



End in sight

The U.S. trade deal gives hope that the tariffs ordeal may be over soon

News of the India-United States trade deal has brought palpable relief to a lot of Indian industries, but it also comes with persistent and important questions that remain unanswered despite a press statement by India's Commerce Minister Piyush Goyal. The initial announcement, through social media, while true to U.S. President Donald Trump's form, also marks a departure for India and Prime Minister Narendra Modi. Past trade deal announcements have all been made through more formal channels. The announcement of U.S. tariffs on Indian imports being cut to 18% from the existing 50% is certainly welcome. However, as of now, there is no clarity on when this would be implemented. While Mr. Trump said they would be cut "immediately", Mr. Goyal said that the details will be shared "soon". There is also considerable ambiguity over whether this is the first tranche or "mini-deal" of a larger Bilateral Trade Agreement, a limited deal affecting only tariffs, or something in between. Mr. Trump's assertion that Mr. Modi has "agreed to stop buying Russian oil" must also be addressed by the Indian government sooner rather than later. Mr. Goyal did not touch upon this in his statement. Stopping Russian oil entirely would not only force India to find alternatives for about a third of its oil imports but would also cast a shadow over its relations with Russia, which is a long-time friend and critical supplier of defence equipment. Such a move would announce a very different realignment for India and, in that light, deserves to be discussed in Parliament first. Similarly, buying more Venezuelan crude comes with its own refining challenges.

There is also the question of what India has committed to the U.S. in terms of tariff concessions, investments and purchase orders. Apart from making the assurance that sensitive agricultural items and dairy would be excluded, the government has been silent despite several significant assertions being made by Mr. Trump and his team. While the "final stages of detailing" are still to be completed, as Mr. Goyal has said, the light at the end of the tunnel has already buoyed Indian stock markets, bolstered the rupee, and brought essential cheer to labour-intensive sectors such as textiles, apparel, footwear, leather and engineering goods that had been hurting from the 50% tariffs. These sectors already stand to gain from the India-European Union trade deal, which Mr. Goyal has assured will come into effect this year. The tariffs they will face in the U.S. will likely still be slightly higher than those enjoyed by competitors in the South-East Asian countries due to their Most-Favoured Nation status. Yet, the new deal stands to certainly enhance their competitiveness, and the targeted announcements in the Union Budget 2026 should also help bridge this narrower gap.

Unfriendly vibes

Politics is playing an oversized role in the ICC T20 World Cup

Much water has flowed down the Indus since 1947, and yet India and Pakistan are stuck in a time warp when it comes to border conflicts and cricketing ties. The latest salvo fired by Pakistan is centred around its refusal to play against India in the ICC T20 World Cup fixture in Colombo on February 15. In a bizarre turn of events, India's western neighbour has taken offence to the fact that Bangladesh was denied a neutral venue and was also scratched out of the championship. The logic being if Pakistan can be given a neutral venue in Sri Lanka, the same concession could have been granted to Bangladesh. However, Pakistan's fixtures were fixed a long time ago, while Bangladesh's sudden insistence on shifting its preliminary games outside India came too late and proved to be a logistical nightmare. But it would be simplistic to only just blame India's neighbours on either side for political posturing; this current mess affecting a global cricketing tournament was triggered from Delhi. Kolkata Knight Riders were nudged to drop Bangladeshi pacer Mustafizur Rahman from its squad, and this move unleashed a catastrophic domino effect on the championship. The omission was seen as a reaction to the assault against Hindus in Bangladesh.

What India did not bargain for was the fiery reaction from Dhaka. The Bangladesh Cricket Board cited security concerns and requested the International Cricket Council (ICC) to shift its four early games away from India. The ICC refused to budge and inevitably Scotland replaced Bangladesh in Group C. Pakistan's reaction to this latest development has been theatrical. That Bangladesh, erstwhile East Pakistan, was carved out of Pakistan in 1971, remains a historical truth and it also strained ties between the two nations. However, with the latest conservative turn in Bangladeshi politics, with one former Prime Minister in asylum in India, Pakistan senses a pathway to forge an 'Islamist brotherhood' with Dhaka. This, despite the reality of Bangladesh being formed on the basis of linguistic nationalism thriving on Bengali pride. In all this political shuffling involving three neighbours, a championship is now caught in a needless crossfire. Perhaps, this is also a sobering lesson for the ICC and official broadcasters, who ensure that India and Pakistan are placed in the same group to guarantee games between the rivals so as to reap the resultant commercial windfall. Sport and politics do mix, especially in the subcontinent, and its pitfalls are starkly evident. The ICC T20 World Cup awaits its start on February 7 while Asian solidarity lies in tatters.

India's next industrial shift — electrons over molecules

For over a century, the world's factories, kilns and trucks have been powered by "molecules" — oil, coal and gas burnt for heat and motion. That age is now giving way to one where competitiveness is increasingly written in electrons: clean and reliable electricity. The nations that move the fastest from molecules to electrons will not only cut emissions but also win supply chains, capital and jobs.

On this score, China has opened a decisive lead. It is not merely adding renewables at record pace. It is redesigning industry itself to run on grid power. In 2024, close to half of China's industrial energy came as electricity. India is closer to one quarter. The gap directly affects export competitiveness and resilience to fuel price shocks.

Why 'electrons vs molecules' is the right lens Molecules (oil, gas, LPG, coal, biofuels) are combusted directly in engines, boilers and furnaces. Electrons are delivered by the grid. Coal has already shifted role from on-site combustion to centralised power generation. More electrons mean higher automation, better process control and easier decarbonisation.

Electrification also brings a major efficiency dividend. Electric motors convert over 90% of input energy into useful work, while internal combustion engines typically convert less than 35%. This means each percentage point increase in electrons displaces more fuel molecules than raw energy numbers suggest.



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Electrons spell competitive-ness, ensuring clean and reliable electricity, supply chains, capital and jobs, and a cut in emissions

This snapshot is revealing. China draws nearly half its industrial energy from electrons and also has the highest share of green electrons. The United States and world average are around 12% while India lags at just 7%. China leads both in the quantity and the quality of electrons even as India remains molecule-dominated.

At the economy level, China, the U.S. and the European Union (EU) all sit near one-third electrification. But China deliberately channels far more electrons into industry than its peers. This reflects strategic intent. As the world's manufacturing hub, China ensures that factories enjoy reliable power and a rising share of clean electricity. That positioning directly strengthens export competitiveness in markets where carbon intensity is increasingly scrutinised.

China's transformation; where India is

China's playbook has been to build the grid, then build electron-first industry. China's surge did not happen by accident. Since 2010, it has poured massive capital into generation, ultra-high-voltage transmission, flexible substations and grid-scale storage. The result is a structural tilt toward electrons across industry. In steel,

electric-arc-furnace (EAF) steel rose from about 44 million tonnes in 2010 to 106 million tonnes in 2024. Though only approximately 15% of output, this shift has been policy driven through scrap recycling and preferential tariffs.

In cement, China has electrified grinding mills, materials handling and deployed digital controls. Waste-heat-recovery systems typically contribute 30-35 kWh per tonne of cement. Calcination emissions remain unavoidable, making CCUS pilots essential. India can follow a similar pathway.

China's lesson is simple — electrify what can be electrified today, and reserve molecules only for processes that have no immediate alternative.

What is India's starting line like? India has doubled grid capacity in a decade and is a global leader in annual solar additions. Yet, industrial electrons remain around one-quarter of energy use, and green electrons just 7%-8% of final energy. Three factors explain this gap. First, legacy reliance on on-site combustion locks in molecule use. Second, uneven power quality and reliability discourage firms from designing all-electric processes. Third, policy focuses more on generation than on electrifying industrial processes.

This is a road map to an electron-first industrial decade. In steel, India already produces approximately 30% of steel through EAFs, as compared to approximately 70% in the

U.S. Improving scrap collection, standardisation and trading platforms can lift this share rapidly. Renewable-linked EAF incentives are essential, especially with the EU Carbon Border Adjustment Mechanism (CBAM) targeting steel.

In cement, support pilots of electrified kilns, large-scale waste-heat recovery and carbon capture, utilisation, and storage (CCUS) hubs. Target a 20% reduction in molecule use per tonne this decade while preparing CCUS.

On micro, small and medium enterprises (MSMEs), most MSMEs run on coal boilers and diesel gensets. Transition requires concessional finance for electric boilers and induction furnaces, pooled procurement of renewable power purchase agreements, and technical assistance.

When it comes to digitalisation, this must be embedded in new industrial structures. Advanced controls reduce power waste, enable demand response, and generate auditable carbon data demanded by global buyers.

Why does this matter beyond climate? First, competitiveness as global buyers increasingly demand low-carbon manufacturing. Green electrons embedded in supply chains decide contract outcomes.

Second, security. Shifting heat and motion to domestically produced electricity reduces exposure to imported oil and gas price shocks.

Third, sovereignty. Industry can locate based on skills and logistics, not fuel availability.

The new industrial race

The global race is not just electrons versus molecules, but also about green electrons versus grey electrons. China has acted strategically. Although its economy-wide electrification (31%) is similar to the U.S. (32%) and the EU (34%), it prioritised industry — nearly half of industrial energy is electrified, with a higher green share than peers. This design gives China a durable manufacturing edge.

India must absorb this lesson. Without a rapid rise in green electrons, India risks CBAM penalties and lost export opportunities, but with bold action, it can seize the initiative.

Policy must aim not just for megawatts of renewables, but for megawatt-hours actually flowing into industry. India should launch a national mission on industrial electrification, significantly raise annual grid investment, mandate electrification in new industrial parks, and provide targeted MSME finance.

The next industrial revolution will be written in electrons, not molecules. India must ensure that it is not left behind.

Industrial electrification snapshot

Green and grey electrons versus molecules

Global picture: industrial electrons and their quality

Region	Green electrons (%)	Grey electrons (%)	Total electrons (%)	Molecules (%)
China	18	29	47	53
The EU	16	18	34	66
U.S.	12	20	32	68
India	7	20	27	73
The world	12	18	30	70

Whole-economy context

Region	Green electrons (%)	Grey electrons (%)	Total electrons (%)	Molecules (%)
China	12	19	31	69
U.S.	13	19	32	68
The EU	17	17	34	66
India	8	19	27	73
The world	12	18	30	70

AI's next investment cycle belongs to applications

The artificial intelligence (AI) industry has reached a crossroads. For years, companies poured money into infrastructure such as data centres, chips and underlying models. Now, the big question is not about AI working, but whether it can be profitable. The solution lies in concrete AI applications, and not just having more training or larger GPU clusters.

AI infrastructure versus AI applications

In 2025, companies spent about \$320 billion on AI infrastructure. Despite this huge investment, foundation model businesses have thin profit margins. High inference costs cut into revenue and competition keeps prices down. For instance, OpenAI reached \$13 billion in annualised revenue by August 2025 but still lost \$5 billion in 2024. This approach is not sustainable; it is a short-term fix supported by venture capital and corporate money hoping for better returns.

The story is different for AI applications. In 2025, businesses spent \$19 billion on AI applications, making up more than half of all generative AI spending. This is over 6% of the total software market, reached just three years after ChatGPT was launched. More importantly, this spending proves real market demand: companies are no longer only testing AI. They are using it widely. At least 10 AI products now bring in over \$1 billion in annual recurring revenue, and 50 products make more than \$100 million.

Meta's \$2 billion purchase of Manus in December 2025 shows this shift. Manus, a Singapore startup, launched its AI agent just nine months earlier and quickly reached \$25 million in annual revenue by supplying a simple but effective AI product that gets tasks done — not just talks about them — thus proving both technical ability and business success.

Investors want companies with real customers, not just technology. By the third quarter of 2025,



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AI profits will come from real applications

there were 265 private equity deals involving AI applications, a 65% increase from the previous year, and 78% were add-on acquisitions for existing portfolio companies. Strategic mergers and acquisitions in AI hit record highs by Q3, with deal values up 242% from the year before.

Where the real value is

Real value is emerging in the departmental AI segment. In 2025, coding tools made up \$4 billion of the \$7.3 billion departmental AI market, making them the largest segment. Half of all developers now use AI coding tools every day, a number which rises to 65% in top-performing companies. When ServiceNow bought Moveworks or Nvidia purchased several AI startups, these were not infrastructure deals. They were investments in companies that help customers achieve real business results with AI.

The foundation model landscape itself tells the application story. Anthropic now commands 40% of enterprise LLM spending, up from 24% last year and 12% in 2023, while OpenAI's enterprise share fell to 27% from 50% in 2023. Anthropic did this by dominating coding applications, where it holds a market share of 54% compared to OpenAI's 21%. Applications drive infrastructure adoption and foundation models, not the other way around. Morgan Stanley reports that generative AI reached a 34% contribution margin in 2025, its first profitable year, and this could rise to 67% by 2028 as infrastructure costs fall and efficiency improves. However, most of these profits go to companies selling complete solutions, not just raw computing power.

Private investors now have to decide which use cases will create the next wave of real value, not just add a simple interface to ChatGPT without real value. But solutions built for specific verticals such as health care, law, finance and manufacturing (those that are deeply integrated into workflows, use unique data, and become essential to operations) are the businesses that

are worth serious investment.

The free market distributes resources well when investors focus on fundamentals, beyond mere stories. Revenue, customer retention, growth rates and paths to profitability matter again. Right now, circular financing obscures true demand. For instance, of Microsoft's reported Azure AI revenue, quite a lot comes from OpenAI's spending on compute at heavily discounted rates that essentially cover only Microsoft's costs. Applications break this pattern because they generate revenue from outside the circular financing loop.

Core issues

For governments, the next phase will raise tough questions about competition, especially as foundation model providers begin to build their own applications. When OpenAI launches coding tools or Anthropic develops enterprise solutions, it puts pressure on independent application builders who do not have the same infrastructure advantages. Copyright issues are also becoming more important as the source of training data becomes a key legal concern. Privacy rules will need to adapt to address AI agents that access large amounts of personal and business information.

Policymakers should not hurry into strict regulations. The application layer needs room to experiment, fail and improve until it finds product-market fit. But still, rules about competition, especially reviews of acquisitions that prevent big companies from buying and shutting down potential rivals, are important. The trend of acqui-hires (where startups are bought mainly for their staff and then closed) often leaves employees stranded and can hurt the energy and the innovation that the sector needs.

The Internet was not monetised by selling bandwidth. It was monetised by building applications that made bandwidth valuable. AI will follow the same trajectory.

LETTERS TO THE EDITOR

Tariffs reduced

The decision by the U.S. President Donald Trump to reduce the U.S.'s tariff on India to 18% (Front page, February 3), all of a sudden, seems not from New Delhi's decision to reduce oil imports from Russia, which it had already committed to the U.S. The perception is that it arises from the fact that New Delhi has entered into an extensive and exclusive trade agreement with the European Union. This agreement is a master stroke by New Delhi which

appears to have made the U.S. clear its hazy vision.

