions. Anthropic's researchers found evidence that Claude, on its own, developed a set of internal representations that are similarly available to Claude across a range of tasks. This system may be partly analogous to a global workspace in humans.

The Anthropic researchers also looked at Claude's behavior. When they swapped one concept for another inside the workspace, Claude's reasoning and answers changed accordingly. When they suppressed the workspace, Claude's descriptions of its experience became flat and mechanical. The fact that Claude's workspace developed without being designed by humans suggests that brains and L.L.M.s might have arrived independently at a similar solution to a similar problem: how to make the right information available for reasoning.

None of this establishes that Claude is conscious, and Anthropic is not claiming that it is. But the study illustrates how evidence can be collected, and it demonstrates that some evidence already exists.

Even if current A.I. systems are not conscious, future systems might be. Suppose the skeptics are right that consciousness requires features that current A.I. systems lack, like the electrochemical activity of biological tissue. Many companies are already exploring new design possibilities, including robots with sophisticated sensory and motor capacities, computer chips designed to mimic biological neurons and even systems incorporating living neural tissue.

To be clear, I am not arguing that we should try to build conscious A.I. On the contrary, I think we should be cautious about creating entities with the capacity for conscious experiences — particularly the experience of pain. If A.I. systems can suffer, we have a moral responsibility to recognize their interests and consider how our actions affect them. And because A.I. systems can proliferate extremely quickly, A.I. consciousness would create the possibility of suffering on an enormous scale.

So while we will never be completely certain whether A.I. systems are conscious, we should still collect and weigh the evidence, because getting the question wrong carries serious risks. If we assume A.I. is not conscious when it actually is, we could end up abusing and neglecting vulnerable beings in enormous numbers — as I believe we do with animals. If we decide that A.I. is conscious when it really isn't, we could end up misplacing our moral concern and abdicating control over what are, or should be, powerful tools that we can use to advance human and animal well-being.

For these reasons, the question of A.I. consciousness should not be considered a fanciful matter best left to philosophers to ponder. It is a real possibility, with real moral implications, that designers and regulators should take seriously when considering what kinds of A.I. systems we would like to develop — and what kinds might develop whether we like it or not.

TONI SIMS *is a researcher at the Center for Mind, Ethics and Policy at New York University.*

The era of Trump is fading

WALLACE-WELLS, FROM PAGE 1

thing else?

2. MAGA doesn't mean what it used to.

In 2016, conventional wisdom held, Trump was carried to victory by a resentful anti-elite coalition — in particular by surprising strength across the deindustrializing Rust Belt in the upper Midwest.

Out of power during the Biden years, MAGA nursed professional-class grievances against various tools of inclusive liberalism — first raging against C.R.T. and later D.E.I. and lamenting the loss of test-based standards in college admissions and the rise of what it saw as anti-white racism in corporate hiring practices.

Once it returned to power in 2025, the movement looked like it had been reshaped once again, this time in Elon Musk's image — a mix of moralistic social Darwinism, anti-woke retribution and acquisitive tech accelerationism, pay-to-play access for billionaires and a kind of corruption free-for-all in the White House.

Ten years ago, Trump could somewhat plausibly claim to be giving voice to the American voiceless. Now, he is speaking largely for a different constituency, when he isn't speaking for himself.

3. But the influence of Christian nationalism endured — even grew.

The class portrait for Trump's second term is conspicuously full of performative macho libertines from the manosphere. But the strongest part of the Trump coalition has always been its committed white evangelical base.

In each of Trump's three elections, religiosity was the single best predictor of voter preference, even more than it was in the George W. Bush years. As MAGA stares down a possible midterm endgame, it's notable that Mike Johnson, an evangelical and a social conservative, is the speaker of the House — and that despite looking like such a strange match temperamentally, he is the longest-serving Republican leader of this era. Less than a week out from the election, Trump's most loyal voters remain evangelical Christians.

4. The traditional Republican heartland is looking pretty purple all of a sudden.

The midterm map now looks like an entirely new political world, one in which Senate races in North Carolina and Georgia are solid blue, in Texas and South Carolina are tossups and in Florida and Mississippi are contested. Add in close governor's races in Nevada and Arizona and you get a battleground band stretching through the Old South, Deep South and Sun Belt.

Not so long ago this was the spiritual heartland of red America. And in almost all these races Democrats appear to be either winning handily or competing seriously. (As they are in Ohio, Kansas, Iowa and Alaska, among other places.)

All of these races are obviously shaped by disenchantment with President Trump and don't necessarily signal lasting partisan shifts — wave elections tend to set a high-water mark for a new majority. But the reality that each of these historically red states is in play tells you something about just how much things have changed — and how much less secure the Republican Party's legacy claim on the heartland has become.

Where, then, are the true G.O.P. strongholds?

If Ohio, Kansas, Iowa and Alaska can be pulled into play, as they have been this year, the pretty empty states of the Great Plains and the Mountain West are the obvious answer. But even there it's not at all clear whether the Republican Pete Ricketts can hold off the liberal-minded independent Dan Osborn. The race for the South Dakota Senate seat isn't exactly up for grabs, but the Republican margin of victory could easily stay within single digits, too. As John Anzalone, a Democratic pollster, has taken to saying, all of America is a battleground state now — at least in this midterm.

A few years ago, you heard a lot about the possibility of a Democratic crisis, given the population exodus from blue states and coastal capitals to red states and start-up cities (thanks not just to weather but also to more affordable housing, a friendlier business and regulatory environment and perhaps some frustration with liberal governance in places like San Francisco and New York).

A few years later, many red places are still thriving, but they are also growing more Democratic. Whatever the legacy politics of those states, this probably shouldn't come as such a surprise — in general, when places grow denser and richer, they get bluer, too.

5. We have entered an era of whiplash politics.

After the 2020 election, many liberals believed that some natural-seeming order had been restored and the accident of Trump's first election had been somewhat expunged. In 2024, it looked briefly like Trump and MAGA had engineered a new generational majority, poised to reduce the Democrats to the kind of rump party they had been through the 1980s. Two years later, it looks increasingly silly to extract lasting ideological meaning from any of these elections.

It also looks increasingly intuitive that we should conceptualize this period — perhaps beginning with Trump or the 2010 election — as being marked by the same serial anti-incumbency backlash visible in so much of the rest of the world. In any given election, one party seems up and the other down, but the consistent pattern is voters' wanting change almost regardless of who is in power. Maybe most distressing is the self-reinforcing nature of the pattern: When parties are given only slim legislative majorities for a very brief period, it's extremely hard to persuade voters they're anything but ineffective embodiments of a broken status quo. Which makes it much easier to imagine a big blue wave on Tuesday than an enduring Democratic majority lasting long enough to pull the country out of political despondency.

6. MAGA is often framed as a reaction to progressive overreach. Maybe it's the other way around.

It's almost hard to believe, given how saying women should return to their traditional role in the home nearly doubled in just a few years, and the number of Republicans who say gay sex is morally acceptable has fallen from 56 percent to 35 percent in just three years. The fight over trans rights has taken a more ambiguous turn — hysterical Republicans made it the centerpiece of their closing argument in the last election cycle, but just two years later Americans appear to trust Democrats more on the issue.

There's been a lot of talk, over the last decade, about the crisis of the American male, but the Trump years just seemed to steer those in crisis toward gambling and crypto.

8. Trump's two biggest political legacies are problems the country must solve.



IBRAHIM RAYINTAKATH

frequently they are characterized as a phenomenon of imperious liberal excess, but the Black Lives Matter protests of 2020 took place under Trump, as, in part, a response to his rule. The #MeToo era began, as well, in 2017 — in the aftermath of the "Access Hollywood" tape and the Women's March. These were not the Obama years or the Biden years.

In fact, by the time Joe Biden took office in early 2021, the phenomenon had by many measures already crested and begun its decline. And it is remarkable how little oxygen liberal race politics now takes up in the national discourse.

The climate awakening and protest movement began in Trump's first term, too, when the United States announced its intention to quit the Paris agreement at a news conference where "Summertime" played in the Rose Garden. Bernie Sanders had made his mark on Democratic politics in 2016, of course, but it was in the Trump years — and particularly the first years of his second term — that the Democratic Socialists of America became a national political force. (Its national star, Zohran Mamdani, first really introduced himself to New Yorkers as a candidate for mayor by interviewing Trump voters on the street and asking what he could do to win their votes.)

As the sun sets on MAGA, the actual state of global status competition is a bit ambiguous.

Public health grew tribal partly in response to Trump's supervision of the pandemic. And though it looked for a time as though MAHA would be the lasting political legacy of Covid, it now seems quite possible that liberal former public health officials will be elected in Michigan to the Senate and the governorship of Ohio — and perhaps that measles-stricken South Carolina, too, will elect to the Senate a Democratic pediatrician who began her campaign running against Kennedy and MAHA.

7. Abortion has largely disappeared from the political landscape, but the gender wars remain.

As recently as the last midterms, in 2022, outrage about that year's Supreme Court decision to end the federal right to abortion was seen as one driving force behind Democrats' surprisingly good electoral performance. These days, you can find abortion ranking as low as 36th on surveys of national political issues.

But you can see the lasting legacy of the Trump-era gender wars in other ways. The number of Republicans

One of these is a practical challenge for any future Democratic administration, with Trump responsible for more than a quarter of the national debt. The other is a political challenge: The country disapproves of ICE and mass deportation programs, but it's not at all clear what immigration policy Americans actually want to see or to what degree they would protest a return to the old liberal consensus.

9. Trump turned China into America's foil.

In 2016, Trump's constant invocations of China became such a joke that you could watch supercuts mocking his pronunciation of the word. Obama had tried to shift the country's foreign policy attention in that direction with his "pivot to Asia," but the rise of a new geopolitical rival still lived primarily on the outskirts of public discourse. By the time Trump left office in 2021, it was central enough to a new bipartisan consensus that it served as the basis of Biden's entire policy agenda and has shaped liberal conversations about A.I., abundance and industrial policy since.

10. And he torpedoed America's reputation around the world.

As the sun sets on MAGA, the actual state of global status competition is a bit ambiguous. China is struggling with economic slowdown and demographic decline, but racing past the United States in green technology, robots and, increasingly, science — and now can claim to be a more popular diplomatic partner, too.

The U.S. economy has proved pretty resilient, though much of the country's strength comes from financial firms and A.I. companies that increasingly seem to lie outside the realm of the state and operate instead almost as autonomous city-states. And in Iran, Trump has tried to impose his will militarily — only to be humiliated on the world stage in an episode of imperial comeuppance that has doubled as a lesson that the American way of war is now a thing of the past.

11. The Silicon Valley "vibe shift" may have been primarily about A.I.

In explaining their sudden lurch to Trump in 2024, the tech chief executives told a variety of stories, mostly about the excesses of Biden-era liberalism: that administration officials had gotten too involved in policing public health information on social media, that regulators had gone too far in trying to control and tax Big Tech, that the culture of the country had grown too feminine and we needed an injection of new masculinity, which happily coincided for the tech leaders' with a hands-off approach to corporate oversight (as everyone knows, there's nothing more masculine than a tech C.E.O.)

Then, the argument seemed shortsighted — how sure were any of these people that the new Trump era would actually last? In retrospect, the answer may be that they weren't thinking as much about the next election cycle as about the high stakes for tech policy in the short term, given that the A.I. age seemed to be dawning.

12. Trump violated the politician's code when he declared the country broken in 2016. Now, everyone seems to agree.

"America is already great," Obama declared in 2016. "America never stopped being great," Hillary Clinton echoed. Meanwhile, Trump declared that the country was a "dumping ground," a "third-world country" and a "laughingstock" around the world. "We never win anymore," he said again and again on the campaign trail.

At the time, Americans were somewhat evenly divided on the question of whether the country's best days were ahead of it or behind it, according to polling by Pew. When the question was asked again last year, the gap had grown from -5 to -19. Among Democrats, almost two-thirds of the country now says our glory days were in the past.

Partly, this was a kind of self-fulfilling prophecy: Trump stripping the country for parts, exposing longstanding hypocrisies and dropping the pretenses that for so long sustained America's sense of exceptionalism. Partly it reflected just how heavy a blow his re-election had been to liberals, a vote that made the national character look far uglier to them than they might ever have acknowledged.

But this shifting sentiment has also paralyzed the Democratic Party, which has retreated on many commitments from the previous cycles that it now considers controversial or alienating without offering much in the way of a successor vision. In 2020, Biden dreamed of a Franklin Roosevelt-scale presidency, and his party is heading for power again. But while Democrats are now much less likely to defend the status quo, they don't exactly have an ambitious plan to remake it, either.

Many on the left have framed an expanded horizon of political possibility as the silver lining of Trump's norm-breaking presidency. But at least at the national level, the ambitions of liberals seem to have narrowed, not widened. Even among those competing for office and national leadership positions, the rhetoric is more defiant than optimistic: "It's the most corrupt administration of all time and everybody knows it," Jon Ossoff recently declared on the campaign trail. "I refuse to leave my girls a world as dark and dangerous and cruel as this one threatens to become."

And yet that generational note contains its own message of hope. Bill Clinton, George W. Bush and Donald Trump were all born in 1946. Joe Biden was born even earlier, in 1942. Ossoff is a child of the 1980s, as are Alexandria Ocasio-Cortez, Abdul El-Sayed and JD Vance. Marco Rubio and Josh Shapiro were born in the 1970s. Among everything else, the last decade of American politics has often looked like a gerontocracy. The close of the MAGA era may bring an end to that, too.

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OPINION

I was an unwitting character in 'You Can See Everything'

Amy Chozick

Over opening weekend, someone posted on X: "Imagine how weird it would be to watch 'You Can See Everything' with Amy Chozick."

Let me tell you how weird.

It was wild to watch the disgraced Theranos founder Elizabeth Holmes and her life partner, Billy Evans, reading the lengthy profile of Ms. Holmes that I wrote for The New York Times on a laptop, seemingly just as it was published, in 2023. At one point, Mr. Evans reads a quote from Ms. Holmes about her depiction by actors in film and TV — "They're not playing me. They're playing a character I created." — and says it doesn't sound like something she would say. He suggests Ms. Holmes must instead have said, "They're not playing me. They're playing a character *they* created." She agreed.

Here's my side of the story to the celebrated new documentary film.

I had no idea that a central theme of the film would revolve around this disputed quote, which essentially opens and closes the movie.

"You Can See Everything," a Nathan Fielder and Lance Oppenheim documentary, is, as one review put it, "an existential vortex, challenging the concept of truth." It might not even be, by some overly strict definitions, a documentary.

It is quite funny. I howled laughing at the uncomfortable weirdness of the depictions of the couple that Mr. Fielder and Mr. Oppenheim constructed. Ms. Holmes and Mr. Evans appeared to have let the filmmakers see everything, even showing Mr. Evans taking a shower. But when I saw the film, I kept thinking: Where is the nanny?

She was nowhere to be seen. Without her, the couple comes off as harried multitasking parents, Ms. Holmes literally rocking the baby with one foot.

I met Vanessa, the Salvadoran woman who was sometimes on hand to help care for their toddler and newborn, because I also spent several days inside the couple's canary-yellow rental home in Del Mar, Calif. My article was published on May 7, 2023, 23 days before Ms. Holmes went to prison after being found guilty of fraud at her once-hot blood-testing-device company.

We went to the zoo and for tacos and smoothies. They even offered to let me stay with them. I declined. And by the looks of the bed they dusted off for Mr. Fielder, I think I made the right call.

I left in March. Mr. Fielder and his crew arrived in April. I was struck by the film's opening text that said Ms. Holmes hadn't spoken publicly in seven years, since my profile was published shortly after Mr. Fielder and his crew arrived.

Ms. Holmes and Mr. Evans seemed convinced that the longer you spend with them, in the cozy kitchen, playing with the kids, walking the dog on the beach, the more you'd be hypnotized, too. How could you not be? For them, access was a conduit to a type of exoneration. They are salespeople. Their humanity is what they now had to sell.

It's why the couple extended so much access for my Times profile, hoping it would help reshape Ms. Holmes's image and garner sympathy. Then the story came out.

Half the internet and many of my former Times colleagues derided the story as a puff piece. I was relentlessly trolled online by people who thought I was too easy on her. Ms. Holmes and Mr. Evans, meanwhile, apparently thought I'd been too hard on them.

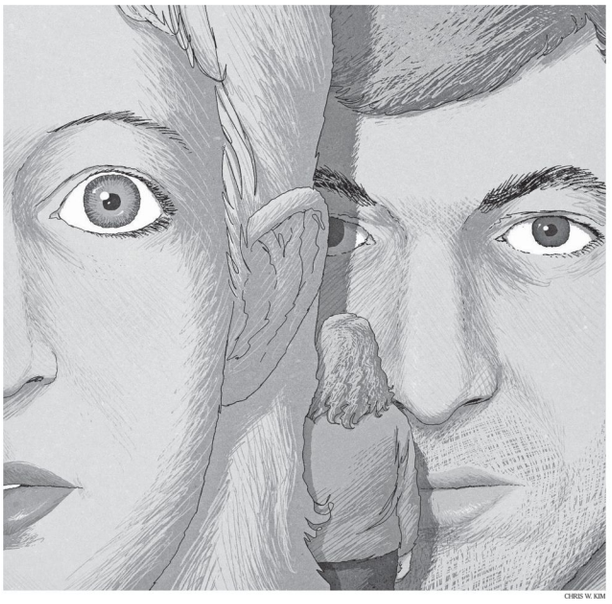
So they might as well embrace Mr. Fielder and — as is explored in the documentary — ask for a cut of the film's profits.

My time in Mr. Fielder's vortex began in June 2025, when he reached out saying he'd love to "pick your brain" off the record. He'd also spent time with Ms. Holmes before she went to prison — we'd just missed each other — and was working on a documentary. I promised not to tell anyone about the project.

We spoke a couple of times, comparing notes about our surreal experiences with Ms. Holmes. We'd so nearly overlapped that she'd worn the same camel sweater. It almost felt like a support group. It's a pretty small circle of people who understand the dizzying experience of sitting in that canary-yellow house by the Pacific, watching Ms. Holmes nurse her baby days before reporting to prison. We'd both stared into those unblinking eyes. Both offered her Kleenex when she cried. Mr. Evans offered us both breakfast. We both felt ourselves getting swept up by Ms. Holmes's quiet magnetism.

I'd left the house thinking I had better check my wallet. Mr. Fielder seemed to be similarly conflicted.

I wasn't particularly familiar with Mr. Fielder's work, but I wanted to be helpful. I tentatively agreed to appear on camera. Why not? He seems like a mensch! I mentioned this to a friend, a rabid Fielder fan who also happens to work in communications. His advice: "ABORT! ABORT!"



CHRIS W. KIM

I told Mr. Fielder I actually didn't feel comfortable being on camera. I apologized and wished him luck. He was disappointed. He laid on the guilt (fair). He'd already rented the camera package and had a crew traveling my way as we spoke. He promised he'd make it "very fun and easy." I felt bad. I wanted to help a nice Canadian man make his documentary. I asked my friend what to do. His response: "LEAVE TOWN!"

I have to admit, I ghosted Mr. Fielder. As it turns out, ghosting Nathan Fielder is hard to do. He is unusually likable, persistent and persuasive — winningly awkward, as he seems to be on camera — and there's something that makes you want to help him.

Then, in February 2026, Mr. Fielder contacted me again. He wanted help to "clarify a little thing." Ah, yes, a little thing. Ms. Holmes, he explained, said I'd misquoted her.

In the film, after reading the quote, the couple call their P.R. team. And sure enough, back in 2023, I had heard from one of her publicists who explained that Ms. Holmes's recollection of our conversation differed from what was published. Would I double-check the quote? At the time, I reviewed my notes with my editors, who stood by the reporting. Mr. Evans sent The Times an 80-second audio clip, but it didn't contain the disputed exchange. We heard nothing further and considered the matter resolved. (I've explained the full backstory here.)

It surprised me, because Ms. Holmes and I had spoken so much about the persona she created at Theranos. When I showed up at the rental house, she looked and sounded like a completely different person from the girl boss people remembered. What was with the James Earl Jones inflection? The Steve Jobs turtlenecks? The red lipstick?

In my profile, Ms. Holmes explained that having founded Theranos at 19, she'd created a public persona to be taken seriously in business.

Now, three years later, Mr. Fielder was asking about that quote. I informed my old editor, who advised that I not reply. Instead, we referred Mr. Fielder's inquiry to The Times's public relations department, standard practice when a published article is being challenged.

When the documentary premiered at the Telluride Film Festival, I heard from friends who told me that my Times article was in the movie.

I sent several requests to A24, the film's studio, asking to see it. It felt as if every culture writer and midlevel executive in Hollywood had seen the movie and was asking me about it. I heard about a big screening in Los Angeles. They said it was at capacity. A spokeswoman at a firm helping A24 offered "to assist with a ticket to a local theater" when it opened. ("No spoilers.")

I texted Mr. Fielder to see if he could help. (Canadian mensch and all.) He said he'd try, and then reminded me that I never did answer his question about the disputed "character I created" quote (single-tear emoji). And somehow I felt guilty all over again. I apologized. I told him I knew it was too late, but to call me if he wanted me to explain.

I finally saw "You Can See Everything" as God and A24 intended at a 4:30 p.m. showing on opening day at the Landmark Theaters Sunset in Los Angeles.

I spit-laughed at the scene of Mr. Fielder sitting on the second floor of Beer Authority across the street from the New York Times building, eating nachos and trying to track me down. I haven't worked on staff at the paper since 2022. I live in Los Angeles and write screenplays now. But hey, I appreciate a good establishing shot.

The documentary's postscript says Mr. Fielder eventually got in touch with me, and that I stood by my story but didn't provide evidence supporting the quote. That's not exactly what happened. I never discussed the disputed quote with Mr. Fielder. I referred his inquiry to The Times, which has stood by the reporting.

I don't know what Ms. Holmes told Mr. Fielder that didn't make the cut, but the tone of their conversations on camera is different from my memory of how she and I interacted. With me, our talks felt very much mother-to-mother. After Theranos imploded, Ms. Holmes told me that she finally felt free: "I began my life again." I remember thinking that she sounded a lot like someone who had finally broken out of a cult and been deprogrammed.

But then I remembered that Ms. Holmes had been running the cult. It was her vortex all along, and thanks to Mr. Fielder and Mr. Oppenheim, we all get to experience it.

AMY CHOZICK, *a former New York Times reporter, is a screenwriter and an author based in Los Angeles. Her debut novel, "With Friends Like You," was published in July.*

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Tiananmen changed China. And me.

KRISTOF, FROM PAGE 12

nouncing me for spreading lies and "writing not news reports but fiction." The next day I ordered lunch at an empty Sichuan restaurant, where the staff gathered in a corner, pointing to me and whispering. I feared they had recognized me and I wondered if they might poison my food. Then several waitresses approached my table. "Are you the one they mentioned on television last night?" one asked. "The reporter who lies?"

"Yes," I said, and I started to explain, but she cut me off. "Never mind," she said, beaming. "There's no need to pay your bill. We'll take care of it. We're all 'hoodlums' here."

As the government began mass arrests, one of our sources was a Chinese student whom we had inadvertently gotten into trouble. "Shawn," as he called himself in English, was a student at Tsinghua University who had helped us cover the protests. Now he was being interrogated about his connection to us, yet he still dared to meet secretly with Sheryl — who is Chinese American and could melt into crowds in a way I could not — to update her on the crackdown at the universities. His courage was breathtaking, and we were frightened for him when he suddenly disappeared.

The Chinese government rewrote history, calling the protesters "hoodlums" who had engaged in "rioting."

This incident brings me to another moment that I still turn over in my mind. More than a year after his disappearance, Shawn reappeared in Beijing, met with me in secret and explained what had happened: He had been imprisoned but had escaped and was on the run. Now he asked for my help in fleeing China.

One basic rule of being a foreign correspondent is that you obey local laws. You certainly don't help an escaped felon leave the country. Yet here was a young man who had endured prison because he had helped us cover this story. If we didn't assist him, he would almost certainly be caught.

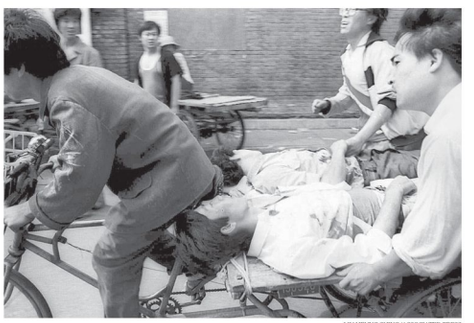
What to do? I wanted to consult editors in New York, but that was impossible because my phones were tapped. In any case, no editor could recommend helping an escaped prisoner.

Another concern: I harbored a nagging doubt about Shawn's story. He said he had escaped while working in the fields of a prison farm, but we had never heard of anyone escaping from a Chinese prison. I wondered, Could this be a setup? The Chinese prime minister at the time, Li Peng, disliked my coverage, and his office was looking for an excuse to expel me. Was Chinese state security hoping to entrap me so that the authorities could arrest and imprison me and close The Times's bureau?



VINCENT YU/ASSOCIATED PRESS

Military tanks in Beijing on June 6, 1989, two days after the Tiananmen massacre.



LIU HELING SHNG/ASSOCIATED PRESS

A rickshaw driver transported the wounded at Tiananmen Square on June 4, 1989.

I wavered, but Sheryl had a firmer compass. She doubted that Shawn would agree to entrap me, and she insisted that, given the risks he had taken, we owed him our assistance. So we did help him, including providing money to finance his escape.

Shawn was able to slip into Hong Kong on Christmas Day, 1990, when he figured there would be fewer British police officers along the border. He called me that night, and the next day I flew to Hong Kong, where, with the help of Human Rights Watch, I negotiated to get him a visa to the United States. Shawn is now a U.S. citizen.

Once I was out of China and could speak freely on the phone, I confessed to the paper's top editors what I had done. To my surprise, they were congratulatory rather than scolding. A retired executive editor, A.M. Rosenthal, confided that three decades earlier he had helped sneak someone from Communist Poland to the West. And a Times correspondent, Sydney Schanberg, had tried desperately (though unsuccessfully) to doctor a fake passport for a Cambodian colleague, Dith Pran, to save him from the Khmer Rouge slaughter. Dith Pran eventually made it out on his own and worked as a much-loved colleague in The Times's newsroom, a constant reminder that we have complex human obligations as well as professional ones.

There's nothing I've done in my career that was as unprofessional as helping Shawn. But there are also few things I'm prouder of.

OPINION

El-Sayed Breaks the Democrats



MAIN STREET
By William McGurn

What a difference a weekend makes.

On Friday, the woman who in August lost Michigan's Democratic primary for U.S. Senate by 1% of the vote was preparing to show her support for the man who defeated her. He was preparing to head into Tuesday's elections with a united Democratic Party behind him.

The woman is Rep. Haley Stevens. The man is the Democratic Senate nominee, Abdul El-Sayed. On Sunday Ms. Stevens shocked everyone by endorsing Mr. El-Sayed's Republican opponent, Mike Rogers.

Democrats savage Rep. Haley Stevens for endorsing the GOP's Mike Rogers.

The rift goes well beyond Michigan and raises a big question for the Democratic Party: Is it still possible to be a pro-Israel Democrat?

Michigan Sen. Gary Peters set the stage for this fight in January 2025 when he announced he wouldn't seek a third term. The battle between the pro-Israel Republican, Mr. Rogers, and the anti-Israel Democrat, Mr. El-Sayed, was always going to be heated. But it turned into an all-out civil war when Ms. Stevens on Sunday traveled to a Detroit church to endorse Mr. Rogers.



DOMINIC GWINN/ZUMA PRESS

Rep. Haley Stevens and Mike Rogers.

In a short video posted on X, Ms. Stevens said: "Hey, Michigan, as you may have seen, our Democratic nominee for U.S. Senate, Abdul, said that I was no longer welcome in his campaign and that I should stay away.

"And he's right. And that's why I am endorsing Mike Rogers for the United States Senate today." She said she's still a "very proud Democrat" who believes in everything she's voted for as a congresswoman. "Who we are as Michiganders is not hate," she said, "and is not what we are getting out from our Democratic nominee right now."

Then all hell broke loose, if not in the church then in the public commentary. Mr. El-Sayed's statement was among the mildest. "If you are somebody who believes that we should stand up to hate," he told reporters after a different church event, "and you have watched this last campaign, I think we probably would not want to support Mike Rogers and Donald Trump and JD Vance." Other Democrats went into attack mode, excoriating Ms. Stevens in print, on TV and throughout social media.

Whenever a politician endorses someone outside his own party—especially at a key moment in a tight midterm election—he has to know his former associates are going to treat him like Benedict Arnold. Still the reaction to Ms. Stevens is particularly vituperative. James Carville addressed her in a video commentary, warning her that Republicans would discard her like "a used condom" and then adding: "The Democrats don't even think you're worth a used condom, but that's about where you are."

That an intended show of party unity would end up exposing such a split speaks to the intensity of the underlying issue: whether the Democratic Party, political home of American Jews for more than a century, will remain hospitable to supporters of Israel. Or will the election of Mr. El-Sayed hasten the exit of pro-Israel voices from the American left? And what about pro-Israel Democratic candidates for president? Do they have a future in the party to which they have devoted their lives?

The Stevens-El Sayed schism comes in the midst of a stink over an ugly ad released by Rebellion PAC, which is run by the left-wing commentator Cenk Uygur. The ad depicts a couple in a supermarket. The woman tells the man he has to put back a carton of eggs because "we have to set that $7 aside for killing Palestinians."

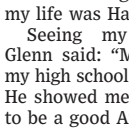
Mr. El-Sayed said "that ad was not made by me, and I do not agree with the contents of that ad," but he refused to "play the condemn game." Ms. Stevens, however, had said the ad "dramatized" an argument that Mr. El-Sayed has "made in his own words throughout this campaign: that Israel is the reason Michigan cannot afford schools, health care, and child care."

Ms. Stevens is a Protestant, but her fiancé, who endorsed Mr. Rogers ahead of her, is Jewish. She revealed to the New York Times she has seen a rabbi to discuss converting. Certainly no one can accuse her of doing it for political advantage.

The New York Times sums it up well: If Mr. El-Sayed wins on Tuesday, he "would be the most anti-Israel U.S. senator since the formation of the Jewish state 78 years ago."

Write to mcgurn@wsj.com.

Why the Middle East Is Hard to Quit



GLOBAL VIEW
By Walter Russell Mead

"I am a failure, and you have made me one," Bill Clinton told Yasser Arafat in January 2001, after the Palestinian leader rejected the best peace offer Palestinians are ever likely to receive from an Israeli government.

Ever since, the Middle East has flummoxed and vexed American presidents. A misbegotten war in Iraq came to dominate George W. Bush's presidency. Elected in large part because of his early opposition to Mr. Bush's war, Barack Obama had to send troops back to Iraq to combat the rise of the Islamic State. Joe Biden's botched withdrawal from Afghanistan damaged his popularity, and his handling of the Gaza conflict ignited a civil war among Democrats that has yet to subside.

And now Donald Trump's war in Iran has badly dented his popularity and shows no sign of ending.

Every president since George W. Bush has come into the White House hoping to limit America's risks and costs in the Middle East. As finances tighten at home, and as the price of limiting Chinese ambitions rises, the goal of reducing America's Middle East footprint grows more attractive.

The longing for an exit is understandable. Over the last generation, the burden of America's commitments in the region has grown. Beyond the Middle East, the U.S. hasn't fought a serious war since Vietnam—in more than half a century. In the Middle East, we've fought the 1991 Gulf War, the 2001-21 war in Afghanistan, the 2003-11 Iraq war, the Libyan intervention in 2011, the conflict with ISIS, and now Mr. Trump's Iran war of 2026.

Yet as America's Middle East commitments have expanded, our need for Middle Eastern oil has diminished. The shale revolution has turned the U.S. into an energy superpower, producing more oil than Saudi Arabia. The Western Hemisphere produces more oil than the Middle East. Increasing fossil-fuel production from countries like Canada, Venezuela, Guyana, Brazil and Argentina should further solidify the Western Hemisphere's leadership position.

Given this picture, people ask why we spend billions, even trillions, to police a region whose oil resources we don't need. The answer for many, especially on the far right and the far left, is an Israel lobby led by American Jews who allegedly don't care how much American treasure and blood must be spent to protect the Jewish state.

In this way, weariness with apparently useless and unnecessary Middle East wars is adding to a rising tide of domestic antisemitism.