A.V. Narayanan,
Chennai

The development spells hope and augurs well for the bilateral relationship between the two countries. However, there is no clarity on whether the tariff imposed for Russian oil purchases has been removed or not. It is time that the America administration removes the tariff hurdles and lets relations between the two

great democracies get back to normal.

Kosaraju Chandramouli,
Hyderabad

Frankly speaking, this nonagenarian quill-driver is of the opinion that India has been weak in dealing with the U.S. The American President is on cloud nine proudly proclaiming that 'we agreed to a trade deal'. But what sort of an 'amazing relationship' is this? India can be a friend of America but not a factotum

to the U.S. at any cost whatsoever.

Mani Natarajan,
Chennai

The cryptic announcement by the U.S. comes as a matter of immense relief, but marks yet another twist in the 'blow hot, blow cold' relations between the two nations. However, the caveats appear to be a glaring instance of direct intervention in the internal affairs of our country. Given the high degree of unpredictability when it

comes to dealing with Mr. Trump, India needs to remain ever vigilant and tread with utmost caution while negotiating with Uncle Sam. The deal appears to be shrouded in mystery and the government must come up with a detailed/elaborate explanation.

B. Suresh Kumar,
Coimbatore

The Opposition's remark about the Prime Minister and the trade deal is jarring and emblematic of reflexive

political negativity. At a time when economic diplomacy warrants institutional restraint and strategic sobriety, such personalised commentary trivialises the complexity of bilateral negotiations. It is widely recognised that the Centre created the coercive trade architecture sought earlier by the Trump administration.

N. Sadhasiva Reddy,
Bengaluru

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

There is no case for scrapping MPLADS funds

Recently, a controversy broke out over the use of MPLADS funds. Launched in December 1993, MPLADS, or Members of Parliament Local Area Development Scheme, is a Central Sector Scheme fully funded by the Government of India. It enables Members of Parliament to recommend developmental projects focusing on creating durable community assets (such as roads, school buildings, and water facilities) in their constituencies.

The case at hand

Last month, the Bharatiya Janata Party (BJP) alleged that three Congress MPs from Rajasthan had misused the MPLADS funds. The party claimed that Brijendra Singh Ola of Jhunjhunu had allocated ₹25 lakh, Rahul Kaswan of Churu had allocated ₹50 lakh, and Sanjana Jatar of Bharatpur had allocated ₹45 lakh for developmental work in the Kaithal district of Haryana, instead of utilising the funds for developmental work within their constituencies in Rajasthan. This, the BJP argued, ran contrary to the core objective of MPLADS. It raised concerns about the appropriateness of allocating public funds across State boundaries. The party further alleged that the allocations were politically motivated, as Kaithal is the Assembly constituency of Aditya Surjewala, son of Congress leader and Rajya Sabha MP Randeep Singh Surjewala.

The Congress rejected this charge of impropriety. Mr. Ola said that the allocations were made within the framework of existing MPLADS guidelines (2023), which state that elected MPs can recommend eligible works up to a limit of ₹50 lakh in a financial year outside their constituency/State, except in cases of natural calamities. (In the event of a "calamity of severe nature" in any part of the country, an MP can recommend works up to a maximum of ₹1 crore.) He also accused BJP MPs of having previously used MPLADS funds for

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questionable purposes.

The debate over the rationale of this scheme is not new. While critics argue that MPLADS funds are poorly utilised and should be discontinued, supporters of the scheme argue that funds should continue to be given as MPs need them for carrying out developmental work.

Use of funds

The MPLADS Scheme enables each MP to recommend developmental projects worth ₹5 crore annually, usually within their own constituency. According to data from the live MPLADS dashboard (mplads.mospi.gov.in), which is updated as projects progress, during the ongoing 18th Lok Sabha, ₹5,486 crore has been allocated for MPLADS funds. Of this, ₹1,453.69 crore has been spent so far. Many developmental works are still under way.

During the 17th Lok Sabha (2019-2024), ₹4,837.87 crore was allocated for MPLADS funds, of which ₹3,639.53 crore was reported as spent. Of the total ₹6.21 works recommended to be carried out, 41,143 were completed. While nearly half the works were not completed, 75.23% of the allocated budget was spent. The share of the total allocated budget that remained unspent could be attributed to inactivity during at least two years of the COVID-19 pandemic.

The data suggest that the MPLADS funds were used well in previous years as well. During the 16th Lok Sabha (2014-2019), only 8.7% funds remained unused. In the 15th Lok Sabha (2009-2014), this share was much lower (3.47%). And in the 14th Lok Sabha (2004-2009), only 0.99% remained unused.

While it is true that some MPs may not have been able to use their MPLADS funds to the fullest capacity, that cannot be treated as the dominant trend. In fact, there are notable examples of MPs who have fully utilised their MPLADS allocations and it is worth

highlighting them.

According to a report in October 2025, Sant Balbir Singh Seehchawal (Rajya Sabha, Punjab) emerged as the top spender among Punjab's Rajya Sabha MPs, having utilised ₹9.34 crore of his allocation of ₹14.72 crore (over 63%). Mr. Seehchawal had primarily utilised his funds to address water scarcity in villages.

Iqra Choudhary, the Samajwadi Party MP for Kairana, has been appreciated by many for maintaining a fully updated MPLADS profile with geotagged images. This exemplifies transparency and enables a citizen to easily verify what work was done and where.

In the 17th Lok Sabha, Tejasvi Surya (Lok Sabha MP from the BJP representing Bengaluru South) spent ₹19.36 crore, according to an analysis by Bangalore Political Action Committee. By also asking the highest number of questions in the Lok Sabha, he emerged as a top performer among Bengaluru city MPs.

Abhishek Banerjee, the Trinamool Congress MP from Diamond Harbour, was cited in a report for having the highest number of project completions among West Bengal MPs. He completed 173 works and spent ₹6.13 crore.

No case for discontinuation

There is therefore no case for discontinuing the MPLADS Scheme or for rethinking or reducing the amounts. A better approach for improvement would be to organise short workshops with consultants, where MPs are guided on how to effectively utilise their MPLADS funds for development purposes.

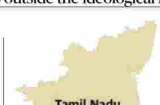
After all, MPs know the importance of utilising MPLADS funds. Expenditure on developmental projects within their constituencies addresses local needs and gives them political benefits. And it is when people truly benefit that MPs are given a greater chance of getting re-elected.

Why the BJP struggles in Tamil Nadu

Tamil religiosity functions outside the ideological framework of the Sangh Parivar

STATE OF PLAY

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In theory, Tamil Nadu should have been fertile ground for the BJP and the Sangh Parivar to take root. The State's cultural landscape includes the Bhakti movement, temples, a vast body of devotional literature, and Sangam poetry that praises several deities. Despite the rationalist movement, a majority of the people are believers. Even several politicians who benefited from 'Periyar' E.V. Ramasamy's Dravidian movement continue to practise faith in their personal lives. In fact, the few leaders who remain committed to Periyar's hard-core ideology have been unable to persuade their own families to follow it fully.

Yet, the BJP has failed to convert religious Hindus into political Hindus in Tamil Nadu. This is because the socio-religious tradition of the region – from the Bhakti movement to the Self-Respect Movement – has been deeply anti-Brahmin and hostile to Brahminical rituals and Sanskrit modes of worship.

There has also long been resistance among Tamils to viewing themselves primarily through the homogenising category of 'Hindu'. Internal sectarian identities have often been stronger than any pan-Hindu consciousness. The Supreme Court's decision to appoint a retired judge to mediate the Vadakalai-Tenkali dispute among Vaishnavites at the Varadaraja Perumal Temple in Kanchipuram underlines this fragmentation. The antagonism between Shaivites and Vaishnavites has been no less intense.

The Dravidian movement

itself has its roots in the historical conflict between Brahmins and Vellalas. The Vellalas, a land-holding community with expertise in agriculture, were predominantly Shaivites. The intellectual foundation of the Dravidian movement was laid largely by educated Vellalas who were anti-Brahmin.

The historian, A. R. Venkatachalapathy, in *Dravida Iyakkam Vellalarum*, notes that while several Vellala scholars supported the Self-Respect Movement, they were furious when the magazine *Kudi Arasu*, run by Periyar, published a series of articles ridiculing the Periyarapuram, the poetic hagiography of the 63 Shaivite saints. This episode reveals the limits of Vellala support for radical rationalism when it encroached upon Shaivite devotional tradition. In its early years, the DMK itself was derisively referred to as the *Dravida Mudaliar Kazhagam* – a criticism of the strong presence of Mudaliars, a community ranked just below Brahmins in the traditional social hierarchy, in the party.

Alongside these developments, a distinct intellectual tradition emerged among the Scheduled Castes (SCs) in Tamil Nadu. Pandit Iyothetta Thangas was a formidable scholar who articulated a radical critique of caste and religion. Another prominent SC leader, Swami Sahajananda, while aware that the core structure of Hinduism rested on the var-

na system, nevertheless remained a practising Hindu and even spoke against the consumption of beef. These examples complicate any simplistic narrative that equates anti-caste politics with a rejection of religious belief.

What then worked against the BJP – and continues to keep it at a distance in Tamil Nadu – was the emergence of the AIADMK as a major political force. M.G. Ramachandran (MGR), the founder of the AIADMK, was a devoted follower of the goddess, Mookambika, and popularised the deity across Tamil Nadu. Jayalitha even sent bricks to Ayodhya for the construction of the Ram temple. In effect, they neutralised the BJP's appeal by occupying the space of "soft Hinduism" within a Dravidian political framework.

Had MGR remained within the DMK, the absence of the AIADMK from the political landscape might have enabled the Congress to function as a viable opposition and even capture power. In such a scenario, the BJP could have more easily displaced the Congress and occupied that space. Instead, the AIADMK foreclosed this possibility, leaving the BJP without a clear ideological or electoral opening.

By preferring a status quo approach to the caste system, the BJP has failed to reflect the ethos of Tamil Nadu. When there were demands for performing pujas in Tamil and for the appointment of non-Brahmins as priests, BJP leaders opposed them.

The BJP-led Central government has also failed to proactively implement major development schemes in the State. It has been unable to turn the tables on the Dravidian parties, which have a strong organisational base and deep cultural legitimacy.

Has the 16th Finance Commission sidelined the States?

Despite a rare consensus among States, the Commission has aligned with the Centre's priorities

DATA POINT

Vignesh Radhakrishnan
Sambavi Parthasarathy

The 16th Finance Commission (FC)'s vertical devolution recommendations prioritise the needs of the Centre over the realities of States. By merely acknowledging, rather than heeding, States' fiscal pressures, the FC has taken a distinctly conservative stance.

To grasp the underlying tensions, we must first look deeper into the structural issues. The 16th FC has maintained the vertical devolution rate at 41%, representing the States' share of the divisible pool. Crucially, this divisible pool excludes cesses, surcharges, and collection costs, meaning its total volume is dictated by the Centre's tax strategy. By favouring cesses and surcharges over standard tax instruments, the Centre effectively shrinks the shareable revenue; conversely, a shift back to traditional taxation would expand it.

Data show the way the present regime has gone about it. **Chart 1** is a simplified representation of the divisible pool. Between 2013 and 2019, for every ₹100 collected by the Centre, about ₹93-95 was collected as taxes and duties that form the divisible pool; the remaining ₹5-7 was collected as cesses and surcharges, including the expenditure incurred in collecting these taxes. In 2021-22, for every ₹100 collected, ₹86.5 was collected as taxes and duties, while the cesses and surcharges component increased to ₹13.5. For 2025-26, the Centre is expected to collect ₹89 as taxes and duties and ₹11 as cesses and surcharges. The GST compensation cess was not included in this analysis, as it was collected to compensate the States for revenue loss due to the implementation of GST.

Let us juxtapose the figures: post-2019, the cesses and surcharges component has nearly doubled from ₹5-7 to ₹11-13.5 for every ₹100

collected. Notably, the 16th FC has also come to the same conclusion: "In 2011-12, this non-shareable portion of revenues was 1.1% of GDP, and the divisible pool was 9.1%. By 2023-24, the non-shareable portion had expanded to 2.2% of GDP while the divisible pool stood at 9.4%."

Further evidence of this is also seen in **Charts 2A** and **2B** which are based on absolute collections data presented in Parliament on Tuesday. The money collected as cesses by the Centre – excluding GST compensation cess – increased from ₹44,688 crore in FY15 to ₹3,52,650 crore in FY22 and is expected to be around ₹2,51,206 crore in FY26. Similarly, surcharges collected have risen from ₹15,702 crore in FY15 to ₹40,758 crore in FY22 and is expected to be around ₹1,72,500 crore in FY26.

This unbridled rise in cesses and surcharges means that the share of the divisible pool in the Centre's Gross Tax Revenue (including the GST compensation cess) is expected to remain below 90% for the sixth consecutive year (**Chart 3**). In contrast, between FY13 and FY18, this share remained consistently above 93%. While the debate rages over whether to maintain, raise, or lower the vertical devolution rate of 41%, the underlying divisible pool is shrinking because the Centre is increasingly collecting revenue through cesses and surcharges.

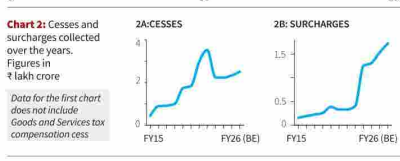
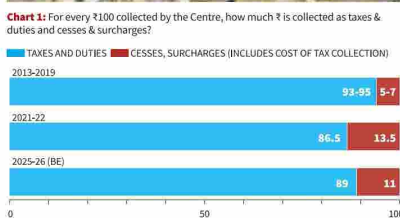
As many as 18 States – including Odisha, Haryana, and Gujarat, Kerala, and Tamil Nadu – have demanded an increase in vertical devolution from 41% to 50%. Most other States have advocated for a more moderate increase to 45% or 48%. In stark contrast, the Centre called for a "moderation in tax devolution". While the 16th FC kept the rate unchanged in an apparent attempt to balance these competing demands, the reasoning provided suggests that maintaining the status quo primarily serves the Centre's interests.

First, the FC notes that the Constitution does not permit a cap on cesses and surcharges. It argues that the Centre requires these funds for emergencies such as war, famine, and pandemics, concluding that imposing a limit would be "imprudent". Interestingly, the FC simultaneously acknowledges that long-term reliance on these levies is "undesirable", warning that if the Centre continues to favour them, it may "lose interest in standard instruments of taxation", an outcome detrimental to States' interests. Furthermore, the FC points to "recent shifts in the external security and defence environment" as a justification for increased defence spending, while asserting that the Centre has demonstrated a "high degree of effectiveness" in infrastructure building, necessitating greater financial support. Also, it maintains that the current distribution of tax revenues "gives States sufficient resources to discharge their constitutional responsibilities". It concludes by suggesting that the resolution lies in a mutual agreement between the Centre and the States, whereby the Centre voluntarily transitions a large part of its revenue collection from cesses and surcharges back into the divisible pool of regular taxes.