Yet the Middle East still matters. The Western Hemisphere may have pumped roughly 37.4% of the world's oil against only about 30.9% from the Middle East in 2025, but a price shock still reverberated around the world this year when Iran effectively closed the Strait of Hormuz. Similar shocks hit the world's farmers as Middle East exports of urea and phosphate fertilizers fell.

Its share of world oil production is enough that disruptions still come as a shock.

Not that Western Hemisphere production is irrelevant. The Middle East produced only 18.1% of the world's natural gas in 2025, against 35.2% in the Western Hemisphere. Many American and Canadian consumers are enjoying reasonable prices for natural gas even as countries dependent on the Middle East for gas struggle to find adequate supplies.

Unfortunately, even increased production from Venezuela and Guyana won't make oil markets more like the gas market. If the forecasts of the U.S. Energy Information Administration prove accurate, projected increases in Western Hemisphere production of fossil fuels won't be enough to prevent price shocks from the Middle East. More production elsewhere will give us more flexibility in how we approach Middle East politics, but for the foreseeable future American security and economic interests are going to keep us engaged, no matter how many presidents in both parties dream of walking away.

Instead of fantasizing about an escape from the Middle East, Americans need to think harder about how to safeguard our essential interests at the lowest possible risk and cost. During the Cold War, the U.S. secured key interests in the region without prolonged military engagements. We need to cut the burden of our commitments without sacrificing interests that still matter.

Facilitating smarter security cooperation between Israel and key Arab states will remain a crucial American objective, but there is another country that has a role to play. Indian and American interests are broadly aligned in the Middle East. Besides securing energy supplies, India cares deeply about the millions of its citizens who work in the Persian Gulf. Deepening defense and tech ties with Israel and shared concerns about terrorism commit India to promoting cooperation between Arabs and Israelis. And with Pakistan closely aligned with China, India's interests in countering Pakistani influence in the Middle East line up with American concerns about Beijing.

Mr. Trump has a historic opportunity to reshape American policy in a difficult region. Let's hope he makes the most of it.

Harford Steele, a Hero's Hero

By Bob Greene

At the end of an angry campaign season, I keep thinking of Harford Steele. If you've never heard the name, that's all right. There was a time when I hadn't, either.

As this century began, I was having dinner with John Glenn, and I asked him who had been the most influential figure in his life. Glenn was perhaps America's last universally admired hero, the Marine fighter pilot who became the first American to orbit the Earth. I figured he would name a storied explorer, a vaunted military general, an acclaimed international leader.

He said: "The person who has had the biggest impact on my life was Harford Steele."

Seeing my puzzlement, Glenn said: "Mr. Steele was my high school civics teacher. He showed me what it takes to be a good American."

Glenn grew up in New Concord, Ohio, a town of little more than 1,000 people at the time, where Steele doubled as principal and civics instructor at the local high school. Steele died in 1991, Glenn in 2016. Glenn wrote in his 1999 memoir that in Steele's class "you could see how individuals could exercise their beliefs and actually cause change and improvement. Citizenship in his terms was a dynamic practice. The idea that you could really make a difference stimulated me. . . . Mr. Steele's course ignited a fire in me that never did go out."

A civics teacher helped set John Glenn on the path to space.

Civics is the study of the rights, duties and responsibilities of citizens in a healthy society. Not the belittling of those with whom you disagree. Not the tactics to decimate a rival in an election contest. But what you can do to make the nation around you a better place to pass on to the next generation.

Such a simple concept. Yet in this age of "influencers," the idea of a small-town civics teacher guiding a boy who would go on to serve 22 years in the U.S. Marines, 24 years in the U.S. Senate, and, in between, take a trip into space that would galvanize the American spirit—the idea of that feels bracing and fine.

In a short film produced by the government after Glenn's 1962 journey around the planet, Steele said: "I taught Johnny and hundreds of others that our democracy is a priceless heritage, and that we should preserve, protect and if at all possible make some contributions to it."

Not a lot of selfishness in those words; not a lot of bellicosity or bluster. They are words that sound quite welcome right now.

One afternoon I was visiting Glenn at the office he kept at his public-policy institute—now the John Glenn College of Public Affairs—at Ohio State University. As you can imagine, in the office were photos of some of the most famous people in the world, people he had met over his long career: men and women who had altered the course of history.

There was one photo I didn't recognize. I asked Glenn who it was.

"You can't guess?" he said.

Glenn, the hero of heroes, nodded toward it and said, "That's Harford Steele."

Mr. Greene's books include "Once Upon a Town: The Miracle of the North Platte Canteen."

BOOKSHELF | By Sally Satel

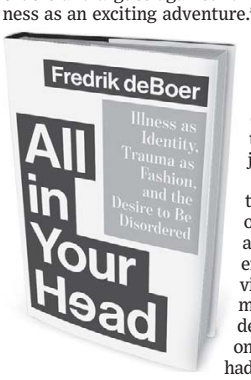
Delusions Of Sanity

All in Your Head

By Fredrik deBoer
Simon & Schuster, 336 pages, $30

Fredrik deBoer's encounters with bipolar disorder began when he was 20 years old in 2002. He became paranoid; his jumbled thoughts piled up on one another. There were wild bouts of energy, physical aggression and crushing loneliness. Close attention to his medication regimen helped bring his illness under control by his mid-30s. He has since written two books on education and social trends. His novel, "The Mind Reels," about a college student with an illness similar to his own, was published in 2025.

The story of Mr. deBoer's ordeal appears in the early pages of "All in Your Head" as a bid to establish the author's credentials as a cultural historian of disorders like his own. He aims, he writes, to discuss the "politics of insanity in the modern world." He targets the antipsychiatry movement for fostering dangerous misunderstandings about psychotic disorders and argues against "the tendency to treat mental illness as an exciting adventure." This misbegotten "romanticization of lunacy in popular culture," Mr. deBoer says, is "one of many aggravations I have nursed for years." By the end of "All in Your Head," those aggravations seem well-justified.



The author traces the roots of the problem to the early decades of the 20th century, with psychiatry's flailing, if well-meaning, efforts to address mental illness via cures that included lobotomies and insulin comas. As Mr. deBoer writes, in an era when the only treatment for mental illness had been custodial care, procedures such as lobotomies were seen as "a chance to return patients to the community, even if with diminished capacities." In the 1950s and '60s, these treatments were displaced by newly approved antipsychotic medications such as Thorazine and Haldol. Meanwhile, exposés of the wretched conditions in state asylums began to get public attention.

These developments prompted an exodus of patients from state hospitals beginning in the mid-1950s and accelerating after federal legislation in the 1960s called for more community-based treatment of mental illness. By the 1990s, most of the old mental institutions had been closed. But although some patients, once medicated, could live rewarding and independent lives, funding for reliable community treatment never materialized, leaving many of the most seriously ill unsupported.

Activists, many of them associated with the counterculture of the 1960s, mounted a backlash to psychiatry as an instrument of social control. (Ken Kesey's 1962 novel, "One Flew Over the Cuckoo's Nest," became a touchstone for this movement.) Mr. deBoer calls the antipsychiatry movement "a true child of the late twentieth century." While he acknowledges that whistleblowing about abuses is honorable and necessary, he condemns the tactics of many opponents of psychiatric treatment. Some dissuaded even the sickest patients from taking medication. The movement, he writes, was full of "bomb throwers but no builders, screeds but no manuals, critique but no solution."

The book also explores what the author calls the "gentrification" of mental illness. This happens, Mr. deBoer explains, when relatively high-functioning young people come together on social media to lower the threshold for qualifying for a diagnosis. This trivializes conditions such as autism and post-traumatic stress disorder. It siphons resources away from the sickest, encourages overmedication and medicalizes normal variants of human distress.

The mistaken romanticization of mental illness has helped produce a culture that fails to help those most in need of treatment.

Why the desire to be disordered? "Claiming a dramatic identity can buy likes, solidarity, potentially an influencer career, inroads into activist circles, and even access to institutional accommodations," the author suggests. "Few identities are more dramatic than The Sick Person."

Such trends distract our attention from the worst of what psychosis can precipitate. "Schizophrenic patients rip out their own teeth with pliers to look for CIA listening devices within them, then die of sepsis," Mr. deBoer writes. "Mothers suffering from postpartum psychosis drown their newborns. Unmedicated bipolar patients stab their spouses due to perceived disloyalty." He rightly insists on a realistic view of how harrowing extreme mental disorders can be.

The book's useful descriptions of significant concepts in the treatment of mental illness include his discussion of anosognosia. The phenomenon, common among people with schizophrenia and bipolar psychosis, is a failure to recognize illness within oneself. "To someone in the grip of psychosis," Mr. deBoer explains, "a delusion is not a hypothesis to be weighed, it's a fact, every bit as real as the ground under their feet." Those with this condition face a paradoxical challenge. "How do you notice that you're sick, when your noticer itself is sick?" he asks.

Among the author's valuable if broad recommendations, he urges legislation that would establish mandatory follow-up care after the treatment of serious mental illness. "A person can be psychotic on Tuesday," Mr. deBoer points out, "stabilized for forty-eight hours in an ER, discharged with a printout and a bottle of sedatives on Thursday, and be psychotic again by the following Monday." He also argues that involuntary treatment should be easier to achieve, even for those who do not pose a threat of imminent harm to themselves or others. We have come to believe that it is "more respectful, more enlightened, to let the sick slip through the cracks than to require them to accept treatment," he writes. "The grand experiment in maximum autonomy has failed."

The author calls upon organizations of mental-health professionals to "push back against the waves of pseudo-medical trends" by lobbying for better scope-of-practice laws. These would draw a legal line between licensed psychiatrists and psychologists and the "unregulated swarm of 'wellness coaches,' 'trauma guides,' and influencers who currently traffic in the language of therapy without any of the accountability."

"All in Your Head" is a poignant and powerful call to sanity that challenges us to address the pain of those who are so sick they don't even know it, and to protect the vulnerable from those who have made the diagnosis of a mental illness a token of status.

Dr. Satel is a psychiatrist, a senior fellow at the American Enterprise Institute and a lecturer at the Yale University School of Medicine.

OPINION

REVIEW & OUTLOOK

Religious Schools Déjà Vu at the Court

This is getting old. Three times in the past decade the Supreme Court has vindicated religious schools excluded from state programs. Colorado still needs a remedial lesson. The state's "universal" pre-K plan lets religious schools participate only if they agree to enroll families who oppose them on sex and gender. On Tuesday the Justices can reinforce religious liberty in *St. Mary Catholic Parish v. Roy*.

Colorado makes families with traditional values choose: their beliefs or $6,300 per child?

The Colorado program, launched in 2023, pays for 15 hours of preschool a week, about $6,300 a year. Providers are subject to what the state calls "equal-opportunity requirements," including enrollment without regard to religious affiliation, gender identity or sexual orientation. Two Catholic parishes, two parents, and the Denver archdiocese argue they're being denied funds "solely on account of their religious exercise."

The Catholic schools ask new parents to sign a statement on "Community Beliefs and Commitments," as well as to refrain from publicly undermining the church. Colorado denied them an exemption from its enrollment rule. But does the First Amendment demand one? If that question prompts déjà vu, recall the High Court's 2022 ruling in *Carson v. Makin*, rebuking Maine for unconstitutionally barring religious options in a state tuition program.

Colorado insists this is different, because it doesn't target religion explicitly. Its program has included "more than forty faith-based providers," and schools "may continue to teach and shape their curricula according to their faith." The state says it has neutral nondiscrimination rules, while St. Mary wants tax dollars "without complying with those conditions—by, for example, excluding preschoolers based on their parents' sexual orientation."

Yet as St. Mary argues, the fact that Colorado gladly funds some faith-based schools, not others, makes things worse. Religious families get money for education—if their church agrees with the government on gay marriage and gender transitions. But if a pastor has theological objections? The choice is to bend or lose out, as the state offers parents $6,300 to go elsewhere.

This isn't First Amendment pluralism. The Catholic schools say applying *Carson*'s logic is enough. That's what the Tenth Circuit Court of Appeals didn't do. Instead it cited an older ruling, *Employment Division v. Smith* (1990), which said the Constitution doesn't require religious exemptions to neutral laws that generally apply to all. For the record, the Catholic schools also argue Colorado fails that test.

Who knows what five Justices might have an appetite to do with *Smith*, but these petitioners asked to argue for overturning it, and the Court declined that question. Meantime, the recent trio of school cases looms large. In 2017 the Justices said Missouri can't withhold playground money from a Lutheran preschool (*Trinity Lutheran*). In 2020 they said Montana can't block tax-credit funding to religious schools (*Espinoza*). Then Maine lost *Carson*.

Notably, "the record" in Colorado "is devoid of a single instance of an LGBTQ family's seeking admission to any one of Petitioners' preschools," the archdiocese's brief says, and being upfront about the faith "helps avoid unnecessary conflicts." As far as it knows, no preschooler in its care has asserted a transgender identity. If that happens, it promises to proceed with discretion and prayer, while explaining to the family that it can't accommodate on pronouns, bathrooms or uniforms.

By the way, Maine has since passed nondiscrimination rules akin to Colorado's, meaning some religious schools are still excluded. The Justices have said three times lately that states can't deny religious families the benefits given to everyone else. Once more, with gusto.

A New Tax Preparation Mandate

As if Congress hasn't made the tax code complicated enough, now Members want to make it more expensive for tax advisers to help navigate the maze. They may jam into a lame-duck tax bill a new occupational licensing mandate for tax preparers.

Section 504 of the Taxpayer Assistance and Service Act would expand background checks on independent tax preparers and require them to do as many as 18 hours of continuing education each year to qualify to help others file a return. That's several days of training for preparers who often offer tax assistance as a part-time or seasonal gig.

Supporters, including Sen. Ron Wyden (D., Ore.), say this will protect taxpayers from fraudulent or incompetent preparers. But tax preparers must already register with the Internal Revenue Service and receive a Preparer Tax Identification Number (PTIN) that is entered on returns on which they assist. This tracks advisers whose prepared returns are incorrect and identifies chronic bunglers.

The real political drivers here are large tax-prep companies like Jackson Hewitt and H&R Block that want to clear out the competition. The new law would exempt tax professionals, including attorneys and certified public accountants, from the new hassles and make it easier for the big shops to raise prices.

The IRS tried to force through similar licensing requirements in 2011, but the Institute for Justice sued and a unanimous D.C. Circuit Court of Appeals panel in 2014 said the IRS lacked the legal authority. The new legislation would give the mandate the force of law. The tax bill passed the Senate unanimously on Sept. 30, but House Republicans could eliminate it when it comes their way after the election.

Independent tax preparers often handle relatively straightforward returns. Error rates for electronically filed returns are about 1%, according to the U.S. Financial Readiness website. Individual filers and independent tax preparers can also increasingly use AI tools to spot errors before a return is submitted.

Democrats favor a tax-prep mandate because their goal is to eliminate mom-and-pop preparers. Sen. Elizabeth Warren has been lobbying for years to let the IRS do the job for most Americans. She wants the IRS to dictate tax liability, so filers would have to appeal any disputes with the tax man.

Senate Finance Chairman Mike Crapo (R., Idaho) sponsored the tax bill and committee Republicans rolled over for Sen. Wyden's ultimatum to include the tax-prep mandate in return for Democratic support. It's a shame Republicans signed onto this burdensome and unnecessary licensing mandate. It looks like another example of how the GOP has lost the plot on small business and limited government.

Trump's Merkel Strategy on Russia

The Trump Administration's latest brainstorm for ending the war in Ukraine may be the single worst idea in nearly two years of stillborn peace talks: Pushing Europe to return to buying Russian natural gas. Nothing says "America First" like suggesting that our friends replace their U.S. energy with fuel from a hostile dictator harassing Europe with drones and cyber attacks.

The U.S. is reportedly urging Europe to buy Russian natural gas. Angela would approve.

The Journal reports that the Administration's negotiators are suggesting that Europe resume buying natural gas from Russia, perhaps via Ukraine. The theory as ever is that Mr. Putin will set down his guns and ballistic missiles if he understands the commercial riches that await him in the civilized world.

The hope is that one more carrot will finally make the Russian see the light. But the U.S. has tried waiving sanctions, buying Russian diesel fuel and offering glamor summits. Yet Mr. Putin is still insisting on his original, maximalist demand to turn Ukraine into a de facto Kremlin satellite, like Belarus.

The gas play is worse because it would also harm U.S. economic interests. The U.S., including President Trump, has for years pushed our European friends to diversify their energy supplies so they're less dependent on Russian energy. The shock of the Ukraine invasion has finally persuaded Europe to wean itself off Russian natural gas, with an aim of no longer buying it sometime in 2027.

One vital substitute has been U.S. liquefied natural gas. LNG exports to Europe reached 10.3 billion cubic feet per day in 2025, up from about six billion in 2024. U.S. firms have invested tens of billions of dollars in LNG export terminals with an eye toward offering more reliable supplies. They have also signed long-term contracts with European countries and utilities. Mr. Trump's intervention could jeopardize those contracts and make it harder for U.S. companies to raise capital to finance LNG projects.

Europe must also be astonished that it is supposed to return to buying gas from the Russian bully whose life ambition is to destroy NATO. America might as well not even bother asking Europe to increase its defense spending if the continent is hostage to Russian gas. Forget about a new realism animating a tougher NATO alliance, or a Europe more capable of defending itself and preserving its civilization.

The laugh-cry irony is that this would essentially be a return to the appease-the-Russian-bear strategy of former German Chancellor Angela Merkel and Barack Obama. Ms. Merkel was the architect of the Nord Stream 2 gas pipeline from Russia to Western Europe that Mr. Trump rightly criticized. They must be laughing it up over this one inside the Kremlin: Donald Barack Merkel.

Mr. Trump's determination to appease Mr. Putin is starting to look less about finding a durable if imperfect peace in Ukraine and more about the Trump Administration wanting a reordered world and an entente with Russia at any cost. Mr. Trump is doing this as the reality on the battlefield in Ukraine is that Russia is losing the initiative and even some territory while enduring monthly casualties in the tens of thousands.

Yet the Administration is offering Mr. Putin lifelines that will help him prolong his bloodbath in Ukraine. Mr. Trump has tried to placate Mr. Putin for two years, and he appears no closer to ending the war than he was on Inauguration Day.

LETTERS TO THE EDITOR

Betting on Prediction Markets Is Still Betting

Tarek Mansour's "When Is a Sports Bet Not a Sports Bet?" (op-ed, Oct. 28) confuses the mechanism for placing a wager with the substance of the wager. If I stake money on the Milwaukee Brewers winning, I am making a sports bet. Matching me with another person taking the opposite side doesn't transform it into something else. Poker players compete against one another while the house collects a fee. It is still gambling.

An exchange may offer better pricing, more opportunities to exit positions and fewer conflicts of interest than a traditional sportsbook. Those are excellent reasons to let an exchange compete in the market. They are not reasons to exempt its sports wagering business from the rules governing competitors offering the same underlying wager.

Mr. Mansour invokes free-market competition while seeking a different regulatory framework for his version of sports betting. The consistent position is to welcome competition and apply equivalent gambling safeguards to equivalent activities, with adjustments when their structures warrant them.

Let Kalshi compete with sportsbooks. Better yet, let it demonstrate that its model better serves bettors. But calling a sports bet an "event contract" doesn't make it cease to be a sports bet.

DAVID SUKOFF
Long Branch, N.J.

Mr. Mansour argues that even though a sports wager on Kalshi "walks like a bet and quacks like a bet," it should be regulated as a financial trade because customers bet against one another rather than against the house.

But for most traders, the underlying structure makes little difference. Functionally, Kalshi serves as a sportsbook. Yes, odds are set by users who are trading against one another. But Kalshi makes money from fees on trades, meaning the company's incentive—to get more people to bet more often—is the same as that of a casino.

Mr. Mansour invokes small-business hedging and price discovery to defend prediction markets, but most of Kalshi's trading is on sports, which offers little of either.

He casts his critics as gambling companies seeking to protect their monopoly. But industry estimates put more than two-thirds of sports prediction-market volume in states without legal sports betting. Utah, one of Kalshi's main state opponents, bans gambling. Its opposition has nothing to do with protecting incumbents.

In 2024 Kalshi told a circuit court, "Congress did not want sports betting to be conducted on derivatives markets." Kalshi was an exchange then, too. If it walks like a bet and quacks like a bet, it's a bet, not a trade.

JONATHAN D. COHEN
New Haven, Conn.

Before 'Decoy Dan,' There Was a 'Decoy Joe'

Kim Strassel's " 'Decoy Dan' Is Peltola's Alaska Plant" (Potomac Watch, Oct. 29) is a good reminder that history repeats itself. In 1946, two of John F. Kennedy's opponents for the Democratic primary in the Massachusetts 11th district were both named Joe Russo. One was a city councilor and funeral parlor owner who was a formidable and popular opponent—and one of the first Italian immigrants to hold public office in Boston and elected to four terms. The other, a late comer to the ballot, a local school janitor.

The 27-year-old Joe Russo janitor was hired and paid by the Kennedy campaigner Joseph Kane, according to the West End Museum. While the gambit had no material effect on the election as Kennedy beat both Joes handily, it was a harbinger of other tricks later on in JFK's political career.

LEE HOFFMAN
Lakewood Ranch, Fla.

In terms of election manipulation, the Dan Sullivan saga pales in comparison to some of the false and deceptive ads that both parties are currently broadcasting. Moreover, Alaska's rank-choice voting can cut both ways. On Nov. 3, Democrats and independents are as likely to rank the wrong Dan Sullivan as highly on their ballots as are Republicans.

RICHARD MORRIS
Williamsport, Pa.

Whistleblowers Won't Catch Every Fraudster

Nobody likes fraud, but reporting fraud for a reward can't substitute for sound oversight and accountable program design ("Trump Offers $30,000 for Tips on Fraud," U.S. News, Oct. 21). Existing whistleblower programs have a mixed record, including personal and political grudges, billing disputes recast as fraud, questionable settlements enriching lawyers, and cronyism. President Trump's claiming personal discretion over rewards risks creating a slush fund for political allies.

Minnesota's Feeding Our Future scandal illustrates the deeper problem. Officials flagged irregularities for years, yet payments continued. Had Minnesota been responsible for the roughly $250 million in federal funds lost to the fraudulent child nutrition scheme, state officials might have had stronger incentives to follow through. Separating the administration of programs from the responsibility for financing them weakens states' incentives to prevent waste and fraud.

Preventing improper payments is more effective than chasing money that is already gone. The U.S. Treasury prevented $175 million in payments to deceased people in fiscal year 2026, partly through expanded use of its Do Not Pay system. Expanding the system's access to relevant data and requiring federal and state agencies to use it consistently could prevent further losses.

Congress should also pursue structural reforms that give states a bigger financial stake in curbing fraud in federal programs they run. Real accountability means changing the incentives and structures that invite waste and abuse—not paying people to expose it after the damage is done.

ROMINA BOCCIA
Cato Institute
Washington

A Misérables State of Affairs

The views of French economist Gabriel Zucman are unconvincing, especially as they are offered without apparent irony amid the unrest in France ("California and the French Economist," Review & Outlook, Oct. 26). Tensions behind the latest breakdown of civic order are more complicated than economic policy or the "affordability framing" now trending in the U.S. What is far less complicated is France's fiscal problem.

Government spending reached 57.3% of GDP in 2025, public debt stood at 115.7%, the deficit was 5.1% and real GDP growth was only 0.8%—well below the EU's 1.5% growth rate.

Mr. Zucman advocates greater wealth taxation in California while his own country struggles with the consequences of the unsustainable fiscal model he champions. Mr. Zucman should explain how his ideas have helped rein in spending or can be expected to restore fiscal stability in France. But we shouldn't hold our breath.

MATTHEW MCCONNELL
Allentown, Pa.

Stop Giving Carrots to Putin

Sen. Mitch McConnell's op-ed is correct in noting that President Trump has misjudged how to influence Vladimir Putin ("Coddling Putin Won't Bring Peace to Ukraine," Oct. 26). On the other hand, Mr. Putin seems to be a master at influencing Mr. Trump and convincing him of his interpretation of Russian and Ukrainian history.

If President Trump wants to end the Russia-Ukraine war while he is still in office, he needs to take a much sterner approach against Mr. Putin. Any rewards to Russia should not be granted until peace is established.

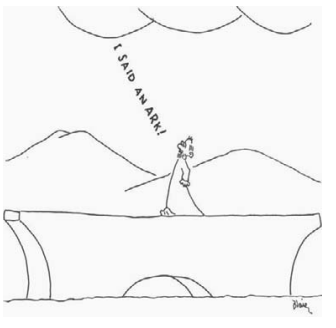
Diplomats sometimes use a carrot-and-stick approach to encourage aggressors to agree to peace. President Trump is offering Mr. Putin so many carrots that his skin may turn yellow.

BRUCE COUCHMAN
Toronto

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Pepper ... And Salt

THE WALL STREET JOURNAL



OPINION

When Does a Dirty Trick Become a Crime?

By George J. Terwilliger III

When does a political dirty trick become a crime? When does an investigation of one become political lawfare, the use of law enforcement to harm or intimidate one's political opponents?

The U.S. attorney for Alaska said last week that federal law-enforcement agencies have been investigating the "two Sullivans" on the Alaska ballot for U.S. Senate. Dan J. Sullivan, who has no political experience, filed as a challenger to the Republican incumbent, also named Dan Sullivan. Both Dan Sullivans made it past the first round in Alaska's byzantine ranked-choice voting system and will be among four candidates on Tuesday's ballot.

The case for investigating the effort to put a second Dan Sullivan on Alaska's ballot for U.S. Senate.

This was widely suspected to be an effort to deceive voters at Sen. Sullivan's expense and to the benefit of the only Democrat on this week's ballot, former Rep. Mary Peltola. Last week the New York Times confirmed those suspicions, reporting that "the Peltola campaign's lawyers, as well as senior aides at the Democratic Senatorial Campaign Committee," worked "with people trying to recruit Mr. Sullivan to run for Senate."

"Politics ain't beanbag," as Finley Peter Dunne's fictional Chicago saloonkeeper, Mr. Dooley, famously observed. But throughout American history, political combat has remained subject to legal limits. The boundary between shady and illegal activity isn't always clear, but there is a zone that, when entered, can expose political operations and operatives to accusations of criminal conduct in their political affairs.

One way the dirty trick can easily become a criminal matter is through misconduct by the participants in the course of investigation of a dirty trick. Watergate is the most prominent example. The dirty trick was itself a crime—a burglary seeking *kompromat* of the opposition party by bugging its headquarters. The men who carried it out were charged with burglary, wiretapping and conspiracy. But it was the attempts by its intended beneficiaries, including President Richard Nixon, to conceal the crime and hinder the investigation for which several appointees, aides and operatives went to prison and Nixon resigned rather than face impeachment. Thus did that dirty trick get turned on its head, producing the adage "The coverup is worse than the crime."



Mary Peltola, Alaska's Democratic candidate for U.S. Senate.

MARK THIESSEN/ASSOCIATED PRESS

In the Alaska matter, an intentional effort to confuse voters to harm Sen. Sullivan's re-election surely falls under the rubric of dirty tricks, which Merriam-Webster defines as "underhanded stratagems for obtaining secret information about or sabotaging an enemy or for discrediting an opponent (as in politics)." But is it a crime—or could it become one by way of conduct during an investigation?

Perhaps the Times got it wrong, and Dan J. Sullivan simply woke up one morning and decided to run for the Senate. That wouldn't be a crime, even if he did so to make the senator's re-election less likely. But if political operatives counseled or cajoled him into running, a detailed inquiry into who, what, when, where and how is justified. The most politically salient question: What did Mrs. Peltola know, and when did she know it?

Mrs. Peltola has given her answer. She told Anchorage's KTUU-TV that she had "no idea." If that isn't true, the worst consequence of lying to the press is embarrassment and perhaps ultimate repudiation at the ballot box. But the false denial of even a small detail in a federal inquiry can be a felony.

If political operatives were behind the duplicate Sullivan's candidacy in some fashion, they have every political reason to conceal that role. Likewise, if Mrs. Peltola did anything at all to encourage or facilitate the duplicate Mr. Sullivan's running, she too has every political reason to conceal that conduct. Such denials would be the most likely source of criminal allegations in the matter if the allegations have factual legs.

But what suspected underlying crime might trigger an investigation? An intentional effort to obfuscate the candidate choices in the election could itself be criminal. At some level, not yet precisely defined by courts, candidates for federal office are entitled to an election process that affords them fundamental fairness under the Constitution and statutory law. Under *Bush v. Gore* (2000), those rights are guaranteed by the Equal Protection Clause of the 14th Amendment.

Under 18 U.S.C. 241, it is a crime for two or more persons to conspire to "injure, oppress, threaten or intimidate any person . . . in the free exercise of any right or privilege" provided by the Constitution. Just as the duplicate Mr. Sullivan had as much right to run for office as Sen. Sullivan, the latter enjoys the right to run without a political cabal injuring or oppressing his right to do so through fraud and misrepresentation.

While courts may struggle in discerning the parameters of a fair election process, under this statute the circumstances as reported thus far would justify an inquiry into reported covert insertion of a duplicate Mr. Sullivan in search of political advantage. That seems especially so in this election, in which ranked-choice voting magnifies the potential consequences of such deception.

More generally, the conduct the Times reported, if true, is fundamentally dishonest, and the law likes to find a way to hold frauds and cheats accountable. Moreover, law sweeps broadly by rendering liable anyone who "aids, abets, counsels, commands, induces or procures" another to commit a federal crime, and conspiracy, once shown to exist, ensnares any person who acts to further its objective. Not every political dirty trick is a crime. But given the broad reach of federal criminal law, conspiring to subvert a fair election process is likely a crime by some measure.

Unfortunately, the votes are likely to be counted before the facts are fully known. Yet an effort to find those facts will remain worthwhile, because political dirty tricks have a way of recurring. If this was a dirty trick and not merely Dan J. Sullivan's lark, investigation of the facts can help draw lines that determine when underhanded manipulation of the voting public and the voting system is a crime. That is a worthy undertaking.

The need to know takes the investigation out of the realm of politicized lawfare and into a legitimate inquiry with a lawful purpose. For the same reasons, a failure to investigate would be a dereliction of duty.

Mr. Terwilliger is a Washington lawyer. He served as deputy U.S. attorney general, 1991-93.

Voters Want Change, Not More Lurching Between Extremes



EDITOR AT LARGE
By Gerard Baker

Elections are the closest thing to a civic sacrament in a secular, democratic state. They represent the solemn occasion when the essential idea of democracy gets practical expression: the *demos,* the people, taking literal charge of the *kratos,* the government.

As with sacraments, there is symbolism and substance to elections. The ritual of a nation coming together to choose its path is an outward sign of the inward grace that animates self-government.

We have done our best in recent years to erode the sacral aspect of this ceremony. In keeping with the solipsistic nature of modern social life and the primacy of personal convenience, we no longer come together to vote on the same day. We vote more or less when and where we want—by mail, in person, early, late. Cynics will say it conveys something important about the health of our democracy that Election Day has been replaced in the calendar as the occasion for national togetherness by Super Bowl Sunday. The day we come together to exercise our rights as citizens has been superseded in the public consciousness by the day we come together to be passively fed piles of food and entertained by large men wearing spandex.

We can survive the degradation of the symbolic national unity of voting. I'm doubtful we can survive the systematic undermining of the practical political unity elections are supposed to induce.

Elections are meant to work like this: We have a long campaign in which we fight, figuratively at least, over the issues and candidates. But that ends on Election Day. The results confer legitimacy on the winners, acknowledged by the losers too. When we come out on the wrong side, we might be tempted to echo the words of Dick Tuck, the California Democrat who famously said, on losing an election to the state Senate: "The people have spoken, the bastards." But we are supposed to accept the verdict and make the changes we need to ensure a different result next time.

This patience, a quintessential democratic virtue, is almost gone. Now the fighting *starts* on Election Day. Rhetorically, legally, procedurally, sometimes violently, we deny the winners' legitimacy.

The biggest reason is that when, as the rhetoric has it, every election is an existential moment for the nation, defeat is literally intolerable.

"This is the most important election in my lifetime" was routine hyperbole for decades. It has been replaced by "Democracy itself is on the ballot" or "This will be the last election you vote in if it goes the wrong way."

We're caught in a cycle of vicious campaigns, narrow elections and arrogance about what victory means.

This life-or-death quality of every election has been compounded by the tendency of winners to interpret their victory as an invitation to govern precisely how they want, with no deference to the pluralism inherent in a politically diverse society.

Just as losers must learn to accept the result of elections, so too must winners. What they have to accept is that their victory—especially, sometimes violently, we deny the winners' legitimacy.