The FC's interpretation of the fiscal landscape ultimately raises more questions than it answers. First, could the architects of the Constitution have ever envisioned such a disproportionate rise in cesses and surcharges? Second, by declaring a cap on cess as "imprudent", has the FC not effectively forced the Centre to draw its own boundary, by refusing to play mediator? Third, doesn't the claim that the Centre demonstrates efficiency in infrastructure ignore the fact that high-performing States are getting the raw end of the bargain? Finally, if the States truly possess "sufficient" resources, why have nearly all of them – regardless of political affiliation – unambiguously demanded a larger share?

Status quo in States' share

The data for the charts were sourced from the Rajya Sabha Questions and Answers, 16th Finance Commission report and CAG reports



Figures presented are as a % of gross tax revenue. The figures for 2024-25 are revised estimates and for 2025-26 are Budget estimates.

FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO FEBRUARY 4, 1976

'Wages by cheque will keep away lenders'

New Delhi, Feb 2: The Union Labour Minister, Mr. K.V. Raghunatha Reddy, told the Lok Sabha today that the Government would look into the question of opening branches of banks in colliery areas, tea gardens and other places to help workers encash their wage cheques.

Mr. Reddy, who was replying to the debate on the Payment of Wages (Amendment) Bill, assured members that payment of wages by cheque as provided for in the Bill would be purely voluntary. No employer could make payment by cheque without the authorisation of the employee.

The Bill, which has already been passed by the Rajya Sabha, sought to replace an ordinance amending the Payment of Wages Act to enable employers to make payment of wages by cheque. The Lok Sabha approved the Bill after accepting an official amendment of a technical nature.

During the discussion, members from all sides of the House except the CPI(M), welcomed the measure. They expressed the hope that the Bill would liberate workers from the clutches of money-lenders. But Mr. Dinan Bhattacharya (CPI-M) contended that the employers would try to make payment by cheque compulsory. This would lead to great hardships to the workers, he said.

Moving the Bill, Mr. Raghunatha Reddy said the Bill was designed to protect workers from the stranglehold of moneylenders. He did not agree with Mr. Dinan Bhattacharya that payment by cheque would add to the difficulties of workers.

A HUNDRED YEARS AGO FEBRUARY 4, 1926

Maintaining Britain's food supply

London, Feb. 3: It is learnt that Government's plans for maintaining essential food supplies in the case of national emergency have reached an advanced stage of preparation. It is now disclosed that the Board of Trade recently circularised the wholesale food merchants regarding available stocks and sources of supply and is at present tabulating their replies and perfecting a skeleton organisation for distribution all over the country directed by twelve district officers under the central command of Postmaster-General.

Text & Context

THE HINDU

NEWS IN NUMBERS

Number of Moroccans evacuated due to severe weather

50 In thousand. More than 50,000 people have been evacuated from their homes in northern Morocco due to severe weather and heavy rainfall affecting several provinces, the interior ministry said. The evacuations began on Friday, mostly in the Larache province. AFP

Number of Indian visitors hosted by Singapore in 2025

1.2 In million. Singapore hosted more than 1.2 million visitors from India in 2025, a 1% increase from the previous year, according to Singapore Tourism Board (STB) data. Overall International Visitor Arrivals (IVA) reached 16.9 million in 2025, representing 2.3% growth compared to 2024. PTI

Number of foreign visitors hosted by Spain last year

96.8 In million. Spain has set a new tourism record, welcoming nearly 96.8 million foreign visitors in 2025, according to figures released by the National Statistics Institute. The number of visitors saw an increase of 3.2%, compared to 2024, which saw 94 million tourists. AP

Amount Rajasthan collected as fines in 3 years for polluting

16.56 In ₹ crore. The Rajasthan government informed the Assembly that over 5.99 lakh challans were issued, and more than ₹16.56 crore was collected as fines against polluting activities in the State over three years. This was given in a written reply. PTI

The size of Bihar government's Budget for 2026-27

3.47 lakh crore. The Nitish Kumar government presented a ₹3.47 lakh crore Budget, asserting that the State was making progress at a rapid pace and that the estimated growth rate for the current fiscal was an impressive 14.9%. PTI

COMPILED BY THE HINDU DATA TEAM

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How did the space sector fare in the Budget?

While budget numbers for the space sector suggest that the state-led programme is stabilising, the Finance Ministry has overlooked the structural reforms that industry bodies like the SatCom Industry Association-India and the Indian Space Association have demanded

ECONOMIC NOTES

Vasudevan Mukunth

The Indian space program has moved out of its post-pandemic slump and is entering a phase of sustained, if also cautious, consolidation. Since 2012-2013, the national space budget has grown by 182%. While this sounds massive, most of the growth actually happened in the last decade, especially between 2014 and 2019. Allocations have increased more slowly in the last five years. In fact, for a while, the 2019-2020 expenditure of ₹13,017 crore was like a high ceiling that the Department of Space struggled to exceed in actual spending terms, thanks to the COVID-19 pandemic and delays due to missions being rescheduled.

The 2026-2027 budget estimate is now 5.3% higher than the pre-pandemic peak, indicating that the 'lost years' of the pandemic are officially over, with the Department finally planning for a scale of operations that actually exceeds its previous historical maximum. In fact, if the expectation for NewSpace India, Ltd. (NSIL) to generate ₹1,403 crore from its own internal resources is included, the expenditure on the total space ecosystem is currently around ₹15,000 crore.

Structural reforms

The fiscal roadmap, however, also reveals a disconnect between the government's rhetoric on privatisation and financial reality. The budget numbers suggest that the state-led programme is stabilising, but by focusing almost exclusively on direct budgetary support to the Indian Space Research Organisation (ISRO) and administrative costs for IN-SPACe, the Finance Ministry has overlooked the structural reforms that industry bodies like the SatCom Industry Association-India (SIA-India) and the Indian Space Association (ISpA) have demanded.

Leading up to the Budget, these industry associations had coalesced around a specific set of demands designed to make Indian space manufacturing globally competitive. As articulated in pre-budget memoranda submitted by SIA-India and ISpA to the Ministry, the sector desperately needs a Production Linked Incentive (PLI) scheme for space-grade components, echoing the success seen in the mobile manufacturing sector. They further recommended rationalising GST rates for satellite launches to lower entry barriers.

However, the 2026-2027 Union Budget is silent on these fronts. There is no PLI scheme to subsidise the high cost of domestic manufacturing nor a dedicated 'space fund' beyond the administrative allocation to IN-SPACe, the nodal supervisor and promoter of non-governmental entities in the space programme. Instead the government has effectively continued its role as a provider of funds to its own agency, ISRO, rather than evolving into the sort of facilitator industry representatives have been asking for. "Given that ISRO is taking a stand that IN-SPACe is the promoting agency, [the latter] should have been allocated at least ₹1,000 crore or so to run its own schemes to support the industry," Narayan Prasad, co-founder of satearth, the largest supply chain discovery platform in the space industry, told *The Hindu*. "The funding for IN-SPACe [would mostly have been] to create demand for high tech platforms like new generation microsatellite bus, and novel payloads and subsystems that can have significant



Private constraints: The PSLV-C62 rocket, carrying an earth observation satellite along with 14 other co-passenger satellites to orbit, is seen at the launch pad at the Satish Dhawan Space Centre in Sriharikota, Andhra Pradesh on January 11. PTI

service implications."

'Death valley'

Both ISpA and SIA-India have argued that the current GST regime creates a cash-flow problem: space companies pay significant taxes on high-tech imports and raw materials but because their final product is often exempt, they can't claim refunds on these inputs. The result is a hidden 18% tax on manufacturing, which makes 'Made in India' space hardware more expensive than components from jurisdictions with integrated VAT/GST refunds. Both associations have instead demanded a "zero-rated" GST regime, similar to exports, to allow companies to claim full refunds on input taxes and thus free up liquidity.

Perhaps the most significant missed opportunity was the refusal to classify the space sector as 'critical infrastructure'. In its pre-budget submission, ISpA had argued that this classification is essential to access long-term low-cost lending from institutional banks. They estimated that such a status, which would cover ground stations, launch pads, and telemetry networks, would reduce the cost of capital by 2-3% – a difference that could decide if a project is viable in a capital-intensive industry with gestation periods of half a decade or more.

The global space economy is currently transitioning to a high-volume commercial model with smaller margins. India currently holds around 3% of the global space market and the government has resolved to reach 10% by 2030. Without 'critical infrastructure' status, however, Indian start-ups will have to continue to borrow at commercial rates

(often 10-12%) while international competitors in the U.S. (SpaceX, Blue Origin) or Europe (Arianespace) are able to access venture debt or state-backed financing at lower interest rates.

Industry members have also highlighted a lack of relief to plug the gap between initial investments in research and development (R&D) and first revenue, colloquially called the "death valley". SIA-India and ISpA have both asked for a five-year tax holiday and tax credits for R&D, to incentivise heavy research spending. Otherwise, the financial risk remains entirely on the private entity and discourages the deep-tech innovation the government claims to want. "It seems like the government is interested in industry but ISRO is not," Mr. Prasad said. "ISRO has neither created significant pathways nor subsidised efforts that allow engagement of startups."

Therefore, industry members state that private firms will likely remain "second-grade" suppliers for ISRO's designs rather than endeavour to develop their own intellectual property. This in turn could prevent disruptive innovation, like reusable rockets or satellite-based IoT, which usually flourishes when private firms have the liquidity to take risks. It could also lead to brain drain.

'Inertia model will continue'

"India's private space ecosystem is entering a critical growth phase where early-stage capital must bridge the gap between prototype development and commercial scale-up," Deloitte India had written in a budget expectations report. "Despite rising investor interest since liberalisation in 2020, deep-tech ventures

remain constrained by high hardware burn rates, long gestation timelines and limited private risk appetite."

In the 2024-2025 Budget, the Finance Ministry announced a dedicated Venture Capital (VC) fund of ₹1,000 crore for the space sector to boost the space economy five times over the subsequent decade and to close the "death valley". The Cabinet cleared the setting up of this fund in October 2024 and placed it under the aegis of IN-SPACe. After SEBI approved the fund, the Ministry earmarked ₹150 crore for 2025-2026. However, ISpA and SIA-India have differentiated between equity investment (which the VC fund provides) and fiscal or structural support, such as direct funding for high-risk R&D and for building private launch pads. That is, while the VC fund was a significant move for innovation, even if it was quite small, relative to the industry's needs, as experts noted last year, it doesn't get rid of the capital traps created by the GST regime and the high cost of debt for infrastructure projects.

In effect, the government has opened the door to the private sector legally, but financially it has yet to clear the path. The budget stabilises the public space programme, ensuring ISRO has the funds for Gaganyaan and future planetary missions, but has ignored the fiscal levers of GST rationalisation, infrastructure status, and tax holidays, which the industry's own representative bodies have championed. Thus it stops short of creating a viable private space market.

"Basically this indicates that, this year again, the inertia model will continue, with ISRO focusing on activities within itself," Mr. Prasad added.

THE GIST

▼ The fiscal roadmap reveals a disconnect between the government's rhetoric on privatisation and financial reality.

▼ Both ISpA and SIA-India have argued that the current GST regime creates a cash-flow problem: space companies pay significant taxes on high-tech imports and raw materials but because their final product is often exempt, they can't claim refunds on these inputs. The result is a hidden 18% tax on manufacturing, which makes 'Made in India' space hardware more expensive.

▼ Industry members have also highlighted a lack of relief to plug the gap between initial investments in research and development (R&D) and first revenue, colloquially called the "death valley".

ECONOMIC NOTES



At crossroads: Prime Minister Narendra Modi salutes marching NCC cadets during the NCC Rally at Cariappa Ground, in New Delhi on January 28, PTI

Why the government has increased capital spending for the defence sector

The government has announced a record ₹7,84,678 crore for defence in the FY2026-27 Union Budget, addressing urgent military needs amid geopolitical tensions. The increased funding aims to enhance domestic capabilities and support the Aatmanirbhar Bharat initiative

Anushka Saxena

For years, the Indian defence budget has been caught in a classic “guns versus butter” dilemma, attempting to balance the costs of human-power with the need for technological modernisation. If the figures released in the FY2026-27 Union Budget are any indication, the government seems to be turning the tanker. The FY2027 defence budget, hovering near the substantial ₹8 lakh crore mark, has the potential to meet the demands of a rapidly modernising military force and an expanding domestic defence industry.

The capital outlay

The absolute figures are robust. The total Ministry of Defence (MoD) expenditure has touched a historic high, nearing ₹7,84,678 crore for FY27 (Budget Estimate). This allocation accounts for 14.7% of the Government's total expenditure at the BE stage for FY27. While this percentage is a slight dip from the Revised Estimates (RE) of 14.8% in FY26, it marks a significant stabilisation compared to the lean years of FY21 and FY22, when the defence share had shrunk to nearly 13.2%. If New Delhi can continue to floor defence spending at 14-15% of the central spending pie, it would gradually insulate national security imperatives from the vagaries of fiscal consolidation.

The spectre of ballooning revenue expenditure, specifically salaries and pensions, has haunted defence planners for decades. Because capital outlay is the fund that goes into modernisation and the purchases of big-ticket items such as armour, ships or aircraft, it is expected that revenue and capex components of a defence budget are at parity.

Utilising and diversifying

In the FY27 BE, the share of capital outlay has risen to 27.9% of the total defence budget. This is a remarkable jump from the 24.9% figure for FY23 (Actuals) and the 24.5% figure for FY20 (Actuals). In absolute terms, the capital outlay for FY27 BE stands at a staggering ₹2,19,306 crore. To put this in perspective, just a year prior, the BE for FY26 had allocated ₹1,80,000 crore for capital expenses. A year-on-year leap of nearly ₹40,000 crore in the capital head is hence significant. Not to mention, at the RE stage in FY26, more capex has been demanded, which is

A significant increase

This is the first full Union Budget presented after Operation Sindoor, and the financial footprint of the conflict is likely reflected in the budget for defence. The four-day intense aerial engagement following the Pahalgam terror attack exposed the need for a stockpile of armament

CHART 1: Defence expenditure as a percentage of total government expenditure (in ₹ crore) across select years, and at various Budget stages



CHART 2: Comparative figures of capital outlay (in ₹ crore) across the past four years, and at various Budget stages

Years/ Stages	FY 23	FY 24	FY 25	FY 26	FY 27
BE (₹ crore)	1,52,369	1,62,600	1,72,000	1,80,000	2,19,306.47
RE (₹ crore)	1,50,000	1,57,228.2	1,59,500	1,86,454.2	-
Actuals (₹ crore)	1,42,940.01	1,54,256.28	1,59,768.4	-	-

CHART 3: Composition of MoD budget/ expenditures in percentage across select years, and at various Budget stages



a departure from previously observed trends wherein the BE is always higher than the RE, and the RE is nearly always higher than the Actuals (see Chart 2).