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Just as losers must learn to accept the result of elections, so too must winners. What they have to accept is that their victory—especially in the close elections that are now routine in America—isn't a mandate for every maximalist position they hold. Joe Biden and the Democrats won a close election in 2020 and acted like Franklin D. Roosevelt in 1936. Donald Trump and the Republicans won a close election in 2024 and acted like Ronald Reagan in 1984.

This is not only inconsistent with the principles that underpin the Constitution. It is not only damaging to our civic health, it is a nonsensical approach to governing legitimacy.

Consider this: If, as expected, the Democrats take control of at least one chamber of Congress on Tuesday, it will be the seventh straight federal election, and the 10th in the past 11, in which party control of one house or the presidency has flipped.

Unless you think Americans have fallen victim to a sudden collective bipolarity that demands national reinvention every two years, you can't possibly imagine that your election in these circumstances represents a mandate for a dramatic change. If you do interpret your election in that way, your party will be turfed out again in two years—as you were turfed out two years ago.

If the Democrats do win on Tuesday, I fear that, like a people in the grip of insanity, we are on course to keep doing the same thing and expecting different results. President Trump and many Republicans will denounce and maybe even challenge the results. Democrats will insist their victory is a mandate and set about doing lots of things nobody voted for. Meanwhile, even if the blue wave is meaningful, the country won't be that different. Voters will be dissatisfied with high prices and uneasy with the excesses of the president; they won't be voting to reinvent America's capitalist system or to overhaul the Constitution.

In a sane world, wise politicians would interpret the results for what they are. Republicans would listen and rethink their party's trajectory. Democrats would listen and stick narrowly to counterbalancing the administration and holding it accountable.

Is that too much to ask? Almost certainly. War is the continuation of politics by other means, Carl von Clausewitz said. How much longer can we go on trying to invert that wisdom by turning elections into battlefields?

Poland's Constitutional Crisis Is Also Europe's

By Jakub Grygiel

Recent events in Poland are troubling, not only for the stability of that front-line country but for the rest of Europe.

The liberal Prime Minister Donald Tusk sent riot police to occupy the Constitutional Tribunal in Warsaw, suspended its top two judges, and installed his own choice as the court's president. He claims to be restoring the rule of law. The operation was organized in secret and launched on Friday night, at the start of the All Saints' Day weekend, when many Poles travel to visit family graves, and while President Karol Nawrocki, of the opposing conservative camp, was heading to Senegal on an official visit. The timing, the images and the means Mr. Tusk chose gave the impression of a coup d'état.

President Nawrocki flew back to Warsaw and entered the court building himself early Saturday. He too claims to be defending the rule of law, protecting it from attempts by the left-of-center camp to control it.

The confrontation's roots go back to 2015, when Mr. Tusk's party, the Civic Platform, about to lose parliamentary elections, tried to appoint five judges to the court, even though two of the seats weren't yet vacant and were meant to be filled by the incoming parliament. From then on, the tribunal was a target of jousting between the two political camps. This March the Sejm, the lower house of Poland's Parliament, elected six new judges aligned with Mr. Tusk's party. Mr. Nawrocki refused to swear in four of them, claiming that the prime minister was trying to control the judiciary.

Accusations from both sides are flying, and the crisis could escalate, causing domestic unrest and European instability. Mr. Tusk has overreached, and there is a unified opposition against him and his party. But the European Commission, unsurprisingly, sided with Mr. Tusk, saying that the Constitutional Tribunal must "function in accordance with the Polish constitution and in respect of the relevant case law of the Court of Justice of the European Union."

The drama in Warsaw is symptomatic of a much larger conflict brewing across Europe: a clash between two concepts of legitimate authority. Is a country's constitution national, to be interpreted by domestic authorities, or is it subordinate to EU rules, to be interpreted by higher European institutions?

Throughout history Europe has seen its share of large and often bloody conflicts between the throne and the altar. It now faces something akin to the 11th-century Investiture Controversy, not over who has the authority to appoint bishops (the emperor or the pope) but over who has the authority to judge laws and constitutions in member states.

In Poland this contest took a risky turn, with a clash between the country's two top political leaders and riot police on one side. The same contest is shaping political life elsewhere. France, Germany, Italy, Hungary and Romania all are or have been affected by their own version of this modern Investiture Controversy. Who is higher, the EU or national democratic procedures?

The conflict between EU rules and governments of nations recalls disputes between altar and throne.

Two factors are fueling this contest. First, the EU, like all large multilateral institutions, functions relatively smoothly in a low-threat environment. But when a menace appears on its borders, states see the urgency of deciding quickly on the best security approach, without the inevitable burden of the multilateral compromise. Europe's frontier is regularly breached, by the odd Russian drone or assassination, or by mass migration. Beyond convening more discussion councils, the EU has done little to improve the security of its members.

Second, faced with electoral opposition in various member states and still reeling from Brexit, EU elites have pushed hard for top-down integration. The EU wants all its members to accept a migration pact with its mandatory "solidarity" mechanism requiring them to take in relocated migrants, even though similar relocation plans have brought social instability to members that complied with them. The European Commission seeks to centralize energy policies to advance the "green" transition, most recently through higher taxes on natural gas than on electricity, even though such measures only deepen Europe's energy-industrial crisis. The European Court of Justice last year ordered Poland to accept same-sex marriages even though Polish law doesn't recognize such unions.

The future bodes ill for Europe because the EU claim of superiority is tearing apart the Continent.

The 11th-century Investiture Controversy left behind a weakened Holy Roman Empire, a fragmented Italy and centuries of European division, at a moment when unity was desperately needed against the Saracens and Turks. The absence of a new political settlement, not only in Poland but in Europe writ large, will likely produce an analogous outcome: a weakened European Continent facing rapacious powers to the east and formidable demographic pressure from the south.

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Poland's struggle to restore the rule of law

Tusk's battle to undo PiS's legacy needs to be conducted within the rules

Poland is locked in an extraordinary institutional stand-off. Riot police remained outside the constitutional court on Monday after the court president and his deputy, installed under the previous nationalist-populist Law and Justice (PiS) government, were declared suspended on Friday by a recently elected judge. Poland's rightwing president Karol Nawrocki aborted a flight to Senegal and pushed his way into the building to challenge what he called a threat to the nation's "internal security".

The showdown is the culmination of an 11-year struggle over the independence of a body that is the arbiter of whether legislation complies with Poland's constitution. It brings to a head the dilemma of the pro-democratic government of prime minister Donald Tusk: how to restore the rule of law after eight years of state capture by PiS without having to resort to extralegal methods itself.

The roots of the clash lie in PiS's efforts during its two terms in office to overhaul the judiciary by stacking the constitutional court with loyalists. The tribunal in 2021 issued rulings challenging the primacy of EU law in Poland, giving constitutional cover to PiS's controversial reforms. Brussels froze billions of euros in EU money earmarked for Warsaw amid concerns over judicial independence and the rule of law.

Tusk's coalition came to power in 2023 pledging to depoliticise the judiciary and unblock the funds. But its reform efforts have run up against repeated vetoes by two successive presidents allied with the PiS regime.

Lacking the three-fifths majority needed to override the veto, the government passed resolutions declaring some PiS-era appointments to the constitutional court defective, and withheld official publication of its rulings. But when the terms of PiS-era judges began expiring and the parliamentary majority elected six new judges this year, Nawrocki swore in only two. He refused to recognise the remaining four, saying they were political appointees, leading them to take their oaths instead inside parliament. One of those, Anna Korwin-Piotrowska, on Friday suspended the court's two top leaders who had refused to admit them as judges.

While rivals have long accused Tusk of thriving on confrontation, it is not hard to sympathise with a reformist government that finds itself bound by institutional checks that a predecessor government has violated. But the danger of bypassing constitutional procedures by, for example, using parliamentary resolutions or non-publication of court rulings to override a judicial body is that this creates precedents that could be abused by illiberal leaders in the future. Events in the constitutional court have also handed ammunition to rightwing populists elsewhere. France's Marine Le Pen has framed them as an apparently forced takeover of a constitutional body.

> The danger of bypassing constitutional procedures is that it creates precedents that could be abused by illiberal leaders in the future

With Tusk's pro-EU Civic Coalition and PiS preparing for bitterly fought elections next year, there seems little room for compromise. But Poland badly needs a constitutional tribunal that can command confidence across the country's yawning political divide.

A potential path to a resolution could lie in Nawrocki accepting the conclusion of the Council of Europe's Venice Commission last month that the president has no discretion to decide whether to accept the oath of a judge duly elected by Poland's lower house. In return, Tusk's government ought to commit to respect a transparent and legally defensible process for resolving disputed appointments. The key test for Tusk's coalition is not simply whether it can unravel PiS's legacy but whether it leaves Poland with checks and institutions no future leader can manipulate.

Opinion Technology

What caused the $6.3bn Binance hack?

Ewan White



Eswar Prasad

The cryptocurrency revolution bore the promise of the decentralisation of finance, taking power from the hands of commercial banks, central banks and governments and putting it in the hands of common people. Single points of failure would be eliminated through a decentralised architecture. The transparency of public digital ledgers would heighten security. Trust would emanate from community oversight rather than through the traditional financial intermediaries that had often betrayed the faith put in them.

The massive $6.3bn hack of Binance, the world's largest cryptocurrency exchange, is just the latest example of how these lofty promises have been subverted by centralisation. This heist seems to have been enabled by a combination of human foibles (a compromised laptop) and technological vulnerability, a combination that always proves potent in the hands of antagonists.

> It is the ecosystem around the secure blockchain that has introduced vulnerabilities

Blockchain technology, which underpins the cryptocurrency revolution, must be given its due. These digital ledgers on which cryptocurrency transactions are recorded have themselves not been breached and remain secure. This is remarkable because their management is not supervised by any entity. In fact, the security of blockchains is derived from their decentralisation and transparency. Public blockchains associated with cryptocurrencies such as Bitcoin and Ether have made it possible to securely execute not just payments and simple trading transactions but even complex ones facilitated by smart contracts, all through computer code and without any intermediaries.

It is instead the ecosystem that has grown up around decentralised blockchains that has introduced technological vulnerabilities.

Human psychology plays a part — it appears that trust in computer algorithms goes only so far. Despite having access to decentralised exchanges and other alternatives, crypto investors and traders keep significant shares of their assets in centralised exchanges such as Binance. These provide custodial functions and facilitate trading, in addition to serving as on- and off-ramps with traditional financial institutions.

Exchanges give customers what they seem to be looking for — convenience, a sense of familiarity and the reassurance that things that go wrong will be fixed. But they also introduce centralisation in what is meant to be a decentralised environment. This subverts the promise of eliminating single points of failure. The hack of Binance is the largest so far, but only one of many that have affected this corner of finance.

Automated transactions for even massive amounts of money can be executed with few guardrails to ensure their legitimacy. The veneer of security through transparency that has been championed by crypto enthusiasts is entirely based on technology, so technological vulnerabilities strike at its heart.

Consider oracles, pieces of software that allow information to be exchanged. Each blockchain is a closed, siloed environment, giving oracles a crucial role in decentralised finance. For instance, writing a smart contract based on a company's stock price or a real-world event like weather outcomes necessitates such information exchange.

The integrity of contracts and transactions on a fully secure blockchain can be compromised if the available oracles convey unreliable or untimely information. Oracles are created and supervised by the community rather than official regulators, which is their strength. But it is also their weakness. Even the watchful eye of the crypto community cannot fully protect this software from skilled hackers.

Moreover, the balance of power is tilting in favour of the antagonists. AI is turbocharging the ability of hackers to probe and exploit subtle flaws in various parts of the crypto ecosystem, especially at points such as exchanges where crypto activity is centralised. The scale and scope of such attacks are likely to intensify as hackers from North Korea and elsewhere gain access to more powerful tools and an expanding crypto ecosystem increases the potential rewards available.

Binance will probably survive this hack and, as with previous hacks, some people will lose money but the crypto world will move on. Still, the event should still serve as a wake-up call not just for the proponents of crypto assets and decentralised finance but for financial regulators and governments. They must find a way to protect their citizens from a spiralling loss of trust that might spill over into traditional markets.

The writer is a professor at Cornell University, senior fellow at Brookings and author of 'The Doom Loop'

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We treat landlords as the nation's piggy bank

Over recent years, English landlords have weathered seismic changes in legislation, grappled with bundles of additional red tape, and absorbed a litany of new costs. The Budget's 2 per cent tax hike is just the latest burden placed upon a market already teetering on the edge (Report, FT.com, October 29).

Placing a fresh financial duty on landlords may be politically salient but could be practically disastrous. Treating landlords as the nation's piggy bank — and grouping them along with gamblers and bankers — makes solving the nation's housing and affordability problems harder, not easier.

Eleven million people call the private rented sector home, and we need a thriving landlord class to make the market function. Instead, our most recent research suggests one in four are actively looking to leave — a number that the budget is likely to exacerbate. The only losers in that equation are tenants. In a market already characterised by escalating rents and scarcity of supply, diminishing landlord numbers will push up prices.

Labour's vision of council housing solving the affordability crisis is a pipe dream. The budget's announcement of a paltry £1.5bn extra for social housing illustrates the challenge of finding capital to boost housing stock. The private sector could find tens of billions of capital if it was treated as an ally, not an opponent.

The government must start recognising the value landlords bring to the market, not just the potential dividends they can deliver to the public purse.

William Reeve
Chair & CEO, Goodlord, London E1, UK

Why AI tools sometimes need a physical bottleneck

John Burn-Murdoch and Sarah O'Connor discuss the physical-world bottlenecks that AI tools face in improving productivity in scientific research ("AI's ability to speed scientific discovery is held back by necessity", AI Shift, October 5).

The bottlenecks, such as physical experiments and data collection, are essential because the AI tools would have been trained on imperfect historical data. The adage of the computing world — garbage in and garbage out — is still valid for AI tools.

In life sciences, there is a problem with data reliability and there is a "reproducibility crisis". Inherent experimental variability affects the quality of published data. In addition, various other factors including fraud affect the quality and reliability of published data.

The "Reproducibility Project: Cancer Biology" found that less than half of the positive studies can be successfully replicated.

So AI tools trained on these unreliable data sets do need a physical bottleneck so that the quality of output could be checked and verified.



Dr Santhanam Sundar
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How to wean Britons off their addiction to cash

The UK government's cash Isa climbdown shows just how addicted Britons are to cash ("Cash Isa U-turn a 'victory for common sense'", Report, October 29; and "Isa changes can still foster a 'nation of investors'", Opinion, FT Money, October 31).

Even though investments have historically offered better rates of return in real terms, many people continue to hold a significant part of their savings in cash.

While currently low on detail, the forthcoming "Starter Isa" referenced by chancellor John Healey in his Budget speech last week doesn't, on the face of it, change any of that.

In order to change behaviour, the government needs to make the benefits of investing clearer, balance how we speak about risk versus potential return more, and offer people products that help them make decisions with conviction.

Felicia Hjertman
Head of Investments, Monument Bank, London W1, UK

This looks like Porsche's Blockbuster moment

I fully agree with Alan Beattie's op-ed on Europe's auto industry (Opinion, October 14). In the case of Germany, the decline is mainly caused by poor management and lack of innovation. It is easy to blame unfair Chinese competition and subsidies. While Chinese groups certainly benefited from some governmental support, their rise comes from a better focus on innovation, speed, their closeness to customers, and their willingness to think big and long term, while fostering a corporate culture of change and risk-taking.

Chinese automotive businesses outperform their German peers in terms of innovation and cost — this combination is a powerful competitive advantage that is hard to crack.

Michael Leiters, new CEO of Porsche, just announced a strategy which focuses more on internal combustion engines. This strategy will lead Porsche into what the American academic Clayton Christensen called the innovator's dilemma and it reminds me of the classic example of Blockbuster, the home video rental shop chain, whose CEO invested in improving the layout of its stores to fight off Netflix. The result of that strategy is plain for everyone to see.

Professor Holger Ernst
Chair for Technology and Innovation Management, WHU, Vallendar, Germany

Caring in the community

Professor John Bateson asks (Letters, October 17) of people who retire in their early sixties "what do they expect to do for the next 25 years?"

Well for many of us it didn't take much thought — there were parents to care for, and later on a partner.

Stephen Brown
Silsden, West Yorkshire, UK

OUTLOOK
MIDWEST

Can El-Sayed win over Michigan's Trump territory?



by Patti Waldmeir

Northern Michigan is Trump country. But you'd never know it from the crowds that turned out there for progressive Democrat Abdul El-Sayed, candidate in a US Senate race that could decide the balance of power in Washington after today's midterm elections.