However, to understand fully the urgency in these figures, one must acknowledge three main aspects of capex utilisation and the geopolitical realities of the past few years.

Firstly, this is the first full Union Budget presented after Operation Sindoor, and the financial footprint of that conflict is likely reflected in the demands for grants. The four-day intense aerial engagement following the Pahalgam terror attack exposed the need for a stockpile of

armament such as precision-guided munitions (PGMs) and loitering munitions, especially if the Indian armed forces are to prepare for a two-front challenge involving both China and Pakistan. In that regard, it is possible that the 21.8% jump in capital outlay is not just for future-proofing, but also for the replenishment of the war wastage reserves depleted in May 2025.

Secondly, the expenditure trends may also signal that Emergency Procurement (EP) – once an adhoc measure after the Galwan incident – has now been effectively institutionalised. The rapid spike in capital spending suggests that the

fast-track mechanism used to induct anti-drone systems and long-range vectors during Operation Sindoor could now be the standard operating procedure for critical technologies.

Thirdly, a critical nuance often missed in headline numbers is the concept of committed liabilities. These are payments due in the upcoming FY for contracts signed in previous years. Historically, a major chunk of capex has been absorbed by past obligations, which could include, say, installments for S-400s, Rafales, or Akash missiles signed years ago, leaving less untied cash for new signings. The hope is that the capex hike breaks this cycle, given that the Government will be able to sign contracts for the procurement of say, Advanced Medium Light Aircraft, or Project 75I diesel-electric submarines, funds worth at least 10-15% of the total contract amount must be free for the agreement to go through in FY27.

Composition statistics

Finally, an assessment of the composition of the total MoD expenditure shows that the share of pensions in the total defence budget has contracted to 21.8% in FY27, down from 26% in FY20. Similarly, the salary component has moderated to 22.4%, a sharp decline from the 30% high seen in FY20.

While the absolute pension bill remains high, its share of the pie is shrinking, likely a preliminary result of the Agnipath scheme and a deliberate policy to cap revenue expenditure. With ₹2.19 lakh crore in the kitty for capital expenditure, the pressure now shifts to the domestic industry. The government has reserved nearly 75% of the capital acquisition budget for the domestic industry under the Aatmanirbhar Bharat initiative.

The challenge, however, remains absorption capacity. Can defence public sector undertakings and private sector players deliver on time? The “Buy Indian-IDD” (Indigenously Designed, Developed, and Manufactured) route of the Defence Acquisition Procedure is valuable, but recent operational urgencies dictate that delivery timelines cannot be flexible.

The heavy allocation suggests that the government is confident in the maturity of the Indian defence industrial base, and so, business performance, too, should reflect commitment to the act.

Anushka Saxena is a Staff Research Analyst at the Takshashila Institution.

FROM THE ARCHIVES

Know your English

S. Upendran

What is the meaning of “humdinger”? (Usha, Andhra Pradesh)

This is a word that was used quite frequently by the experts during the World Cup matches. The first syllable “hum” rhymes with “sum”, “rum”, and “come”. The second syllable “dinger” sounds like “singer”, “ringer”, and “bringer”. The stress is on the first syllable “hum”. “Humdinger” is an informal word which means “excellent”, “marvellous”. It can be used to refer to a person or a thing. Here are a few examples. The two matches between South Africa and Australia were humdingers. Everyone expected the final to be a humdinger. It turned out to be a damp squib.

What is the meaning and origin of “on cloud nine”? (Surabhi Nagappa)

When someone says that he/she is on cloud nine, it means he/she is extremely happy; he/she is on top of the world. Kasi was on cloud nine when he found out he was going to become a father. When the well known director asked Sumathi to be the heroine in his next movie, she was on cloud nine for days. This expression is frequently used by the Weather Bureau in the United States. Cloud nine is used to refer to the “cumulonimbus” clouds – the storm clouds that you see before it starts pouring. I understand that sometimes these clouds reach a height of 30,000 or 40,000 feet. So when you are on one of these clouds, you are pretty high indeed. You might feel, literally, on top of the world. Hence the meaning, to be very happy. The expression was made popular in the 1950s by a radio series titled, “Johnny Dollar”. In this series, the hero was often knocked down unconscious. When he was in this state, he was transported to cloud nine from where he would continue to talk to the listeners.

What is the difference between “till” and “until”? (Somasundaram, Kodambakkam, Chennai)

“Until” is considered to be more formal than “till”; otherwise there is no difference between the two. They are often used interchangeably. Here are a few examples. I waited until/till the Chairman arrived. Her parents refused to buy her a bicycle until/till she learnt to become a little more responsible. I want to stay in Singapore till/ until the end of the month. We often hear people say “We walked until the gate and came back”. This is wrong. “Until” and “till” both have to do with time, not distance. We should say, “We walked to the gate and came back”.

What do you call the lines that are by the side of someone's eyes? (Jailakshmi, Chetput, Chennai)

The lines are called “crow's feet”. The singular is “crow's-foot”. Why are they called “crow's feet”? Because the lines look like the feet of crows! Not a very favourable comparison, is it?

Published in The Hindu on June 29, 1999.

THE DAILY QUIZ

On Sunday, Carlos Alcaraz became the youngest male tennis player to complete a career grand slam in the open era. Here is a quiz on the grand slams

Vignesh P. Venkitesh

QUESTION 1

Starting off with an easy one, name the four grand slam tournaments.

QUESTION 2

What is a golden slam?

QUESTION 3

Roger Federer, Rafael Nadal, and Novak Djokovic are considered the ‘big three’ of tennis. Who among them has not completed the golden slam?

QUESTION 4

Name the first male and female players to complete calendar grand slams in the open era.

QUESTION 5

Who was the first male player to complete a golden slam?



Visual question:

Name this player who was the first ever to win a golden slam, and the only one to achieve it in a calendar year. FILE PHOTO

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

1. This game led to mass public gatherings in 2016. **Ans: Pokemon Go**

2. This photo filter became the defining trend of 2016. **Ans: Dog filter**

3. This actor received his first Oscar in 2016. **Ans: Leonardo DiCaprio**

4. 2016 marked 10 years since the launch of this microblogging service and Google acquiring this platform. **Ans: Twitter; YouTube**

5. Groups froze in stylised poses in this trend. **Ans: Mannequin challenge**

6. This person was elected President of the U.S. in 2016. The U.K. voted to leave the EU in this referendum. **Ans: Donald Trump; Brexit**

7. This telecom launch in 2016 changed market dynamics. This economic move faced backlash. This sitting woman Chief Minister died after prolonged hospitalisation. **Ans: Reliance Jio; Banknote demonetisation; Jayalalitha**

Visual: Name this social media platform. **Ans: TikTok**
Early Birds: K.N. Viswanathan| Anisa Haque| Sukdev Shet| Piyali Tuli| Dodo Jayaditya

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

Word of the day

Flagellation:

beating as a source of erotic or religious stimulation; beating with a whip or strap or rope as a form of punishment

Synonyms: flogging, lashing, tanning, whipping

Usage: After failing to deliver the parcel, he engaged in a mental session of self-flagellation.

Pronunciation:

newsth.live/flagellationpro

International Phonetic Alphabet:

/flædʒɪˈleɪʃən/

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

the hindu businessline.

WEDNESDAY • FEBRUARY 4, 2026

Fair balance

16th Finance panel formula awards 'efficient' States

In its award for the sharing of tax resources for the 2026-31 period, the 16th Finance Commission has managed to strike a fair balance between rewarding equity and efficiency. It sought to address a longstanding grievance of the 'better performing' southern and western States by carving out a slightly larger share of the resource pie for them as a reward.

So, in the 'horizontal devolution' formula, equity parameters such as 'income distance' from the richer States and area have been pared, while contribution to GDP, introduced for the first time, has been accorded generous emphasis. As for 'vertical devolution', the 15th finance panel's formula of 41 per cent share of the divisible tax pool has been retained, but revenue deficit grants have been done away with, to boost fiscal rectitude. Grants to local bodies have been raised sharply. Arguing that the needs of States can be met by rationalising expenditure, the panel has said that unconditional cash transfers as well as financing of subsidies through off budget borrowings should stop. Therefore, the nearly ₹3 lakh crore grants awarded by the 15th finance panel to eliminate revenue deficit have been done away with. But grants to urban local bodies have nearly doubled to ₹9.47 lakh crore. Ideally, the ratio of finance-panel transfers to discretionary non-finance panel transfers should rise. An approach that pushes rights-based transfers with enforcement of fiscal discipline is the best one.

Southern States have been griping over successive finance panel awards. Their grouse is valid, but overstated. In their success, the labour from northern States has had a role to play. Nevertheless, the latest award does well to reward their governance without going overboard. In the horizontal sharing formula, the distance of the per capita income of a State from the average of the per capita incomes of the three richest States or 'income distance' has been accorded a weight of 42.5 per cent, against 45 per cent in the 15th panel award. In a notable perspective shift, the weight given to demographic performance has been reduced from 12.5 per cent to 10 per cent, taking into account the rising share of elderly population. This is a realistic course correction. As a result of these shifts, Karnataka, Kerala, Gujarat, Andhra Pradesh, Punjab and Haryana are the dominant gainers, while Bihar, Uttar Pradesh, West Bengal, Odisha and Madhya Pradesh have lost out. However, UP, Bihar, West Bengal, Madhya Pradesh get to keep the major chunk on account of poverty, area and population. The latest award does not come down as harshly on cesses and surcharges as the previous ones. While urging the States to exercise fiscal discipline, the award should also have argued for a Central limit to cesses and surcharges, that erode the divisible pool. That would have seemed even-handed. But in all, the 16th finance panel formula does well to promote cooperative federalism.

POCKET

RAVIKANATH



LINE & LENGTH.

TCA SRINIVASA RAGHAVAN

The pattern is as unmistakable as it is extraordinary. Where India and the US are concerned, India first defies and then concedes. All prime ministers have done this. None has learnt from the mistakes of the predecessors.

In 1962, 1965, 1966, 1991, 2001, 2009, 2025 and 2026 we made a big show of standing up to America and then quietly gave in. As my good friend Brijeshwar Singh reminds me, if you live in Rome, you don't fight with the Pope. Or as they say in Hindi, you don't fight with the alligator if you live in the river.

The Indian record goes back to the late 1940s when the US offered a hand of unqualified friendship which Nehru haughtily refused to shake. It must be said to his credit, though, that he stuck to his anti-American stance throughout the 1950s and had to beg for help only after the Chinese had walloped us in 1962.

The 1960s and the 1970s, mostly under Indira Gandhi, were an unmitigated disaster for Indo-US relations. But India did have to give in to American pressure in 1966 when Mrs Gandhi personally negotiated the 36 per cent devaluation with the World Bank president — strangely not the IMF — in return for a billion dollar aid package, which never materialised.

Can you imagine that? An Indian prime minister haggling with the World Bank president, who actually wanted a 45 per cent devaluation? Mrs Gandhi didn't bother to tell her Cabinet what she had agreed to for three long months.

It took two decades for Indo-US relations to recover because in 1971 India went into the Soviet tent.

HALF PREGNANT RELATIONSHIP Then came the late 1980s. America was once again fluttering its ample eyelashes at us. In 1988 for example, via the IMF, it kept asking us to take a loan to prevent a balance of payments problem.

But guess what? We said what Gandhiji had said to Mountbatten in 1947: leave us to our fate.

And what a fate it was, my countrymen. First Rajiv Gandhi in 1988 and 1989, and then VP Singh in 1990, told the US to take a walk. Not just that. We came down firmly on the side of Saddam Hussein in 1990. The US was infuriated.



Twists and turns in our ties with America

TRADE DEAL. We can spin it like a top but the fact remains: Trump has got what he wanted

Soon, in 1991, India found itself with just one billion dollars of foreign exchange, and had to crawl back to the IMF. It thus became quite evident that you couldn't cook a snook at the US for very long, you know, if you live in Rome, you can't afford to fight with the Pope.

Things started going well until May 1998 when India conducted its second nuclear test. Caught unawares, America was incensed and immediately imposed economic sanctions. It took four years and a lot of pleading for them to be lifted.

The 1960s and the 1970s were an unmitigated disaster for Indo-US relations. But India did have to give in to American pressure in 1966

In 2002. Then came the nuclear deal of 2005. You should read what all India agreed to. It was what is now called a comprehensive economic agreement. But India could not deliver and over the next few years the US once again took a strong dislike to India. Barack Obama was especially rough on Manmohan Singh.

Trump I and Modi I seemed to hit it off splendidly initially but once again India remained defiant. It wouldn't open its markets. Besides, we had four years to gauge Donald Trump but sat around the pool scratching our bellies.

In 2021 came Joe Biden. His efforts were stonewalled by us in the belief that the US needed us more than we needed them. Talk about being complacent and delusional.

Then, last year, Trump 2 called us out. Initially and true to form we once again defied America. That has lasted for

about seven months only.

We can spin it like a top but the fact remains: Trump has got what he wanted.

WHY THIS DEATH WISH?

Even governments that try to kiss and make up end up with serious lovers quarrels. The one exception was Indira Gandhi. She never became friends with America.

It is legitimate to ask therefore: why do we have this great continuity in our American policy? Absolutely no one can figure it out.

Many scholars have tried to understand this anti-American impulse in our politics which runs completely contrary to our social orientation.

Shakespeare got it right when he said "The fault, dear Brutus, is not in our stars, but in ourselves that we are underlings." Read America for stars and confused for underlings.

Address mental health issues early

The Budget and Economic Survey have stressed the importance of mental health, for good reasons

Sadaf Choudhary
Prasu Jain

Across cities and towns, many in the younger generation are quietly battling loneliness, anxiety, and emotional fatigue — often while looking perfectly functional. Rapid urbanisation and migration for work or education have brought opportunity, but also a peculiar kind of fragmentation: new colleagues, new flats, new neighbourhoods, and yet fewer relationships that feel safe enough to hold your worst days. Social media, meanwhile, gives us constant contact without guaranteeing connection. As a result, we are all perennially online, but hardly connected; always visible, but hardly remembered.

This situation is also corroborated by research findings on the loneliness epidemic in India. A global survey by Ipsos in India's major cities reported 43 per cent of urban Indians feeling lonely most of the time, placing India among the top three countries in terms of reported loneliness.

The National Mental Health Survey (NMHS) estimates that 10.6 per cent of adults live with a diagnosable mental disorder, and it reports a large treatment gap; its summary also notes that prevalence is nearly twice as high in urban metros (13.5 per cent) as rural areas (6.9 per cent).

Suicide data reinforces how urgent this is for young people: NCRB analyses show that young adults (18-30) form the single largest share of suicides in India. Apart from impacting the psychological

and emotional well-being of people, studies have shown that loneliness puts people at risk of physical diseases like diabetes, hypertension and obesity, eventually leading to shortened life spans.

'CODE REDS'

But alongside distress, there is something else happening: young people are inventing their own small, practical ways of reaching out — "code reds" — a gesture small enough to make, but big enough to get noticed. For some, it's deactivating Instagram for a day. For others, it's removing a WhatsApp profile picture, sending a late-night "Hi", dropping a missed call, or asking, "Are you free for five minutes?" These signals are intentionally understated. They allow someone to reach out on a hard day without feeling exposed, and they allow friends to recognise that "nothing" might actually mean "something".

It is also why the "eight-minute" idea resonates. You may have seen a clip of bestselling American author Simon Sinek describing how a short, focused conversation can help someone feel heard, valued and less alone. Whether the exact number is five or eight is not the point. The point is that attention — real attention — can interrupt "the spiral".

However, we should be careful not to romanticise peer support. Talking to friends cannot replace therapy, medication, or clinical care when needed. Therapy is a privilege in many parts of India — costly, urban-centred, and often confusing to navigate. And yet,



LONELINESS. Puts people at risk of physical diseases, too. GETTY IMAGES

the growing willingness to seek it is a hopeful sign. So what do we do beyond telling people to "reach out"?

First, we treat community as public infrastructure, not a personal hobby. If loneliness is a public health problem, then social connection deserves deliberate spaces: local libraries that are accessible, public parks that are safe, community centres that host clubs, and neighbourhood events where you meet familiar faces.

EARLY SUPPORT

Second, we institutionalise early support. Schools and colleges should treat counselling as a part of core curriculum, not optional: trained counsellors, referral systems, and life-skills curricula that teach students how to handle stress, rejection, and comparison are essential. Workplaces, especially in high-pressure domains, should move beyond one-off "wellness sessions" to real mental health support: employee assistance programmes, confidential counselling tie-ups, and

managers trained to respond without stigma. The successful implementation of mandatory POSH training at workplaces is a good example to follow for normalising mental health support as well.

Third, we make help-seeking easier and cheaper. A stronger network of community mental health services — through district hospitals, tele-consultations, and affordable clinics — matters just as much as awareness.

It is also important to note that this growing conversation around mental health is beginning to find reflection in public policy. The Economic Survey has drawn attention to rising concerns related to digital addiction, loneliness and mental health.

One response already underway is Tele-MANAS, the 24x7 national mental health helpline, which has handled over 32 lakh calls so far. The Survey describes the expansion of Tele-MANAS as a natural evolution of India's national tele-mental health programme. In the Budget, Finance Minister Nirmala Sitharaman explicitly reaffirmed the commitment to mental health and trauma care while announcing the setting up of a new national mental health institute on the lines of NIMHANS, along with the upgradation of existing centres at Ranchi and Tezpur.

Finally, it is our collective responsibility as a society to pay attention — to take "code reds" seriously.

Choudhary is Officer, Indian Foreign Service, and Jain is Officer, Indian Statistical Service. Views are personal

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

India-US trade deal

The announcement of a deal between India and the US marks the conclusion of a turbulent phase that tested the bilateral relationship across trade, defence and geopolitics. The reported reduction of reciprocal tariffs on Indian goods from 50 per cent to 18 per cent, coupled with the possibility of lifting the 25 per cent punitive tariffs imposed over India's purchase of Russian oil, could place India among the least-tariffed economies in the Indo-Pacific. Coming soon after the conclusion of the India-EU Free Trade Agreement, the deal underscores India's strategy of

holding firm in negotiations while diversifying its trade partnerships.

M Jeyaram
Shivamurthy, TN

Hiking FDI in PSBs

This refers to 'Govt mull raising FDI in public sector banks to 49%' (February 3). In her exclusive interview to *businessline*, the Finance Minister categorically mentioned that the Budget speech didn't cover anything on divestments or mergers in banking, pending receipt of report from a select committee appointed for the purpose. No doubt, increasing foreign investments in PSBs may

bring the required transparency, efficiency. However, all may derail large-scale implementation of social and welfare programmes meant for the small borrower community, with inadequate support from private sector banks so far on this front.

Sitaran Paturi
Bengaluru

Simplify tax ecosystem

Several citizens are likely to be disappointed at not getting any further direct tax breaks. However, it is good that the Budget has avoided frequent tinkering of tax slabs and rates. But has an opportunity been lost? In the interests of a Viksit

Bharat, a move towards greater simplicity is needed. All income must be treated the same — salaries, interest, capital gains, and others. And the total must be taxed at a single rate of say 12 per cent, without slabs. Maybe only the first ₹5 lakh of all income could be tax-free. ITR form must contain just one side of an A4 sheet rather than the 30+ pages of ITR 2 presently.

V Vijaykumar
Pune

STT hike welcome

Applies the edict of 'Better options ahead' (February 3), the decision to increase the Securities Transaction

Tax (STT) on derivatives is a necessary, albeit bitter, pill for the markets. While the initial volatility reflects investor discomfort, the long-term goal of curbing excessive speculation among retail traders is sound. High-frequency trading in the F&O segment often leads to significant capital erosion for small investors who lack the institutional tools to manage such risks. To ensure these measures are effective, the government should consider reinvesting a portion of the increased STT revenue into robust investor education programmes.

M Barathi
Bengaluru

Skills gap mismanaged

IT industry should revisit its earlier skilling success

Prabir Kumar Bandyopadhyay

Today, as artificial intelligence, cloud computing, data engineering, and cybersecurity reshape the economy, India's skills gap has returned to the centre stage of policy debate. Industry leaders argue that graduates are not job-ready; governments respond with skilling missions; universities promise reform. Yet missing from much of this discussion is an uncomfortable truth: skill gaps are not new — and India once addressed them far more purposefully than it does today.

In the 1990s and early 2000s, India's IT industry expanded rapidly despite an obvious shortage of "ready-made" talent. Companies such as TCS, Infosys, and Wipro recruited graduates from diverse academic backgrounds through aptitude-based screening, not because they were fully skilled, but because they demonstrated learning potential. This was followed by structured training programmes lasting three to six months, closely aligned with business needs. Industry estimates suggest that large IT firms trained tens of thousands of fresh graduates annually, creating a scalable and resilient talent pipeline.

Private institutions like NIIT and Aptechn complemented this effort, forming an ecosystem in which industry demand and workforce supply were actively bridged.

Two decades later, the picture looks very different. Despite louder complaints about talent shortages, most large organizations show limited appetite for training hires or long-term skilling investments. This shift has happened at a time when India is undertaking its most ambitious education reform in decades.

The National Education Policy (NEP) 2020 explicitly encourages industry-institute partnerships, flexible curricula, credit-based internships, practitioner-led courses, and applied learning. Universities are revising syllabi, setting up innovation cells, inviting industry experts as adjunct faculty, and actively seeking collaboration. Yet the response from industry has been far more muted.

To be fair, the context has changed. First, the nature of work is more complex. Earlier IT services involved standardised tasks that could be trained at

SKILLS. Bracing for the future
GETTY IMAGES

scale. Today's roles — AI engineering, cloud security, advanced analytics — require deeper specialisation. According to NASSCOM, some emerging digital roles can take 12-24 months to reach full productivity. This increases corporate risk in training fresh graduates.

But modular learning, apprenticeships, and stackable credentials — co-designed with institutions under NEP frameworks — can reduce risk while preserving entry-level access. Second, attrition concerns loom large. Firms worry that training investments may benefit competitors. Yet studies consistently show that early-career hires with structured growth pathways demonstrate higher long-term retention than lateral recruits.

Third, higher education must shoulder responsibility. India produces over four million graduates annually (AISHE), yet employability studies indicate that only about half are immediately employable for formal-sector roles. Outdated curricula and limited industry exposure are real challenges.

But this is precisely why industry participation is indispensable. NEP has opened the door; industry must now walk through it.

Finally, the issue of corporate responsibility must be addressed candidly. India's earlier IT success was significant because it was achieved by outsourcing skilling entirely to individuals — it was built on shared investment in human capital.

The way forward is clear: Incentivize corporate trainee and apprenticeship programmes; reward deep industry-institute partnerships, not symbolic ones; enable consortia-based training infrastructure; align public funding with employment outcomes, not just enrolment.

The writer is a retired management professor

Economy: Reading the fineprint

The upbeat tone of the Economic Survey cannot hide the contradictions and problems in the more detailed data provided

MACROSCAN.



CP CHANDRASHEKHAR, JAYATI GHOSH

It is probably only to be expected that the official account, in the Finance Ministry's just-released Economic Survey 2025-26, would be generally upbeat about the Indian economy and the current policy direction of the Modi government. We have also come to expect that data will be cherry-picked to provide the best and most optimistic outlook.

Yet, even within this document, it is possible to find intimations of the serious problems facing the economy, and the urgent need for a policy reset.

The most obvious question that emerges from the reading of the Survey is: If the economy is really doing so well and being so dynamic, why is private investment not increasing more? And why are both domestic and foreign investors choosing to put their funds abroad rather than investing in the country?

The Survey chooses to highlight recent increases in Gross Fixed Capital Formation (investment) that "indicate a strengthening of the investment cycle, supporting growth" (page 12). Yet even a slightly longer look would reveal a genuine weakness, particularly in private investment.

INVESTMENT BLUES

Figure 1 shows that there has been a decline in investment rates, which peaked at nearly 36 per cent of GDP in 2007-08, and that the rate stabilised, but did not recover to earlier levels, in the period after 2015. Indeed, the investment rate over the years of the UPA government (2004-25 to 2013-14) averaged at 34.3 per cent, whereas the average rate for the subsequent NDA government (2014-15 to 2023-24 — the latest year for which data are provided) was only 24.2 per cent. Significantly private investment did not recover, despite the many blandishments and incentives like the significant and unwarranted cut in corporate tax rates in 2019.

It could be argued that, notwithstanding high GDP growth rates, there was significant leakage abroad through imports. India's trade deficit has been rising significantly in absolute US dollar terms. Yet, as Figure 2 indicates, while imports as a share of GDP rose sharply in the UPA years, they have come down since and remain at much lower levels. It is also true that exports have declined and then stagnated relative to GDP — so they have not generated additional net demand from the trade sector.

KEY QUESTIONS

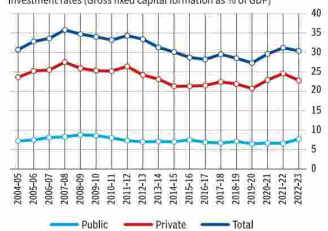
So what explains the sluggishness of domestic investment, especially private investment? A new set of "High Frequency Indicators" helpfully provided for the first time in the Survey can provide some clues. These are particularly important since it is now more widely acknowledged both inside and outside the country, that GDP itself is a problematic indicator of economic progress, but also India's GDP data are less reliable and more open to question.

Figures 3 and 4 show the movement of some of these indicators relative to real and nominal GDP, from 2019-20 onwards. (The numbers are calculated as annual averages from the monthly data provided in the Statistical Appendix of the Economic Survey.) The figures show the total change (in percentage terms) over the four years for which the data are available.

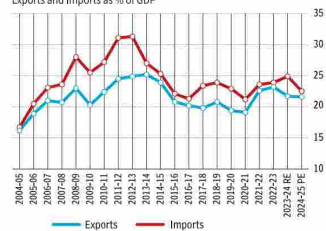
From Figure 3, we can see that both electricity consumption and rail freight volumes generally tracked GDP growth, showing if anything slightly higher increases. But the port cargo traffic increase was significantly lower, and domestic air freight traffic increased only marginally over the four-year period.

CHART 1
Declining trend

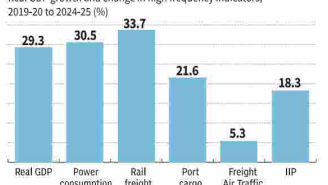
Investment rates (Gross fixed capital formation as % of GDP)

CHART 2
Trade profile

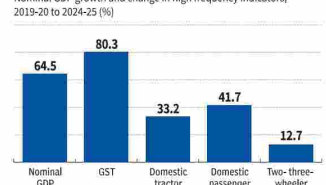
Exports and Imports as % of GDP

CHART 3
Rail surge

Real GDP growth and change in high frequency indicators, 2019-20 to 2024-25 (%)

CHART 4
GST spike

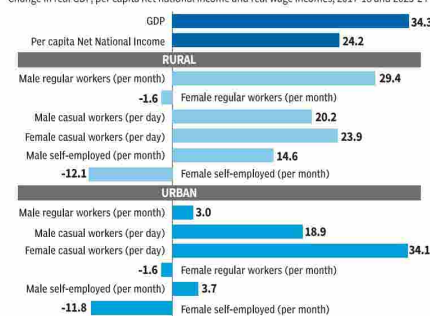
Nominal GDP growth and change in high frequency indicators, 2019-20 to 2024-25 (%)



Source: ILO WESO update May 2025; World Bank WDI database

CHART 5
Wage profile

Change in real GDP, per capita net national income and real wage incomes, 2017-18 and 2023-24



The Index of Industrial Production (IIP) also grew much less than real GDP, suggesting a continued process of stalled industrialization or even deindustrialization in the economy, despite declared attempts to attract private corporate investment into manufacturing. (Note that the IIP shows a different trend than manufacturing or industrial GDP, which is overly influenced by the balance sheets of large corporate entities that account for a large fraction of total industrial activity in the economy.)

It is reasonable to expect that variables such as sales and GST collections will track nominal GDP, and that is examined in Figure 4. One striking point is how much greater the increase in GST has been, compared to nominal GDP. Since GST is an indirect tax that is inevitably much more regressive than

direct taxes like income tax, this suggests that the fiscal policy has put a greater burden on the less well-off sections of the population and thus added to inequality.

CONSUMPTION DIP

Vehicle sales have clearly increased much less than nominal GDP. Tractor sales grew at around half the rate of nominal GDP, a further reflection of the relative weakness of agricultural incomes. Domestic passenger vehicles sales also increased much less, and it should be noted that the greater part of this was in the higher-end and luxury car segment.