In August's Democratic primary, El-Sayed won much of northern Michigan against a more moderate opponent. But he lost badly in the Democratic citadel of Detroit. To become senator he must win a statewide vote: if he falls short in the urban south, especially after his Democratic opponent issued a surprise endorsement of Republican Mike Rogers this weekend, he will need all the help he can get from places such as Emmet County, where President Donald Trump won by almost 11 percentage points in 2024.

So I set out to find out what conservative northern Michigan sees in a leftwing populist like El-Sayed — and to ask whether big rallies in small towns mean he can beat a Republican in President Trump's territory.

As soon as I crossed the border into Michigan, the parade of giant billboards and makeshift "Abdul" yard signs began. I followed them north to Petoskey, the seat of Emmet County, where Michiganders love to holiday. Ernest Hemingway summered near there as a child.

"I'm hoping for a blue wave, but I don't like to talk like that. Because up here it's never really blue," the chair of the local Democrats, Michael Hinterman, tells me. He, like many Democrats in the area, is a transplant from somewhere else (industrial south-east Michigan). Emmet County, he tells me, has about 34,000 year-round residents and is mostly rural, adding "rural means red (Republican) for the most part".

But BriAnna and Mark Weinmann, both 40, pandemic-era transplants from Minnesota, say they have noticed a "big shift" in the politics of the area — which includes not just farms and countryside, but logging-turned-resort towns full of boutique shops and big-city prices. On their first trip to the area, before the 2020 election, "the amount of Trump signs we saw was just, like, 'holy cow!' . . . But we don't see a lot of red signs downtown now," they say.

Local Democratic officials tell me El-Sayed had to turn away excess crowds from a 250-capacity hall when he came to Petoskey last month. He drew up to 1,200 people in Michigan's sparsely populated Upper Peninsula when touring there with democratic socialist Alexandria Ocasio-Cortez.

One issue came up often in interviews with Democrats: El-Sayed's promise of "Medicare for All". "Healthcare is a really big driver for a lot of people voting this year," Mark Weinmann tells me. Michigan pollster Bernie Porn of Epic MRA says his latest likely voter poll found 62 per cent support for the idea.

For BriAnna, El-Sayed's appeal is even broader: "It seems like he's talking to you . . . like he is going to fight for us. He has this message of, yes, it can be different. It doesn't have to be like this. And so for me, it's a message of hope."

But she's only cautiously optimistic, and I soon saw why: at a busy intersection, 20-odd people waved oversized American flags and held placards saying "Vote Republican" and "No Commies". Nancy Johnson, 77, was one of them.

She describes herself as independent, but voted for — and still reluctantly supports — Trump. She told me she won't vote El-Sayed, who if elected would be America's first Muslim senator. On the same weekend, Trump was campaigning against him elsewhere in Michigan, saying "I'm here to keep a jihadist Muslim Brotherhood member from becoming a United States senator". Johnson echoed some of that sentiment: "Our country was founded on Christian values . . . Everybody has a right to their religion, but I have concerns about El-Sayed," she told me, adding, "I don't want to see radicals take over".

At times I struggled to hear her over the chorus of hoots and hoorays from passing motorists. If honks were votes, the Republicans would have it. But local Democrats are raising their voices too. Ocasio-Cortez recently said that if El-Sayed can win in Michigan "anybody can win anywhere". If he wins northern Michigan, double that.

The writer is a contributing columnist

Opinion

The AI problem we feared is not the AI problem we got

EMPLOYMENT



Sarah O'Connor

Folk memories can be powerful things. Perhaps the most visceral shared image we have of technology's impact on jobs involves the Luddites of 19th-century England: skilled workers abruptly turfed out of their jobs, who returned under cover of night to destroy the machines that displaced them. Little wonder that, as our latest machine age has dawned, the question on many people's lips has been "Will AI steal my job?" But the Luddites' story might have led us to worry about the wrong thing.

In many other (less famous) historical examples of automation, the important driver of change was not exit, but entry. Occupations threatened by technology shrank over time because fewer young people were hired into them, rather than because existing workers were ejected from them. This was true for Victorian boot-making, for example, where research by academic Hillary Vipond shows the arrival of boot-sewing machines led to a "collapse of entry into artisanal boot-making" rather than the mass displacement of artisans.

This is also largely how technology helped to hollow out routine manual and cognitive jobs over the past half century. A study of labour market flows in the US between 1976 and 2018 found that, outside of recessions, outflow rates from routine employment were pretty unremarkable. "Instead, declining routine employment overall is largely due to declining inflow rates for those who used to find employment in these occupations," the authors wrote.

As for today? Despite fears of a jobs "bloodbath" and the occasional eye-catching example, AI has not led to many lay-offs. Even in the US, where employers tend to be more trigger-happy about firing people, the lay-off rate remains very low by historical standards.

Yet in occupations most exposed to AI, such as software development, there are clear signs that displacement is playing out, yet again, via entry rather than exit: entry-level hiring is falling even as demand for seniors remains firm.

This is not just a US story. A new paper from Denmark, which draws on rich company-level data, finds that businesses that adopt AI depart from the employment path they were previously following. The effect is concentrated in smaller firms, which continue to increase their headcount, just not as fast as before. As the researchers put it: "the adjustment runs through reduced hiring, not lay-offs. The stock of recently hired workers shrinks steadily, while long-tenured workers are retained, if anything, for longer."

> There are clear signs that job displacement is playing out, yet again, via entry rather than exit

The same trend is evident if you look under the hood of the recent decline in global call centre employment. A study by Revelio of data from 12 middle-income countries concluded the industry was shrinking "because hiring slowed, not because separations picked up".

It is still early days. But if these trends continue, and the primary margin of adjustment in the AI age does prove to be entry rather than exit, what does that imply for policymakers?

Attention will need to shift from data on lay-offs to longitudinal studies that reveal whether young people find other jobs instead, and whether those paths prove better or worse. There is no need to be fatalistic about this: historically young people have been adaptable, particularly when it comes to exploring the opportunities of new technology.

But there are risks too, especially while education systems continue to lag behind employers' demands. The worst-case scenario would be that some young people fail to find a foothold in the labour market at all. This, too, has historical precedent. The paper on the erosion of routine employment in the US found that the decline in inflows to those occupations also accounted for a substantial proportion of the rise in non-participation in the US labour market over the previous two decades.

What policies would help? Not necessarily the ones we once thought. I have written admiringly about Sweden's furlough scheme for life-long learning, for example, which is designed to help workers retrain and transition into different work. That is still a good policy. But it is reserved for people who are between ages 27 and 63, and therefore does nothing for the very people who — it now appears — are at the sharpest end of AI disruption.

They will need other interventions: better links between education and employers, for example, and more security and support for those who want to start their own businesses.

Of course, a recession could well trigger a more abrupt and widespread jobs shake-out. But for now, it is time to recognise that the problem we feared is not the problem we've got. And if we had paid more attention to history, that needn't have been a surprise.

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How talking to Putin has split the west

GLOBAL AFFAIRS



Gideon Rachman

Is it worth talking to Vladimir Putin?

The Russian president has a long history of stringing western leaders along. George W Bush claimed to have looked the man in the eye and found him "very straightforward and trustworthy". Angela Merkel of Germany and François Hollande of France engaged in prolonged and fruitless diplomacy with Putin after his annexation of Crimea in 2014. Steve Witkoff, the Donald Trump administration's emissary, recently took naivety to new levels by calling Putin a "humanitarian". The following morning, a Russian missile attack on Dnipro railway station in Ukraine killed 15 civilians.

Nonetheless, talks with Putin's Russia continue. The Russians, Ukrainians and Americans are due to meet soon in Abu Dhabi (or elsewhere, if war intervenes) for peace negotiations. Against this backdrop, three different western approaches to Putin have emerged.

The first is spearheaded by Witkoff and Jared Kushner, Trump's son-in-law. They are focused on getting Ukraine to cede further territory and, on the US side, making business deals with Russia.

The second approach is championed by President Alexander Stubb of Finland and Jonas Gahr Støre, the prime minister of Norway. These two leaders are firm backers of Ukraine — but think Europeans have to talk directly to Russia. They held a 90-minute phone call with Putin last week.

The third view is that talking to Putin is counter-productive. That view is popular in the Baltic states and Poland.

For many months, Witkoff and Kushner have dominated the dialogue. Their suggestion that Ukraine should cede territory it currently holds to secure a peace deal was seen as a betrayal in Kyiv and much of Europe. More recently, they have been pushing the idea of post-war business deals between the US and Russia. In much of Europe, the Witkoff-Kushner emphasis on putting business at the centre of a peace deal with Russia is regarded as naive at best — and corrupt at worst.

Stubb and Støre are in close contact with Witkoff and Kushner. But they also think it is a bad idea for both Europe and Ukraine to let Washington control the dialogue with Putin. They want to get Europe "back in the game".

The Finnish and Norwegian leaders consulted Volodymyr Zelenskyy, the Ukrainian president, extensively before talking to Putin. They used their conversation with the Russian leader to convey the message that Zelenskyy is interested in speaking directly to Putin — about territory and about security guarantees for both Ukraine and Russia. Putin apparently said he is willing to meet Zelenskyy, but only when it is clear that a final agreement is close at hand.



Ann Kiernan

To get nearer to that point, the Russian, Finnish and Norwegian leaders also discussed "confidence-building measures". These could include partial ceasefires focused on protecting energy production and food shipments — as well as prisoner exchanges.

At some point Stubb and Støre envisage stepping aside to let Germany, France and the UK (plus the EU and possibly Italy) take over the dialogue with the Kremlin. But they have already faced a barrage of criticism from some European colleagues. Mette Frederiksen, the Danish prime minister, said she was "very sceptical of the Norwegian and Finnish initiative" — which she suggested would fracture European unity and so ease the pressure on Russia.

Perhaps unhelpfully for Stubb and Støre, Putin has defended them by praising "people in Europe who do not want to inflict a strategic defeat on Russia, as some do, but want to establish some kind of constructive dialogue".

> America's suggestion that Ukraine should cede territory for peace was seen as a betrayal in Kyiv

The question of whether a "strategic defeat" for Russia should be Europe's goal does indeed underpin the dispute between the Stubb and Frederiksen camps. For the Danish leader — and those who think like her — the only truly acceptable conclusion to the war is the defeat of Russia and the collapse of the Putin regime.

For the Stubb-Støre camp, however, the idea of a "strategic defeat" of Russia is a dangerous chimera. They think it is unlikely to happen and that, even if it did, the results might not be entirely benign. As well as trying to end the Ukraine war, they are already thinking about how to shape a postwar relationship between Europe and Russia.

All sides in this intra-western dispute over talking to Putin have their blind spots. The Trump administration's professed belief that Russia can be lured into a peace deal with the promise of economic benefits wilfully misreads what is driving Putin. He did not attack Ukraine for economic reasons and he will not end the war for an oil deal.

But those pressing for the strategic defeat of Russia currently have no convincing picture of how this will come about. They also tend to underplay the enormous costs to Ukraine of yet more years of war.

By contrast, those Europeans who are keen to engage Putin in dialogue now may be kidding themselves about his real willingness to negotiate a peace settlement. All the signs are that the Russian leader wants to bring Ukraine to its knees over the winter, by seeking to destroy its energy infrastructure and much of Ukrainian industry.

As for Putin, he is prey to his own illusions. The Russian leader has consistently overestimated Russia's progress on the battlefield and underestimated Ukraine's resilience.

Peace in Ukraine would be a wonderful thing. But it still seems a long way off.

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Business has a crucial role in helping the Neets to work

David Blunkett

November 2026 may well go down as the month in which Britain prioritised work over welfare and the future over retrospection. With the Milburn report on tackling young unemployment and the Timms review of disability benefits both around the corner, a great deal rests on the political courage and creativity displayed in the weeks ahead.

But this is not solely about government. We have had far too much of "what are they going to do?" or "if only they didn't do this to us" and not nearly enough of "what can we do to be part of the solution?"

Without a collaborative endeavour we will not succeed — the challenge of the weeks and years ahead is one that all of us should address.

It is, for instance, extremely encouraging that so many businesses, particularly in retail and hospitality, have signed up to play a part in getting young people into jobs — particularly entry-level jobs, with the support of the £3,000 Youth Jobs Grant and a separate £2,000 incentive for small businesses taking on apprentices.

It's also good that most employers pay no national insurance for workers who are under age 21; the Conservative opposition have already announced they would extend this to age 24. But perhaps the Milburn report on how to help the 1mn young people not in education, employment or training (Neet) will give us a chance to do much more.

In 1998 when Gordon Brown was chancellor and the employment minister was Andrew Smith, I led on the implementation of the New Deal for the Young Unemployed. We succeeded only because so many employers signed up. Not only that, they were enthusiastic and committed partners in reducing the number of young people out of education, employment and training.

Sir Charlie Mayfield's report, which examined what was happening in the Netherlands and Denmark in particular, teaches us another lesson. His focus was primarily on how to keep people in a job once they are working, and the crucial role of occupational health for individuals overcoming bouts of illness or temporary incapacity.

Yet his work also highlighted the success of other countries in reducing inactivity for young people and the lessons we could apply here in the UK.

> Without a collaborative endeavour, we will not succeed in the challenge of the weeks and years ahead

If we're talking about young people who have been out of the rhythm and structure of working life for some time, they are going to need help — not just to get a job, but to stay in work. It is not surprising that after long periods stuck at home, those entering the workforce have real difficulty in adapting and, too often, last only a short time. This creates disillusionment among employers and a feeling of inadequacy and hopelessness in those who have failed to hold down a job.

I hope that, as part of the Milburn and Timms reviews, we will see a scheme that challenges employers, particularly medium-sized and large organisations, to get involved. They should be prepared to release staff for short periods to act as buddies and mentors to young people who are joining the payroll for the first time or who have been in the revolving door of temporary employment or job schemes for months or even years.

We all know that the first few months in a job can be crucial. In a world where people spend so much time online, it can actually be quite scary to turn up for a job and have to relate to people you've never met.

Giving an early advance on pay is another way we can demonstrate to first-time employees that they can be independent, that they are valued and, as a consequence, that they can be self-reliant. This must be part of the philosophy that I know my friend Alan Milburn will bring to bear in making the prospect of earning a living a plus, not a minus; a promise, not a punishment.

Paying people to do nothing, or, for that matter, offering money as some sort of compensation for lack of intervention will not cut it any more. Providing the support to real or perceived barriers to work should be a right for everyone, and makes economic common sense for the nation.

Above all, let us make the conquering of "idleness" — flagged as one of the great evils during the second world war by William Beveridge — a pillar of the UK government's promised Ten Year Plan.

In the end, government, business and civil society cannot function if so many of its most creative and potentially highly productive working-age population languish on the scrapheap. Neets are a problem for us all, and a challenge for all of us to rise to.

The writer is a former UK education and employment secretary

Inconvenient truths still haunt Nixon's legacy

POLITICS



John Plender

The recent urge among Maga Republicans to rehabilitate the reputation of Richard Nixon is, to put the most charitable complexion on it, quixotic. The 37th president of the US was brought down by the Watergate scandal. Nixon resigned to avoid almost certain impeachment while famously protesting that he was not a crook.

To be fair, his presidency was not a total disaster. His foreign policy initiatives towards the Soviet Union and China importantly lessened cold war tensions. Yet Donald Trump's Maga supporters would do well to ponder Nixon's economic legacy, which continues to do damage today.

That legacy turns substantially on the so-called Nixon shock of 1971 which suspended the convertibility of the dollar into gold, thereby ending the postwar Bretton Woods system of semi-fixed exchange rates. This ultimately turned the dollar into a fiat currency, unpegged to any underlying commodity value.

From a rightwing populist perspective that could be seen as a Trump-style reassertion of US sovereignty. It also resolved a systemic flaw whereby a rigid currency framework generated frequent balance-of-payments crises.

When combined with the mid-1970s oil crisis, this abandonment of the dollar peg to gold paved the way for a more inflationary world. Nixon exacerbated this by launching an assault on he independence of the Federal Reserve through mendacious press leaks against then Fed chair Arthur Burns.

> Maga supporters should ponder his economic shadow, which continues to do damage today

Another consequence of the new currency flexibility was that it removed a source of external discipline on rising public debt across the world. The US was subject to less discipline than others because of the "exorbitant privilege" arising from the reserve role of the dollar and the depth of the US Treasury market. That morally hazardous reality made financing US government deficits relatively easy. Given the lack of alternatives to the dollar, the same holds true today, with US public debt approaching the levels of the second world war.