This process of differentiation is further confirmed by the very low expansion of two- and three-wheeler sales over the past few years. Since these are the first personal vehicles typically purchased by those from lower income groups when they have the capacity to do so, this sluggish growth provides an important indication of the K-shaped nature of Indian economic growth.

More comprehensive confirmation of this growing inequality comes from data which are not provided by the Economic Survey, even though they are (still) available from official surveys — the trend in wage incomes. Figure 5 shows

how the real GDP and real per capita national income increased over the period 2017-18 to 2023-24, along with data on wage and self-employed incomes in constant prices over the same period. The years are chosen because those are the years for which data from the Periodic Labour Force Surveys are available.

Figure 5 reveals beyond doubt that economic growth in India has been increasingly unequal, that wage incomes and incomes of the self-employed have not increased along with GDP growth. Female casual workers in rural areas are the only worker category for whom real wages have increased in tandem with GDP and slightly more than per capita NNI — but such workers comprise less than 8 per cent of those recognised as employed in rural areas, compared to around 18 per cent who get no remuneration at all, since they are described as "unpaid helpers in family enterprises".

Rural male regular workers are the other category whose wages showed broadly commensurate increases over this period, but even this is a very small proportion of rural male workers. Women workers in "regular" jobs experienced absolute declines in real wages on average.

In general, most wage increases were significantly below the increase in both aggregate and per capita national income over this period, indicating that overall wage income growth was well below the change in GDP. The most shocking pattern is evident for self-employed incomes, which declined significantly for women over the period. Even for self-employed men in rural areas, real incomes barely increased.

This explains what might otherwise appear to be a paradox: declining or stagnant mass consumption demand despite rising aggregate GDP. This inequality is not just a sad reflection on the Indian growth trajectory; it also helps to explain why private investment is lacklustre and mostly responds to government contracts rather than domestic mass demand. This also explains the employment crisis that is becoming more evident with every passing day.

This is the real problem that the Economic Survey should have identified, and that the Budget and other policies of the government should seek to address.

thehindubusinessline.

TWENTY YEARS AGO TODAY.

February 4, 2006

AAI workers hold talks with PM

The agitation by employees of Airports Authority of India (AAI) continued on Thursday with signs of a possible break through on Saturday. After a meeting with the Prime Minister, Dr. Manmohan Singh, the representatives of the AAI workers decided to have wider consultations among themselves on the future course of action to be taken.

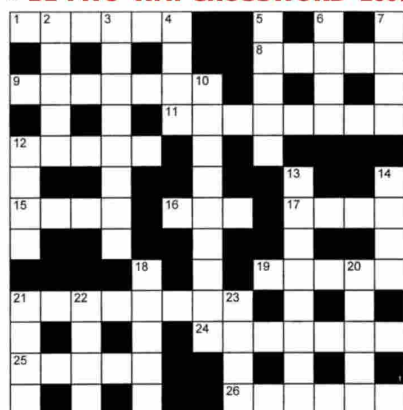
STCI plans Govt paper to retail investors via UTI Securities

Securities Trading Corporation of India Ltd (STCI) plans to take Government securities to retail investors using the distribution network of UTI Securities, which it acquired recently. UTI Securities, a broking and investment company, has 20 branches and 150 franchisees across the country.

ONGC seeks more autonomy on fixing pay

Concerned at increased instances of talent poaching, ONGC has pressed for greater autonomy in deciding employees' remuneration. The company has approached the Department of Public Enterprises (DPE) to authorise it to fix the salary structure of its employees. The company is also going to move the Petroleum Ministry for immediate action to address the issue.

BL TWO-WAY CROSSWORD 2609



EASY

ACROSS

1. Popular song (6)
8. Ship taken by force in war (5)
9. Universal medicine (7)
11. Checkers (8)
12. Pebble (5)
15. Front of lower jaw (4)
16. Self-confidence (3)
17. Freedom from pain (4)
19. Type of bed (5)
21. Chance of success (8)
24. From the orient (7)
25. Fieldwork with two faces forming salient (5)
26. Pine leaf (6)

DOWN

2. Hold fast! (naut) (5)
3. Acquiring knowledge (8)
4. Act, something done (4)
5. Projecting lip for pouring (5)
6. Have a desire (4)
7. Smaller amount (4)
10. Haughty demeanor (9)
12. Item of short hose (4)
13. Disparage (8)
14. Bracken (4)
18. Chastise, slap (5)
20. Of the ear (5)
21. Harbour (4)
22. More than an even wager (4)
23. Mountain lake (4)

NOT SO EASY

ACROSS

1. A song that is rotten about everything (6)
8. An award one will value highly (5)
9. Father wielding a cane he reckons to be a cure for everything (7)
11. In which one may be huffed by the cold currents of air (8)
12. The 14-pound rock (5)
15. Feature kept up by the bravely cheerful (4)
16. Image of oneself reflected in Limoges (3)
17. Simplicity with which one can enter leasehold property (4)
19. One may fall asleep on a collection of poetry (5)
21. The outlook for coppers turns on final arrest (8)
24. Oriental art seen as being different (7)
25. Fieldwork developed from Arden (5)
26. Have to have the French hypodermic (6)

DOWN

2. An enormous call for one to stop at sea (5)
3. Getting to hear of renal trouble brought about by gin (8)
4. Decided detectives were unnecessary for such an act (4)
5. Declaim like a bit of a teapot (5)
6. Desire wife, to his confusion (4)
7. It is not as much on being read in service (4)
10. Grace, or an awkward form of hauteur (9)
12. One may have it afloat, which is a blow (4)
13. Make one feel small, or be so (8)
14. Plant starts rotting in low marshy land (4)
18. Move briskly to administer chastisement (5)
20. Dinosaur always held about the ears (5)
21. It may be ruby that's left to a yachtsman (4)
22. The probability of doing doubles seldom starts (4)
23. Thanks to the Navy there's water on the mountain (4)

SOLUTION: BL TWO-WAY CROSSWORD 2608

ACROSS 1. Progressive 8. Obdurate 9. Lazy 10. Shirt 13. Disc 16. Each 17. Hoar 18. Fund 20. Tardy 24. Idea 25. Compress 26. Interesting

DOWN 2. Rude 3. Girth 4. Ester 5. Idled 6. Counterfeit 7. Synchronise 11. Inept 12. Tuber 14. Iron 15. Scan 19. Draft 21. Atone 22. Depot 23. Dean

Edit

India – EU Trade Pact

A strategic push for deeper global integration

Through a comprehensive mobility framework, India strengthens its position as a global hub for talent



Partnership
Zubair Mushtaq
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India is set for a quantum leap in a global trade as India and the European Union (EU) have clinched the deal for a Free Trade Agreement (FTA), marking a red-letter day in one of India's most strategic economic partnerships, described as "mother of all deals" by European Commission President Ursula von der Leyen. Steered and drawn as modern, rules-based trade partnership, the FTA responds and with-stands to contemporary global chal- lenges while enabling deeper market integration between the world's 4th and 2nd largest economies. The free trade agreement (FTA) between India and the European Union (EU) is significant not just on account of the sizes of the economies involved, but also because it showcases Indian negotiators' skill and maturity when dealing with a powerful counterparty. India has managed to negotiate favourable terms in each of the previous eight FTAs of the last four years or so, but those were with much smaller economies. With a com- bined market estimated at over INR 2091.6 Lakh Crore (USD 24 trillion), bringing unparalleled opportunities for the 2 billion people of India and the EU, the FTA unlocks significant potential for trade and innovation. The FTA delivers unprecedented market access for more than 99% of India's export by trade value, while preserving policy space for sensitive sectors and reinforcing India's developmental priorities. The data revealed by Ministry of Commerce and Industry, Government of India that the bilateral merchandise trade between India and the EU has demonstrated sustained growth, valued approximately at INR 11.5 Lakh Crore (USD 136.54 billion) in 2024-25, with India exporting roughly INR 6.4 Lakh Crore (USD 75.85 billion) to the EU. India-EU trade in services reached INR 7.2 Lakh Crore (USD 83.10 billion) in 2024. Despite robust

and thriving trade, there is a significant untapped potential considering the size of each other's market and trade. The FTA provides an unparalleled pathway and holds immense promise for both, India and the EU, to emerge as each other's major economic partners.

This FTA of strategic significance evokes India-EU relations from a traditional into a modern, multi-faceted partnership, providing a stable and predictable environment for exporters, enabling Indian businesses including MSMEs to plan long-term investments, integrate into European value chains, and ensure consistent favourable market access amid global economic uncertainties. Under this deal, India had Secured Strategic Access to European Markets India has gained preferential access to the European markets across 97% of tariff lines, covering 99.5% of trade value. The Key labour-intensive sectors (such as textiles, apparel, marine, leather, footwear, chemicals, plastics/ rubber, sports goods, toys, gems, and jewellery), comprising more than INR 2.87 Lakh Crore (USD 33 billion) of exports that are currently subjected to import duty between 4% to 26% in the EU and are crucial for employment generation, will enter zero duty from entry into force of the FTA and thus gain enhanced competitiveness in the EU market. These sectors are poised to benefit from tariff liberalisation and enhanced competitiveness, enabling deeper integration into global and European value chains and simultaneously creating job opportunities. The FTA is expected to have a significant positive impact on the Indian agricultural and processed food sector. Preferential Market Access for agricultural products like tea, coffee, spices, grapes, cherkins and cucumbers, dried onion, fresh vegetables and fruits as well as for processed food products will make them more competitive in the EU. This market access will strengthen the rural livelihoods, and elevate the global competitiveness of Indian agricultural products. India has prudently safeguarded sensitive sectors, including dairy, cereals, poultry, soy meal, certain fruits and vegetables, etc. balancing export growth with domestic priorities. The FTA positions Indian agriculture to capture higher value in European markets, drive sectoral prosperity, and bol-

“

The FTA delivers unprecedented market access for more than 99% of India's export by trade value, while preserving policy space for sensitive sectors and reinforcing India's developmental priorities.

ster long-term resilience through sustained livelihood and reliable income opportunities.

Services being dominant and faster growing part of both economies will trade more in future. Under the FTA, broader and deeper commitments have been secured from the EU across 144 services sub-sectors, including IT/ITES, professional services, education, and other business services. This covers a vast range of services sectors spectrum in which Indian service providers will get a stable and conducive regime in the EU market to supply their services. India's competitive, high-tech services are expected to drive India's exports while benefitting EU businesses and consumers. To impart more strength and stability to India's talent across Europe, the FTA establishes an assured regime for temporary entry and stay for professionals, including Business Visitors, Intra-Corporate Transferees, Contractual Service Suppliers, and Independent Professionals. Through a comprehensive mobility framework, India strengthens its position as a global hub for talent. The framework eases movement of employees (and their spouses and dependents) of Indian Corporates established in the EU in all services sectors. For business entities aiming to provide services under a contract to EU clients, India can access 37 sub-sectors including IT, business, and professional services. The FTA also reinforces intellectual property protections provided under TRIPS relating to copyright, trademarks, designs, trade secrets, plant varieties, enforcement of IPRs, affirms Doha Declaration and recognises the importance of digital libraries, specifically the Traditional Knowledge Digital Library (TKDL) project initiated by India.

Aligned with the vision of "Viksit Bharat 2047," the India-EU FTA marks a new chapter in bilateral economic engagement, reinforcing shared values, fostering innovation, and positioning India as a dynamic and trusted partner in the global trading system. However, India must push for as speedy a clearing process and implementation of this pact as possible. Otherwise, the gains so painstakingly bargained for will be too late to offset the U.S. tariff affliction.

Zubair Mushtaq, Research Scholar in Department of Commerce, Kashmir University

GK Editorial

Union budget and J&K

It feels that the centre needs to do a bit more for the union territory

On paper, the Union Budget for 2026-27 appears generous to Jammu and Kashmir. An allocation of Rs 43,290 crore, which is Rs 2,000 crore more than the revised estimate for the current year, suggests continuity and incremental support. Yet across markets in Srinagar, Pahalgam and Jammu, the mood is anything but reassured. For traders, hoteliers and transporters still counting losses after last year's Pahalgam terror attack, the numbers simply do not add up.

The Deputy Chief Minister Surinder Choudhary has urged the Centre to provide a "special, state-like package" for Jammu and Kashmir. And the health and education minister Sakina Itoo flagged allocations for Jammu and Kashmir were inadequate. She flagged rising unemployment, worsening healthcare shortages, and farmers' distress, calling for urgent investment and a one-time KCC loan waiver, saying the budget failed to adequately tackle these core challenges.

The months following the Pahalgam attack saw tourism, regarded as the backbone of J&K's fragile economy, come to a near standstill. Hotel bookings were cancelled en masse, transport services idled, and small traders who depend on seasonal footfall were pushed into debt. This was compounded by heightened India-Pakistan tensions after Operation Sindoor and, later, by natural disasters such as cloudbursts, floods and relentless rain, that further disrupted livelihoods.

Against this backdrop, the budget's J&K allocation feels not sufficient. While funds have been earmarked for disaster response, flood recovery and capital expenditure, there is no visible attempt to directly compensate those whose incomes vanished overnight. For a region repeatedly exposed to both conflict and climate shocks, a standard fiscal template is insufficient.

Industry representatives have been careful in their criticism. Many acknowledge the budget's broader national balance and its emphasis on infrastructure. But their disappointment stems from a deeper concern: that the budget is not focused enough on enabling employment on a scale needed in the union territory. It has to have something substantial for traders in the Valley and Jammu who have survived three bad seasons in a row.

For Jammu and Kashmir, economic recovery is inseparable from stability, and stability cannot rest on security measures alone. It must be underpinned by confidence among tourists, investors and, most importantly, among local businesses. This year's may be allocated on paper, but for many in J&K, it feels that the centre needs to do a bit more for the union territory.

REFLECTIONS

Why marginalisation?

A question, uncomfortable but necessary

Culture

Waheed Jeelani
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Art, culture and language are not ornamental luxuries of a society. They are its conscience, its collective memory and its living identity. In Jammu and Kashmir, where centuries-old Sufi traditions, folk expressions, classical forms and rich languages define who we are, cultural institutions carry a responsibility far greater than routine administration. They are meant to safeguard heritage, nurture creativity and represent the true cultural voice of the region.

The question that demands urgent attention today is uncomfortable but necessary: can our prestigious cultural institutions survive, or even function meaningfully, when they are run by individuals with little or no understanding of art, culture and language?

The present situation gives us a worrying answer. Over the last six to seven years, the functioning of several cultural bodies has steadily declined, most notably the Jammu & Kashmir Academy of Art, Culture & Languages (JKAACL). This institution, once regarded as the backbone of cultural preservation and promotion in the region, is today being run by officers who largely lack academic grounding, professional exposure or lived engagement with art, culture and languages. The result is visible in its weakening programmes, absence of long-term vision and growing disconnect from artists and scholars.

Art and culture cannot be governed through files alone. They require insight, sensitivity and lived experience. When decision-making positions are occupied by individuals who have never engaged deeply with music, theatre, literature, folk traditions or visual arts, the results are inevitably damaging. Policies become hollow, programmes lose substance and artists feel ignored, misunderstood and sidelined.

This is not a criticism of administration as a system. Administration is vital. However, cultural administration is a specialised responsibility. Institutions like JKAACL demand leadership that understands artistic processes, respects creative diversity and

recognises the difference between genuine cultural work and superficial display. Without this understanding, such institutions gradually lose relevance and credibility.

One of the most painful consequences of this disconnect is the continued marginalisation of local artists. Jammu and Kashmir is rich in talent, yet countless artists struggle for platforms, recognition and financial dignity. Funds allocated in the name of cultural promotion often fail to reach deserving practitioners. Events are planned without artists' consultation, cultural representation is diluted, and merit is frequently overshadowed by access and influence.

Language, the backbone of cultural identity, is facing a similar crisis. Kashmiri, Dogri, Gojri, Pahari and other regional languages require serious institutional commitment for preservation, documentation and growth. When language institutions are headed by individuals unfamiliar with linguistic realities, languages are reduced to ceremonial symbols rather than living cultural forces.

This situation must serve as a wake-up call for everyone involved. Artists can no longer afford silence or isolation. Writers, musicians, theatre practitioners and cultural researchers must rise above individual differences and collectively demand transparency, expertise and accountability in cultural governance.

Administrators, on their part, must introspect and acknowledge that appointing the right people to cultural institutions is not an act of favour towards artists. It is a responsibility towards society, history and future generations. Cultural leadership must be based on knowledge, experience and commitment, not convenience.

The general public also has a role to play. A society that becomes indifferent to its art and culture slowly loses its emotional and moral strength. Supporting local artists, questioning cultural misrepresentation and holding institutions accountable is not activism; it is civic responsibility.

Anything less is not just administrative failure; it is a betrayal of our legacy and an injustice to our future.

Waheed Jeelani, Artist & Art Promoter

NLU: Establishing the Law University

Government should prioritize decisions supported by the official data to benefit the maximum possible number of citizens



Beyond Bias
Advocate Usman Gani
lin.usmangani@gmail.com

The J&K National Law University (NLU) proposed for Kashmir has raised a meaningless controversy with some voices from Jammu raking up a demand for shifting of this ambitious project to Jammu. From whatever angle you see it, the demand is wholly untenable.

As a legal professional committed to advancing justice and education in the Union Territory of J&K, I believe the original proposal that recommends the varsity be set up in Kashmir aligns with vital empirical data on population, educational needs and infrastructure for legal studies in the UT. But unfortunately certain elements who seem to be looking to everything through the prism of religious bias, want to exploit every situation to their liking without caring for the larger interest of the people of the UT. It is the same elements whose irrational demands led very recently to the cancellation of students admissions in the Shri Mata Vaishno Devi Medical College by the National Medical Commission

alleging "falling minimum standards" on part of the college. Such a fallout of their agitation may have satisfied their ego but it was a loss for the entire UT, which lost about 50 medical seats from its quota. A dispassionate analysis grounded in verifiable facts and figures from official sources would show that if the proposed law university main campus is shifted to Jammu, it would be another loss to the UT of J&K, after the loss of 50 medical seats that the UT suffered recently.

Let us get down to the brass tacks. As per the 2011 Census of India and the institutional records, the Kashmir Division has a population of approximately 6,888,475 accounting for roughly 55% of total population of 12,541,302 in J&K. In contrast, the Jammu Division has a population of about 5,350,811, or 45%. This demographic reality indicates a larger pool of prospective law students in the Kashmir Valley, where youth comprise a significant portion of the population.

We should not forget that in the Kashmir Division there are more than six established law colleges, including The Law School at the University of Jammu, Dogra Law College, K.C. Law College, CMH Law College, MIET School of Law, Jammu Law College, and Calliope Law College (which has been now permanently closed due to poor response of the students). In comparison to this, the Kashmir Valley has fewer dedicated institutions, primarily the Depart-

ment of Law at the University of Kashmir and Kashmir Law College in Srinagar. This disparity highlights a gap in specialized legal training opportunities in the Kashmir region. The NLU in the Valley would address this gap in the law education infrastructure in Kashmir by providing advanced programs, such as integrated five-year LL.B. courses and LL.M. specializations, to a region that currently relies more heavily on general university departments for legal studies.

“

This step would not only elevate the standard of legal education in Jammu and Kashmir but also contribute to producing skilled lawyers equipped to handle the Union Territory's unique legal challenges.

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The proposed temporary site at Ompora in Budgam district, central Kashmir, offers practical advantages, including proximity to Srinagar (the summer capital) and accessibility via major highways and the Srinagar Interna-

tional Airport. This location is well-suited for students from northern and central districts and also from outside the Union Territory, which collectively represent a significant share of the Union Territory's educational aspirants.

In light of these facts, I urge the government to proceed with the establishment of the NLU main campus in the Kashmir Valley without delay. This step would not only elevate the standard of legal education in Jammu and Kashmir but also contribute to producing skilled lawyers equipped to handle the Union Territory's unique legal challenges. I am confident that the government will prioritize decisions supported by the official data to benefit the maximum possible number of citizens, instead of succumbing to the pressure of the elements who do not care for the larger interest of the UT.

Tail piece: The civil society of Jammu need to rise above the narrow regional/religious bias, which is being exploited by some forces to create a wedge between Kashmir and Jammu. Mind even the IIT, IIM, IIMC, IIM and AIIMS have no local representation. Most of these institutions, students are from outside of the state and same holds true of the faculty and even the staff, except some local positions. NLU will become another center for outsiders to settle in Jammu, which is already facing influx of outsiders, creating huge unemployment for the youth of the region.

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LOKMAT TIMES

Trade reset

Deal a significant thaw in bilateral economic relations after sustained tension

The latest Indo-US trade deal marks a cautious but significant reset in bilateral economic relations after a period of sustained tension that tested the resilience of one of the world's most strategically important partnerships. Coming after months of uncertainty and prolonged public posturing by US President Donald Trump, the agreement brings relief to Indian exporters and policymakers alike. Yet, it also serves as a reminder of how quickly economic ties can be strained when trade is reduced to a tool of political spectacle. President Trump's approach to trade has been characterised by sharp rhetoric, transactional bargaining and a readiness to impose punitive tariffs in pursuit of domestic political messaging. India, despite being a strategic partner in the Indo-Pacific and a major market for American goods and services, was not spared. Tariffs of up to 50 per cent were slapped on key Indian exports, while preferential access was curtailed, disrupting established supply chains and injecting volatility into commercial relations.

Labour-intensive sectors such as leather, carpets and textiles bore the brunt of the tariff shock. These industries are major sources of employment, particularly for small manufacturers, artisans and informal workers spread across Uttar Pradesh, Rajasthan, Tamil Nadu and parts of eastern India. For them, access to the US market is often the difference between survival and shutdown. The leather sector, already navigating stricter environmental norms and rising compliance costs, saw its competitiveness erode sharply. The carpet industry, famed for India's handmade craftsmanship, faced a similar squeeze. Textiles and apparel, long considered India's gateway to large-scale manufacturing growth, were another casualty.

The new trade understanding, by easing tariff pressures and restoring a degree of predictability, offers these sectors a much-needed lifeline. Perhaps more importantly, the deal signals a thaw in trade relations, reassuring businesses that commercial engagement will not be held hostage to political brinkmanship. Beyond immediate sectoral gains, the agreement reflects a broader strategic recalibration. It suggests an acknowledgment in Washington that excessive trade coercion risks undermining larger geopolitical objectives; from supply-chain resilience to strategic alignment in a volatile global order. Tariff relief, while welcome, is inherently fragile when it depends on political cycles. India must use this window to strengthen its export fundamentals by investing in technology, improving quality standards, upgrading logistics and diversifying markets. Over-dependence on any single destination, however significant, exposes exporters to abrupt policy shifts beyond their control.

Pune Porsche case

Accountability cannot be diluted under guise of juvenile sympathy

The Supreme Court's ruling in the Pune Porsche crash case marks a defining moment for India's criminal justice system, one that resonates deeply in Maharashtra, where public outrage over the incident has refused to die down. By intervening decisively and questioning the extraordinary leniency shown to the accused, the apex court has reaffirmed a democratic principle: the rule of law cannot bend before wealth, influence or social standing. The case shocked the conscience of the nation not merely because two young lives were lost, but because of what followed. The initial handling of the matter; from the nature of bail granted to the optics of "reformatory" conditions, created the perception that justice operates differently for the powerful. The SC's sharp observations have now corrected that and restored a modicum of public confidence.

At the heart of the Court's ruling lies a clear message that accountability cannot be diluted under the guise of privilege or juvenile sympathy when the consequences of an act are so grave. Road fatalities are not mere statistics in Maharashtra; they are lived tragedies on congested urban streets from Mumbai to Pune, where reckless driving, law enforcement and social entitlement form a lethal mix. When such cases appear to be handled softly, it sends a dangerous signal that money can negotiate morality, and influence can soften the law. Law enforcement agencies and lower courts must introspect on how easily public trust can be eroded by decisions that appear disconnected from social realities. Justice is not delivered in legal isolation; it draws legitimacy from public faith. The Pune case shows how quickly that faith collapses when equality before law appears compromised.

Pune, often celebrated as a hub of education, innovation and affluence, must also confront the darker side of rapid urbanisation. The law must respond firmly, not selectively. Equally important is the precedent this ruling sets. It signals to trial courts across the country that judicial discretion must be exercised with sensitivity to both legal principles and societal impact. Compassion for youth cannot come at the cost of justice for victims. Reformatory approaches must follow accountability, not replace it. In a democracy, justice must not only be done but must be seen to be done, especially when public anger stems from the belief that privilege shields the guilty. The Pune Porsche ruling is a reminder that while social status may open doors, it cannot and must not close the doors of justice.

Fadnavis shows his political acumen

Sonia's counsel and Rahul's moment of candour



Harish Gupta
FLY ON THE WALL

Devendra Fadnavis once again demonstrated why he is regarded as one of the BJP's sharpest political minds, navigating a moment of crisis with speed, foresight and precision. Long before he formally reached out to the bereaved family of Ajit Pawar, the Maharashtra Chief Minister had already flagged the situation to the party high command in Delhi. He is learnt to have spoken to the Union Home Minister, Amit Shah, laying out both the risks and the opportunity that Ajit Pawar's sudden demise had created. Fadnavis understood that time was the critical factor. Any delay in inducting Sunetra Pawar into the government could have opened the door to political manoeuvring by Sharad Pawar, who was keen to push through a merger of the two NCP factions that split in 2023. Such a merger, if concluded before Ajit Pawar's successor was politically secured, could have altered equations within the Mahayuti and diluted the BJP's leverage.

Sources say Fadnavis was not opposed to merger talks continuing, but he was clear on one point: the succession question had to be settled first. The leadership of Ajit Pawar's faction needed a clear, authoritative face before any broader realignment took shape. After the green signal, Fadnavis waited for the NCP leadership to take a call on succession swiftly. After the funeral, the NCP leadership met and conveyed to Fadnavis its decision. The speed with which it decided to move highlighted Sunetra Pawar's resolve leaving little room for confusion. By taking oath as Deputy Chief Minister without consulting Sharad Pawar, she stepped decisively into the political vacuum. In doing so, she not only secured her late husband's political legacy but also disrupted the senior Pawar's carefully calibrated plans. So upset was senior Pawar that he did not even congratulate Sunetra on becoming the Deputy Chief Minister, a first woman in Maharashtra's history to assume this office. Together, the episode underlined a crucial truth of Maharashtra politics: timing is power. And in this moment, Devendra Fadnavis showed he knew exactly when — and how — to act. Sunetra showed she is no novice either.



It was a brief, almost casual exchange in the corridors of Parliament, but it carried layers of meaning. Rahul Gandhi, running into a senior BJP leader and Union Minister trading pleasantries, suddenly shared a personal aside. "My mother has told me to avoid travelling in private jets," he said, trailing off with a knowing pause. The remark sounded light, even conversational, yet it revealed more than just a family concern. Sonia Gandhi's advice, by all accounts, was rooted in caution rather than symbolism. Private jet accidents, though rare, have historically haunted political memory. Across countries and decades, senior leaders have lost their

lives in sudden air tragedies, turning routine travel into moments of national shock. For someone like Sonia Gandhi, shaped by personal loss and long political experience, the warning reflects a deep awareness of how abruptly power and life can intersect.

Rahul's decision to share the advice publicly, even in passing, was equally telling. It humanised him in a space usually dominated by scripted positions and partisan sparring. At the same time, it

subtly signalled attentiveness to public perception. In an era when optics matter as much as intent, avoiding private jets also aligns with a broader political message — distance from elite privilege and a nod towards restraint.

There was no grand declaration, no moral posturing. Just a son acknowledging his mother's concern. Leaders plan campaigns, craft narratives and chase momentum, but they also carry invisible fears shaped by history. In that offhand moment, Rahul Gandhi offered a glimpse of the personal calculations behind public life — where advice whispered at home can quietly shape choices made in the glare of Parliament.

What links Shotgun, Kirti and Nabin?

West Bengal politics has acquired an unexpected Bihar flavour, and the BJP is clearly enjoying the seasoning. The party's national president, Nitin Nabin, has kicked off his first major political assignment with an "intensive tour" of poll-bound states, choosing West Bengal as his opening act. Not just Bengal, but its western flank — Bardhaman and Asansol — where the borders blur into Bihar and Jharkhand and Hindi does not sound foreign. The choice of geography is hardly accidental. These districts house a sizable Bihar and non-Bengali population, a social bloc that quietly but decisively shapes electoral outcomes. Add to that the Kayastha community is influential, politically alert, and incidentally, Nitin Nabin's own — and the BJP's calculations begin to look textbook. But there's a small complication. This very terrain is already occupied by two high-profile Biharis. Asansol has Bollywood's eternal Shotgun,

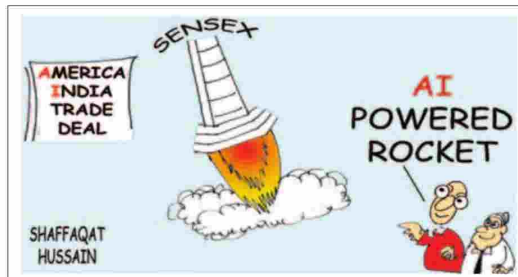
Shatrughan Sinha, while Bardhaman is represented by former cricketer Kirti Azad. Among Kayasthas, Sinha's recall value remains formidable, making the BJP's entry into this social space a delicate exercise.