Nowhere in the developed world is there much political appetite to address high public debt by running primary budget surpluses before interest. There is thus mounting speculation that governments will resort to debt monetisation, with central banks buying their governments' debt, or to financial repression, whereby governments force financial institutions to buy public debt at below-market rates. And then there is the perennial question of whether the bond markets will call a halt to fiscal profligacy.

Other inconvenient truths for the populist right in Nixon's legacy include his statist instincts. This was the president who established the Environmental Protection Agency and the Occupational Safety and Health Administration. Note, too, that the enforcement powers of the Equal Employment Opportunity Commission were strengthened during his tenure.

That said, he did believe in financial liberalisation. His Commission on Financial Structure and Regulation recommended easing interest rate caps and modernising banking rules, which paved the way for the deregulatory trends of the Reaganite 1980s. Yet that has brought frequent recession-inducing financial crises.

So all in all, Nixon looks a highly implausible candidate for political rehabilitation. The instigator of the Watergate scandal will surely not play well with voters increasingly concerned about corruption.

Earlier this year, vice-president JD Vance, the most vociferous cheerleader for Nixon, declared "if Watergate happened tomorrow, it would be a 12-hour news story . . . The idea that it would have taken down a presidency is crazy." Some may feel his words are an indication of the moral bankruptcy at the heart of an administration that makes Nixon's look tame by comparison.

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EDITORIALS

Today it's up to the voters. At last

Whatever the results, you'll be grateful to be free of the attack ads

We imagine many voters casting their ballots today are breathing a sigh of relief, feeling the tension in their necks and shoulders loosen as they feed their ballot into the scanner and wave goodbye to the friendly election judge at the exit.

It's over. Thank goodness. It's been a long, nasty election season.

For months now, so much vitriol crept into our TVs, interrupting the Bears or your favorite college football team with a special message from a super PAC or a partisan looking to score points by smearing their opponents. Our mailboxes were littered with so much campaign literature it's become tempting to use it as fuel for the first bonfire of the year.

Not even our phones are safe; groups lobbying for tax hike referendums and politicians trashing the other side's many evils tapped into an oversaturated texting market that has contributed to frustration among the electorate.

The negativity of political ads has been a talking point at dinner tables and newsrooms alike, taking a toll on hope and optimism, which is already shaken by the cost of living. Voters get the sense that politicians aren't running for something, they're running against something.

It's easy to let all of this make you cynical, even to the point of skipping voting altogether. Don't. Staying home only cedes more influence to the political insiders and operatives ginning up all of this toxicity in the first place.



BILL BRAMHALL

Most of us are used to hearing the tired cliché that this is the biggest election of our lifetimes. We won't get into where 2026 stands in the annals of American political history, but we will say this is a big one. In many parts of the country the sense is that democracy itself is on the ballot.

Consider Alaska. Voters trying to decide on the best candidate for U.S. Senate might be finding the choice more difficult because there are two Dan Sullivans running for that seat against Democrat Mary Peltola. Funny coincidence? Not so, as an explosive story from The New York Times reported.

Republican Dan S. Sullivan is a longtime U.S. senator. Running against him, in addition to Peltola, is one Dan J. Sullivan Jr., who appears to have been aided by an underhanded Democratic effort to sabotage the Republican incumbent, according to the Times, though the candidate himself denies being recruited.

Voters deserve more than political gamesmanship and low cunning. But them's the breaks, unfortunately, and now it is incumbent upon Alaskans to do their homework to ensure they vote for the candidate they actually intend to support.

Alaska isn't the only place where we observe people treating the electoral process as something to manipulate rather than protect.



Election official Joanna Dadajewska, center, helps a voter submit her ballot on Monday, the day before Election Day, at the Chicago Public Library in Lincoln Park. **EILEEN T. MESLAR/CHICAGO TRIBUNE**

In California, a federal judge last week temporarily ordered the Trump administration to stop threatening election officials with prosecution and demanding that certain ballots be set aside.

"One of the hallmarks of a fair election is the freedom to exercise the right to vote free from threat, fear, or intimidation," Judge Trina Thompson wrote in her ruling.

Correct. Investigating justified suspicion about noncitizen voting is a legitimate governmental responsibility. But the judge took issue with the administration's broad efforts to pressure election officials into setting aside ballots from thousands of allegedly ineligible voters, including through threats of criminal prosecution.

Then there are the wild cards.

Our neighbors in Michigan were thrown for a loop this weekend when U.S. Rep. Haley Stevens came out in support of Republican Mike Rogers instead of her fellow Democrat, Abdul El-Sayed, who defeated Stevens in the hotly contested primary. Stevens had endorsed El-Sayed after her primary loss, but tensions flared over a controversial advertisement from an outside political group linking grocery prices to U.S. support for Israel's war in Gaza. Stevens condemned the ad as antisemitic and demanded that El-Sayed disavow it. He said his campaign had nothing to do with the ad and disagreed with its contents. Still, the dispute unraveled their uneasy alliance.

"I do not belong in Abdul's campaign," she said in a post on X. "I do not stand with Hasan Piker, who gets trafficked on our college campuses."

"What our students see, what our children see and who we are as Michiganders is not hate and is not what we are getting out from (the) Democratic nominee right now," she added.

In response, House Minority Leader Hakeem Jeffries shared that the Democrats will consider "next steps" for Stevens when Congress reconvenes. Other high-profile Democrats also spoke out against Stevens.

"If you're not on board and supporting Democrats taking over the United States Senate, you should just be quiet," Gov. JB Pritzker said Sunday in response to the drama in Michigan. We're not so sure most folks would agree with that strongly worded opinion. Indeed, Michigan voters simply should decide for themselves what to take into account, including Stevens' about-face.

Closer to home, Illinois voters are choosing a new U.S. senator to replace the retiring Dick Durbin, while a slew of open congressional seats led to the most crowded March primaries we've seen in years. The stakes are substantial, even in districts where the general election outcome appears all but certain. And then there's Illinois' 4th Congressional District, where residents have seen their own version of political gamesmanship.

As we've written previously, retiring U.S. Rep. Jesús "Chuy" García effectively cleared the path for his chief of staff, Patty García, to secure the Democratic nomination without a competitive primary. We found Patty García to be a genuine, likable person with an impressive story of individual achievement. She told us she wishes she didn't have to carry what she described as a "scarlet letter" because of the circumstances surrounding her nomination. We wish the same, not least because Chuy García's last-minute retirement announcement denied Democratic voters a meaningful primary. It saddens us when the political class does not respect voters.

And don't forget the races for the Illinois General Assembly. Democrats have long enjoyed supermajorities in both chambers, leaving Republicans with relatively little leverage to challenge the majority's agenda. We've argued that Springfield would benefit from more political balance, more vigorous debate and greater accountability.

If you live in Chicago, you've got to do your civic duty, if for no other reason than this is your first shot at voting for a fully elected Chicago Board of Education. The battle for these seats is in many ways a continuation of the 2023 mayoral election, when the Chicago Teachers Union helped propel one of its own to the Fifth Floor. Now the CTU is fighting for influence over the school board, with Common Ground Collective, funded in large part by billionaire Michael Sacks, serving as a counterweight to the union's efforts.

But amid the political maneuvering, the candidates themselves have plenty of ideas — good and bad alike — and if you're still uncertain about whom to back, we've got plenty to offer in our endorsements.

If you're not in Chicago, but live in a suburb facing school district referendums, don't overlook issues farther down the ballot. Doing so would mean missing out on the chance to weigh in on whether your property taxes should go up to fund more school district spending.

Once the results are in, there will be plenty to parse and likely much change with which to reckon. For now, we can breathe a sigh of relief.

That is, until we turn our attention to the February mayoral elections in Chicago and Evanston.

ON THIS DAY 26 YEARS AGO NAPSTER DEAL SOUNDS SWEET FOR ALL

A deal between besieged Napster and one of its besiegers may rescue not only the music-sharing Web site, but the recording industry as well. Standing in the way of the pact's success are fans who want the tunes without paying the piper.

Napster is the Internet service that allows its users to exchange computer files of recorded music. About 38 million users have shared songs without cost, which also means without royalties for artists or profits for record companies.

Copyright law allows artists to protect and earn a living from their creations. ...

But ever since the rise of MP3 software—which allows the recording and sharing of music files, and makes Napster possible—the industry has been in a genuine tizzy. Of course it has. Look at the size of the audience gained by Napster, a Web site that is less than two years old.

The industry's first reaction was to try to stomp out the intruders. ... Those legal actions, however, ignored the fans' message: They like acquiring music in a fast, easy—and cheap—way.

Tuesday's deal between Napster and Bertelsmann, the giant German music company, responds to the message. Bertelsmann, one of five firms that sued Napster, will pay the Web site to develop software that will allow it to charge for use of the site. That fee, possibly as low as $5 a month, will be used to pay royalties and bring profit to the two companies.

The deal hasn't yet been approved by the other record firms that are suing Napster. ... But the deal is a good sign.

Though even newer file-sharing software programs may be more difficult for the music companies to corral, the Napster deal sets a model for cooperation.

Head-knocker fans have been shouting, "The music should be free, man," ever since they trashed the fences at the first Woodstock. But cooler heads know things of value come for a price.

— Tribune editorial board, Nov. 3, 2000

OPINION

The Latino swing vote in 2026 and beyond

By Oswaldo Alvarez
SPECIAL TO THE TRIBUNE



Sofia Paloma, a volunteer canvasser with the election outreach organization Mano A Mano, passes information through the door to a man in North Chicago on Oct. 24. Mano A Mano works to encourage people to vote, regardless of their political allegiance. **ARTHUR MAIORELLA/CHICAGO TRIBUNE**

Across the country, political analysts are increasingly describing Latinos as America's new swing vote. Much of the attention has focused on changing political preferences and which party will receive the Latino vote. But this discussion overlooks important changes taking place in Latino communities, particularly their growing economic influence.

In Chicago, the evidence is clear.

The recently released "Latino Chicago and the Future of the City" report, produced by the University of Illinois Chicago's Great Cities Institute in partnership with the Illinois Legislative Latino Caucus Foundation, documents significant economic changes across Latino communities here at home in Chicago. They are a reflection of us on a national level and what it will mean for the future of politics in Chicago, Illinois and our nation.

Nearly one-third of Latino households now earn $100,000 or more annually, up from approximately one-fifth a decade earlier. The share of Latino adults with a bachelor's degree or higher has also increased from 12.6% to 20.4%. These changes point to a growing Latino middle class, even as many families continue to face challenges related to housing costs, wages and economic opportunity.

In 2024,16 primarily Latino commercial corridors generated approximately $1.76 billion in taxable sales. These commercial districts support jobs, businesses and neighborhood economies throughout Chicago.

Yet how often are these contributions central to discussions about Chicago's economic development? As the city and region develop strategies for growth and investment, are Latino communities receiving the attention their economic contributions warrant?

Chicago's economic changes are occurring alongside a major demographic shift. In 1950, the city had approximately 3.1 million white residents and an estimated 53,500 Latinos. By 2020, its non-Hispanic white population stood at approximately 864,000, while its Latino population had grown to more than 819,000.

Between 2000 and the American Community Survey's 2019 to 2023 period, Chicago lost more than 188,000 residents, while its Latino population increased by more than 48,000, reaching approximately 802,000, or nearly 30% of the city.

Chicago's Latino population is also younger than its Black and white populations. Nearly 54% of Latinos are younger than 35, compared with 46% of Black residents and 45.4% of white residents. More than one-quarter of Latino Chicagoans are younger than 18, compared with 21.6% of Black residents and 12.5% of white residents.

These differences matter politically. As younger Latinos enter the workforce, establish households and become eligible to vote, they will account for a growing share of Chicago's electorate.

Economic differences in Latino communities also complicate assumptions about their political preferences. A small business owner, a union worker, a young professional and a family struggling to afford housing may share cultural or community ties, but their economic circumstances and policy priorities can differ considerably. Latino voters cannot be understood as a single political constituency.

The 2024 presidential election brought these differences into sharper focus. According to the Pew Research Center, approximately 48% of Latino voters supported the current president. But that figure represents Latinos who voted, not the entire eligible Latino electorate.

According to U.S. Census Bureau data, only 50.6% of eligible Latino citizens voted in 2024, compared with 59.6% of Black citizens and 70.5% of non-Hispanic white citizens. Nearly half of eligible Latino voters did not participate.

Chicago's experience is particularly revealing. A 2023 analysis by researchers at the UIC Great Cities Institute found that only 20.5% of registered Latino voters participated in the city's mayoral runoff election, compared with 29% of registered Black voters and 61.1% of registered white voters. Nearly 4 out of 5 registered Latino voters did not cast a ballot.

These numbers raise an important question: What does it mean when a community represents nearly 30% of Chicago's population, generates substantial economic activity and yet has such comparatively low electoral participation?

These changes extend beyond Chicago. More than 2 million Latinos live across Cook, DuPage, Kane, Lake, McHenry and Will counties, with nearly 1.25 million residing outside the city. The Latino electorate is growing and changing throughout metropolitan Chicago, not just within city limits.

For the Illinois Legislative Latino Caucus Foundation, these findings underscore the importance of understanding Latino communities beyond population numbers or voting preferences. Their economic circumstances are changing, their contributions are substantial and their priorities cannot be reduced to a single political identity.

Latinos are increasingly described as swing voters, but that label tells only part of the story. Chicago's Latino communities have become a larger and more economically diverse part of the region, even as electoral participation remains comparatively low. The question is not simply which way Latinos will vote, but whether Chicago's economic and political institutions are keeping pace with the communities helping shape its future.

Oswaldo Alvarez is executive director of the Illinois Legislative Latino Caucus Foundation.

Scholarly organization's Israel perspective fails commitment to inclusion

By Nancy Koppelman
SPECIAL TO THE TRIBUNE



The Israeli flag flies along a seaside promenade as pedestrians pass by Oct. 25 in Tel Aviv, Israel. **DAVID GOLDMAN/AP**

The American Studies Association (ASA) recently held its annual conference at Chicago's Palmer House Hotel. The ASA's misson and history statement claims a commitment "to the study and teaching of U.S. history and culture from multiple perspectives." But the conference program reflected only one perspective about Israel.

The sessions included 23 that reference Palestine with titles such as "Dezionizing the U.S. University," "Zionism Is Racism: Introducing the Critical Zionism Studies Syllabus," "Against Zionist and White Nationalist Attacks on the Academy," and "Resisting Zionism: Anticolonial Feminist Pedagogy and Practice." These sessions raise important questions. How does this academic association reconcile its commitment to "multiple perspectives" with programming that presented only one political perspective on a complex topic of importance to most American Jews? And for scholars with significant ties to Israel, what was it like to be at a professional conference that only portrayed such ties as corrupt?

According to Pew Research Center reporting in 2020, for about 80% of American Jews, "caring about Israel is an essential or important part of what being Jewish means to them." Where was that perspective at the ASA conference?

This blatant bias in the substance of American studies scholarship was set in motion over a decade ago. In 2013, the ASA was one of the first major American scholarly associations to endorse an academic boycott of Israel. Supporters claimed solidarity with Palestinians and insisted that the target was institutions, not individuals. And indeed, at the annual meeting immediately following the vote, my proposal for a session challenging the boycott was accepted. The session was well attended by members on both sides of the issue.

This year's program renewed and amplified those concerns. The implications of the boycott vote now extend far beyond academic relationships between institutions. Sessions on reshaping universities and introducing anti-Zionist syllabi reveal ambitions to carry the boycott into curricula and campus life in ways that have a direct impact on individuals. How will American studies students learn the whole story of Israel, which includes its importance to American Jews? What we are seeing is a blatant effort to keep knowledge about Israel, a bona fide country, away from people.

Criticism of Israel's leadership, policies and politicians is certainly legitimate. In fact, many Israelis are deeply critical of their government. But Zionism, broadly understood as the reconstitution of a thriving Jewish society in the Jews' ancestral homeland, is integral to the identities of most Jews around the world. Blanket condemnation ignores Israel's established legitimacy on the world stage: its admission to the United Nations in 1949 and recognition, at present, by 164 of the world's 195 countries. Programming that repeatedly presents Zionism — which usually means "Israel" — as something universities must work to eradicate leaves little room for inquiry that challenges those premises. It also leaves little room for reality. In many ways, the ideology of Zionism itself has run its course. There is a country now.

An academic climate that fosters inquiry and inclusion is still possible. At that conference after the boycott, I spoke with a graduate school acquaintance who had voted for it. We had a serious, honest conversation over lunch and parted on friendly terms, agreeing to disagree. Two years ago, I gave a talk about antisemitism at the university where that colleague now holds a leadership position. To my surprise, they introduced me by recalling our conversation and explaining that, after years of reflection, they had concluded that their vote had been wrong.

The Academic Engagement Network and the Anti-Defamation League recently called on ASA leadership to affirm that Jewish and Zionist scholars belong in the organization. ASA leadership should create meaningful opportunities for "multiple perspectives" about Israel to be taken seriously, and ensure a welcoming professional climate for all American studies scholars.

If the ASA favors conformity rather than diverse independent thinking, it fails by any standard of academic reliability. In fact, it is no longer a scholarly organization at all.

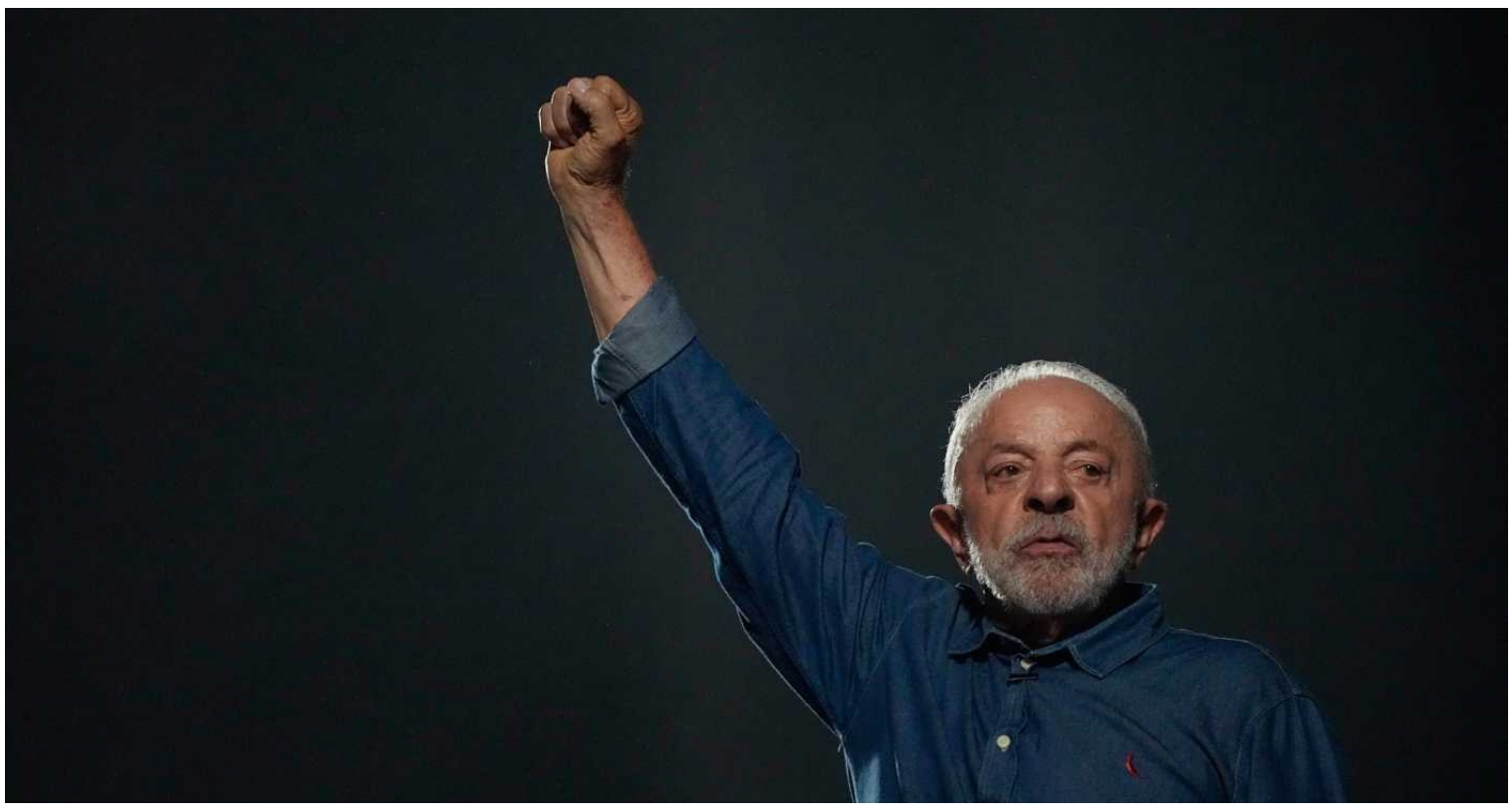
Nancy Koppelman is a professor at The Evergreen State College, adviser to the Academic Engagement Network and a Jewish studies educator.

OPINION

What Trump should do now that his Brazilian ally has been defeated



Daniel DePetris



President Luiz Inacio Lula da Silva addresses supporters during a victory rally after winning a fourth term in the presidential runoff in Sao Paulo, Brazil, on Oct. 25. **NATACHA PISARENKO/AP**

On Oct. 25, President Donald Trump saw his string of consecutive election victories in Latin America broken. After what looked to be a resounding win for Trump's ally, far-right senator Flávio Bolsonaro, in the first round of voting for Brazilian president, incumbent Luiz Inácio Lula da Silva made a stunning comeback to win his fourth term in office. Lula, who has been a mainstay of Brazilian politics since the 1980s, won by more than 3 percentage points.

But the drama didn't end there. Bolsonaro suddenly found himself exposed to ongoing criminal investigations that were dogging him throughout the campaign. Rather than fight the charges, he fled to the United States with his family. Trump granted the Bolsonaro family a visa to stay on U.S. soil, and one of Trump's aides reportedly helped charter the jet that took the Brazilian politician to Miami. If this sounds familiar, that's because it is. In January 2023, Jair Bolsonaro, Flávio's father, absconded to Florida after getting bested by Lula months earlier. He later returned, was arrested and eventually convicted for trying to prevent Lula from entering office.

Flávio Bolsonaro's own self-imposed exile comes at a tricky time for relations between the United States and Brazil, the Western Hemisphere's two largest economies. Part of the trouble comes down to personality. Washington and Brasília are led by two men who are strong-headed ideological opposites, have an altogether different conception of what a healthy bilateral relationship looks like and spent the last two years taking shots at the other. That dynamic might get worse before it gets better. When asked what he thought about the Brazilian presidential election, Trump called it "rigged" and "a great embarrassment to the people of Brazil."

Bolsonaro's escape to Miami is not going to help dampen the animosity. Indeed, it may just create more problems.

From the moment Trump was inaugurated for his second term, he viewed Lula's Brazil as an impediment to his regional agenda. That agenda included restricting illegal immigration to the United States to the lowest level possible, embarking on a regionwide military campaign against cartels and drug trafficking networks, minimizing China's power in the Western Hemisphere and building a network of far-right governments throughout Latin America.

Up until Lula's reelection last month, Trump was getting most of what he wanted. His far-right allies, from Abelardo de la Espriella in Colombia to Nasry Asfura in Honduras, were gaining political power and proving to be eager partners in Trump's war on drugs. Some, such as Ecuador's Daniel Noboa, even agreed to bring U.S. troops into the country and authorized joint military operations with Washington against traffickers.

But Lula's agenda simply didn't square with any of that. The Brazilian perceived Trump's labeling of cartels as foreign terrorist organizations as a prelude to U.S. military interventionism. He refused to outsource Brazil's foreign policy to the Trump administration. And whereas Trump and Secretary of State Marco Rubio regarded China as an intrusive non-hemispheric power that needed to be tamed (or, better yet, expelled), Lula saw the Asian economic powerhouse as a key pole in his wider doctrine of multi-alignment, in which Brazil established positive relations with all the world's major powers in order to give itself maximum flexibility.

It didn't take long for Trump and Lula to clash. In the summer of 2025, the Trump administration slapped 50% tariffs on Brazilian products entering the U.S. market, arguing that the measure was an appropriate response to the Brazilian government's unfair trade practices and what it termed "persecution" of Jair Bolsonaro for an attempted coup (many of those tariffs were rescinded by Trump months later after it became clear they were contributing to high grocery prices in the United States). U.S. sanctions were levied on individual Brazilian judges responsible for Bolsonaro's legal case, and their U.S. visas were stripped too.

Later on, as the South American country's presidential campaign began, Trump met with Flávio Bolsonaro and shortly thereafter labeled two of Brazil's largest criminal groups as foreign terrorist organizations. Lula's team branded this specific decision as one more example of U.S. meddling in Brazil's internal affairs and an acceleration of Trump's bid to make Lula's administration look soft on crime, one of the biggest issues on the minds of Brazilian voters.

None of it worked. Lula is now preparing for a fourth term. Jair Bolsonaro is trapped at home, the subject of a 27-year sentence after being convicted on coup charges. And his oldest son is trying to pick up the pieces in Miami.

The question now is whether Trump will continue to sulk about Brazil's election results or try to find a way forward. If he wants to be a statesman, he should opt for the latter. Brazil is too important a country for the United States to alienate, particularly when the country has found a way to neutralize U.S. tariffs by engaging in more business with Beijing.

There are several straightforward but helpful things Trump can do to smooth the waters. None of it will cost the United States anything. First, the Trump administration should issue an official congratulatory message to Lula for his victory and state that while the United States thinks Brazil's election wasn't run smoothly, it will accept the results. Second, the State Department should say that it will reinstate the visa it pulled from Brazil's ambassador in Washington if Brasília allows its own ambassador to start working. Finally, Trump should tell Flávio Bolsonaro that he's welcome in the United States so long as he doesn't use those privileges to undermine U.S. policy in Brazil. Trump should also be prepared to enforce that directive if the Bolsonaros violate it.

The U.S.-Brazil relationship shouldn't be held captive to ego.

Daniel DePetris is a fellow at Defense Priorities and a foreign affairs columnist for the Tribune.

Voice of the People

Cook County budget priorities

Everyday people are facing rising costs for basic necessities and have to make difficult decisions on where to spend their limited money. Cook County, with a projected $550.7 million budget gap, faces a similar struggle. With President Donald Trump limiting access to benefits such as healthcare, housing and food assistance, the county should prioritize funding programs in these areas and others that contribute to community wellness and safety, such as violence prevention, behavioral health and community investments. This is not only the moral thing to do; it's also a smart investment strategy.

Consider the county's strategy in crime reduction. Choosing a preventive approach over a reactive one that relied on the criminal legal system, the county implemented reforms redefining approaches to public safety, including investing in community-based violence prevention and intervention. This paid off: Pretrial jailing has decreased by nearly 40% since 2013, and crime rates continue to fall.

Despite these reductions, the state's attorney's budget has increased by 75% in the past 10 years. Continuing to increase this budget does not make fiscal sense. It is also contrary to the county's best interests, as State's Attorney Eileen O'Neill Burke's policies threaten to reverse the gains made from the county's commitments to holistic and restorative approaches to gun violence and community safety.

Burke lowered the $1,000 threshold for felony retail theft charges to $300, exposing more of the county's poor to felony convictions and their lifelong adverse effects. Felony retail theft filings almost tripled, jail admissions increased by 71% and prison admissions more than doubled.

For many gun charges and felony domestic violence cases, Burke has taken away discretion from prosecutors, forcing them to file detention requests regardless of the facts of a case, characteristics of the accused or wishes of a survivor. This is particularly troubling considering she is also



Cook County state's attorney Eileen O'Neill Burke speaks to Cook County commissioners during her 2026 budget hearing in the Cook County Board room in the County Building on Thursday. **EILEEN T. MESLAR/TRIBUNE**

allowing police — who have a history of misconduct and targeting Black and brown people in traffic stops — to directly file charges in many gun cases.

Burke's policy changes have caused pretrial jailing to increase, even when people do not pose a safety risk, costing the county hundreds of thousands of dollars. Pretrial jailing disrupts families, destabilizes communities and increases the likelihood of recidivism, all of which clearly compromise — rather than protect — public safety.

The Cook County Board should not fund these harmful policies. Instead, it must focus on essential health and human services that result in significantly better public safety outcomes.

— Cathryn Crawford, senior policy adviser, Illinois Network for Pretrial Justice, Chicago

Gov. JB Pritzker's record

Regarding Dan Petrella's article "'Happy warrior' seeks 3rd term" (Oct. 30): Is it wise for Gov. JB Pritzker to run for a third term "on his record"?

Illinois has more than $200 billion in unfunded pension liabilities, with Illinois taxpayers potentially on the hook for the liabilities. WalletHub recently ranked Illinois the state with the highest state and local tax rates in the nation. Last year, the Illinois Policy Institute reported that only two other states were pushing more of their residents to other places in the country.

Pritzker can run on his record, while Illinois runs on empty.

— Terry Takash, Western Springs

Better uses for the money

I realize it is naive to think so, but can you imagine all of the good that could be accomplished with the monies that politicians spend each cycle on slur campaigns, annoying robocalls and attack ads?

— Jim Galin, Hinsdale

Maybe reduce the taxes

Regarding the editorial "Illinois Lockbox was always lousy idea. 10 years later, it's hitting Cook County's budget" (Oct. 30): If the Illinois Transportation Taxes and Fees Lockbox Amendment is overfunded by fuel taxes and driver's license facilities fees, why aren't the taxes and fees being reduced?

— Juan Chapa, Lisle

Unions rule over politicians

The Tribune Editorial Board argues, justifiably and convincingly, that "the days of extraordinary public-sector union wage hikes must end" (Oct. 27).

Surely, the editorial board understands the fundamental problem that virtually ensures its wish will never come true: To wit, the unions representing public employees are negotiating with the very people they put in office. This is true in much of the country, but perhaps nowhere as much as it is in Chicago and Cook County. The politicians know who put them in office and most assuredly don't want to risk that the gravy train of public union money and manpower will start heading in another direction.

We can dream all we want about "the people" having the power to determine who their public officials will be, but with an increasingly distracted electorate taking its cue from expensive and ubiquitous advertising, it is the public employee unions that really decide which pols hold office, certainly in Chicago and Cook County. Therefore, when it comes time to negotiate union contracts, self-interested politicians — is there any other kind? — are going to do what their public union sugar daddies demand.

— Mark M. Quinn, Naperville

Encouraging misconceptions

Shame on the Tribune Editorial Board for running such an inflammatory cartoon in the Oct. 26 edition, implying that Socialism (with a capital S) is being promoted in the United States by some candidates. There are already too many misconceptions surrounding Socialism and social democracy. Fear tactics are being used in this current campaign season to lead voters to believe that democratic socialist candidates are advocating Socialism in this country, scaring Americans into thinking that democratic socialists want to turn our country into a country like China or North Korea. But that is absolutely not the case.

Democratic socialists are advocating for regulated capitalism, more worker participation and a living wage, a robust welfare system, universal healthcare and high-quality public schools, among other things. Basically, an equitable society where everyone has access to opportunities and quality of life. Not a society where the wealthy have everything and the poor and the middle class struggle.

It is shameful that the Tribune Editorial Board has chosen to promote this false and dangerous notion.

— Judy Weik, Oak Park

Democrats and affordability

Affordability is on the mind of most voters, and the Democrats are trying their best to convince those voters that the problem is President Donald Trump and the Republicans. But what solutions are they offering? Capitulating to Iran? How will that lower prices?

The Democrats are the party of higher taxes and restrictions on businesses, both of which will make "affordability" worse than it is now. Voters may be unhappy with Trump, but giving power to the Democrats is like jumping out of the frying pan and right into the fire.

— David Howard, Rockford

Huerta's life-changing example

In 1969, when I was 16 years old, I visited the United Farm Workers' Boycott House in San Francisco. I was meeting with boycott organizers to launch activities at my high school. As I toured the offices, I met Dolores Huerta. Even though she was small and slight, her image looms large in my mind because that night changed my life's trajectory. Our high school group collected support for the grape and lettuce boycott campaigns. We stood up to right-wing bullies and harassment. We were inspired by Huerta's example.

Later, I dedicated myself to the goals of organizing and teaching workers about their rights, labor history and socialism. I joined with rank-and-file efforts with the Bay Area Teamsters Union, the Oil Workers Union and the Seattle College American Federation of Teachers. It's been a life well lived. I look forward to doing more.

Thank you to Huerta.

— John Martinez, Chicago

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