Still, the party appears undeterred. Through Nitin Nabin, the BJP is attempting to redraw political loyalties and suggest that Kayastha and Bihar voters need not look beyond the saffron fold for representation. The larger hope is that Mamata Banerjee will struggle to dismiss him as an "outsider." With Hindi-speaking voters now accounting for over a quarter of Bengal's population, the BJP believes the numbers — and perhaps the narrative — are finally tilting in its favour.

From Ramlila Maidan to radio silence

When the Modi government junked the UP's MGNREGA and unveiled the G Ram G Bill, the Congress did what it does best — held meetings. Parliament saw loud protests, followed by a Working Committee huddle, a Ramlila Maidan rally and, of course, a committee to supervise a 45-day "MGNREGA Bachao Abhiyan." Three weeks on, the agitation has vanished without a trace — no buzz, no streets, no pressure. Contrast this with Mamata Banerjee, who hits the road before the ink dries on an ED notice. The Congress, meanwhile, is still planning its timing — long after timing has moved on.

The author is national editor, Lokmat Media Group.



AI generated false evidence in courts

Dr Khushalchand Baheti

The Supreme Court has expressed serious concern over the use of fabricated and AI-generated evidence in matrimonial disputes. SC observed that parties, driven by a desire to 'teach the other side a lesson' at any cost, are increasingly misusing technology to construct cases founded on false allegations. Justices Rajesh Bindal and Manmohan, observing this while dissolving the marriage of a couple.

Multiple incidents

The incidents of AI generated documents in court are increasing globally. Early such cases began appearing in 2023.

2024 saw dozens of cases as generative AI adoption rose. Approximately 500 cases are documented globally — worldwide, involving fabricated case law, non-existent citations or AI hallucinations in 2025. The US accounts for the majority — roughly 300-plus cases.

Multiple incidents have been reported in Canada, UK, Australia, South Africa, Israel, Spain, and India. The number must be much more because trial court incidents

do not attract media attention and so not in public domain.

Unverified AI drafting

In 2025 Supreme Court during commercial dispute (Omikara Assets Reconstruction Pvt Ltd vs Gstaad Hotels Pvt Ltd), a litigant filed a written reply that relied heavily on material prepared with the aid of an AI tool.

The opposing counsel brought to notice of court that multiple cited judgments did not exist in authorised legal databases. When this was questioned by Court, lawyers were unable to supply authentic copies. A senior counsel unconditionally apologised saying in open court that he never faced such a humiliation in his life. He accepted that the errors stemmed from unverified AI drafting.

Misleading courts

Single-judge Justice Milind Sathaye was seized with a dispute under Maharashtra Rent Control Act, between two film producers owing to a flat at Mumbai's Oshiwara area.

Film producer - Mohammed Yasin, appeared as party-in-person and tendered some written submissions in February and April 2025. Among these submissions, Yasin had included 'Jyoti w/o Dinesh' Tusiani vs Elegant Associates'.

The judge and his clerks were 'at pains' to search for the copy of



this judgment as it was not available anywhere, even on the internet.

The judge expressly condemned unverified AI submissions, noting they waste judicial time and mislead courts, on 7 January.

The Court imposed Rs 50,000 costs on Yasin.

In Delhi High Court (September 2025)

In Greenopolis Welfare Association vs Narendar Singh & Ors, a petitioner filed a civil suit relating to a homebuyers' dispute. The written petition included citations to judgments and specific paragraph number 74 of a judgment. Respondent advocates and Court clerks cross-checked the references and found them non-existent — including bogus case law and misquoted paragraphs.

The judgment quoted with paragraph 74 was of only 27 paragraphs. It was due to an AI tool generating the text.

The Delhi High Court refused to

YOUR LETTERS

What is the 'sense' of doing outcry now?

In the Economic Survey prepared by the country's Chief Economic Advisor VA. Nageswaran, expressing concern over the policies taken by the State Governments for popularity, it has been mentioned earlier that it is affecting the economic situation of the country. But the economic policies taken not only for popularity but also to win elections have affected the development work of the states. Actually, the Central Government should have blocked this at that time only. Since the decision to come to power in the states by winning elections was being achieved, it was conveniently turned a blind eye. So what is the sense of doing outcry now?

Kiran P. Chaudhari, Dahisar, Mumbai

entertained the flawed plea and pulled up the lower courts for letting an unverified petition reach the High Court.

Cross-verification needed

An Assessing Officer of income tax relied upon AI-generated case laws while passing the assessment order for 2023-24. This was challenged in HC.

Justices B.P. Colabawalla and Amit S. Jamsandekar stated that in this era of AI, one tends to place much reliance on the results thrown open by the system. However, such results are not to be blindly relied upon, but the same should be duly cross-verified before using them. Otherwise, mistakes like the present one creep in.

Avoid risks

In Nov 2025 during Judges conference a warning was issued against unverified AI, emphasising verification to avoid misleading courts. In October 2025, Present CJI Surya Kant had remarked that "rendering justice is a profoundly human effort; technology can only be a powerful ally." He acknowledged the legal field cannot ignore AI but urged wise use to avoid risks.

The author is retired ACP and generalist public relations, Lokmat Media Group, Chhatrapati Sambhajinagar. Views expressed are personal.

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To will oneself moral and to will oneself free are one and the same decision

Simone de Beauvoir

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—Rammath Goenka

WHAT FIN COMM GIVES WITH ONE HAND, IT TAKES WITH THE OTHER

THE 16th Finance Commission's decision to tweak the formula through which central taxes are shared with the states, even while retaining states' total share at 41 percent, has drawn mixed responses. By introducing each state's contribution to India's GDP as a new criterion with a 10 percent weight, the commission has made a token gesture towards rewarding the better-performing states. At the same time, it has downgraded demographic performance (rewarding population control) from 12.5 percent to 10 percent. The income distance criterion (measuring per-capita income against a benchmark state) was trimmed from 45 percent to 42 percent, while total population (per the 2011 Census) was bumped up to 17.5 percent from 15 percent, and total area slashed from 15 percent to 10 percent. The tweaks favouring economic performance hand gains in shares to Karnataka, Kerala, Tamil Nadu, Andhra Pradesh and Telangana despite the unchanged total share. In contrast, populous states such as Madhya Pradesh, Uttar Pradesh, West Bengal, Bihar and Odisha face losses or stagnation.

The real blow comes from the decision to abolish revenue deficit grants (RDGs) and state- or sector-specific grants. The southern states, already squeezed by GST impacts, are the hardest hit. Kerala's tax share has risen marginally from 1.92 percent to 2.38 percent, well short of its demanded 2.79 percent; but its ₹53,137-crore fall in RDGs and other targeted aid would largely wipe out any benefit. Tamil Nadu has termed its minor increase to around 4.097 percent over five years as insultingly meagre, despite its blistering growth and outsized contributions to the national exchequer. Karnataka, boasting 8.7 percent of the national GDP and topping per-capita tax collections, is fuming over continued under-allocation.

The southern states are also protesting Delhi's miserly disaster relief—while BJP-ruled states like Maharashtra and UP pocket generous aid—amid a tax kitty eroded by central cesses that are outside the divisible pool. Debt-laden states have resorted to off-budget borrowings to conduct daily operations and invest in capital expenditure. The commission has demanded they discontinue this practice and bring all borrowings onto official budgets for transparency. With the Centre itself projecting a debt-to-GDP ratio of 55.6 percent in 2026-27, it has little appetite for the states' cries for higher shares. Given the lack of elbow room, we can expect the decibel on demands to stay high for now.

TITLE ISN'T EXCLUSIVE, BUT A DOCTOR'S JOB IS

THE recent Kerala High Court order removing the restriction on physiotherapists and occupational therapists from using the honorific 'Dr' with their names has expanded the definition of the term 'doctor' in India. Though the move is largely welcome, some concerns remain. Observing that the world originally meant a learned individual qualified to teach, the court said the contention that the title exclusively belongs to medical professionals is a modern misconception. The ruling is in line with the world-wide understanding that 'doctor' is an academic honorific signifying the highest level of education, and no single profession can claim an exclusive legal monopoly on it.

While the Indian Medical Association and some individual doctors wanted the court to restrain physiotherapists and other medical professionals from using the title, the ruling underlined the absence of provisions under the National Medical Commission Act to do so and grant medical doctors exclusive rights to it. Significantly, the court also upheld the provisions of the National Commission for Allied and Healthcare Professions Act, 2021, which grants comprehensive recognition to all healthcare professionals including physiotherapists and occupational therapists.

While the ruling acknowledged the role played by physiotherapists, it also earmarked clear boundaries, saying they cannot prescribe medicines. The ruling can help overcome classism in the Indian health sector and change how allied health professions are seen. This is a victory for the idea of a multi-disciplinary, patient-centric healthcare that integrates professionals who collaborate to provide comprehensive care.

However, it must be noted that the title 'doctor' cannot be treated lightly. It bestows onerous responsibilities on those bearing it, as the title is generally associated with people trained and licensed to diagnose and treat. More people using the prefix would not necessarily mean having more doctors in the classical sense; only that we have more people considered competent and trained to treat in specific ways. All qualified medical professionals need to be treated with dignity. But at the same time, it's necessary to ensure that the title isn't misused to con people and profiteer illegally. Meanwhile, the lack of clarity in law about the title's use should be cleared up at the soonest with a new provision.

QUICK TAKE

MEASURING FARM DISTRESS

IT'S a pity that when asked about the outstanding farm debt across the country, the government resorted to seven-year-old numbers. According to the Situation Assessment Survey of 2019, quoted in Parliament on Tuesday, the average debt of agricultural households was ₹74,121—at a time when the average monthly income was a meagre ₹10,218. A slightly more recent assessment, carried out by the government-owned NABARD in 2021-22, shows that more than half of all agricultural households had loans averaging ₹91,231. The picture gets more worrying in Telangana, Andhra Pradesh, Karnataka and Tamil Nadu, where the share of indebted households crosses the three-fourths mark. What's needed is an honest discourse on the financial distress of farmers, starting with a fresh survey to get an updated picture.

MORE of Epstein files are out. They have spread more shock and more disgust, while confirming more networks and further establishing the adfections, afflictions and hypocrisies of the super-rich, super-powerful, super-privileged, super-intelligent, super-successful and super-creative. There is no category left on his dubious list. There is everybody from spiritual masters to atheists. From anarchists to academics. From film people to flimsy hedonists. Then there are politicians of all shades and hues resembling an ideal beyond ideologies.

In other words, on the Epstein list are the proverbial 1 percent that we often speak about when we discuss the global elite. To watch the extravagance that these absolute types indulge in, to seek gossip about them, to obsess about their fashions and lifestyles, to measure their morality, their marriages and their wreckage is an institutionalised sport for the proverbial 99 percent. It is not only Donald Trump's threats and arbitrary actions that suggest the end of a world order. It is the Epstein files, too, in a profound way. They offer a layered and metaphorical understanding of everything we thought was real and permanent.

The true shocker in the categories, besides the presence of the predictable—how much more shock can one continue to gather about Bill Clinton, Bill Gates or Elon Musk?—is the existence of the super-conscionable types too, like linguist, grand dissident and philosopher Noam Chomsky. That name casually floating up the stack of a convicted paedophile's emails has the ability to numb people in ways not known before.

It's not about casting salacious aspersions for mere association. It's a new frontier featuring the crumbling hopes of a whole range of people who knew Chomsky's work and were, *suo motu*, represented by his moral arguments. It is a moment when cynicism lands not like a torrent, but a tsunami on humanity.

For some others, the mention of the Dalai Lama 169 times in the mails may be similarly distressing. It makes us wonder if there is anyone immaculate and virtuous left anymore.

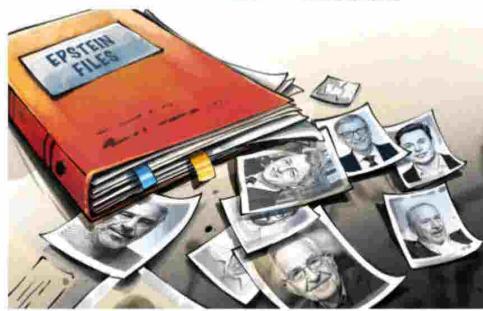
The kind of large-scale smashing of images and brands perhaps happened last at the height of the Cold War, when two worldviews clashed. When doubts and fences were erected overnight around un-coopted political and cul-

The Epstein files are a borderless force smashing icons and upturning ideas hitherto considered durable. It's yet another potent punch signalling the end of a world we knew

THE MORAL VOID LEFT BY EPSTEIN REVELATIONS

SUGATA SRINIVASARAJU

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tural figures. It was when icons came tumbling down in town squares when the West effected a change of disagreeable regimes. However, the Epstein files are a bloodless and borderless revolution that has smashed regimes that occupied our minds and ordered around our hearts and habits.

What more is needed to end the world order that we know when a Chomsky, a principled anarchist who wouldn't succumb to any power in the world, is seen meowing in the labyrinth of Epstein's noxious mind. One may want to caveat it by stating that all names that figure in the mails need not have crossed the threshold of Epstein's pleasure rooms or sought a visit to his exotic island. But moral shaming in the age of social media is flat and uniform. The adjectives and invectives re-

served for the worst offender also applies to the least offender.

Social media operates on uncomplicated binaries of the good and the bad. It is absolutist in its judgement and does not allow space for human frailties, which in another age would perhaps have had accommodation. We were often taught to separate the work from the personal, and the moral transgressions of an artist or a mahatma. Ethical crises were not overrated. But no more. The new media space thrives on simplistic models of perfection, and its algorithms are taught to place small and big deviations in the same basket. There is only outrage after that, no reasoning. Only sides to be taken—no pondering, no literature and certainly no philosophy.

Even if one assumes that people like

Chomsky, one of a few good ones in a lost world, only made an error of judgement due to a momentary dimness of intellect or depletion due to age, it still exposes chinks in their formidable armour that the world thought they alone possessed. And, sadly, that armour was about their ability to smell an oppressor or an oppressive act from thousands of miles away. Their moral compass was said to have the most sensitive sensors to track the murmurings of the mind and its morals, power and its putsch. With Chomsky, especially, it is not just the collapse of one argument, but that of an entire universe.

If Epstein's admission of guilt and conviction in 2008 did not ring the alarm bells for people like Chomsky, one is left to wonder what leverage Epstein had over them and what pillows had smothered their judgement. In a 2019 email, Chomsky nearly empathises with Epstein, recalls his own experiences, and teaches him to dodge the press: "What the virtues want is a public response... how do you prove you are not a neo-Nazi... or a rapist or whatever charge comes along? In general, it's best not to react... it's the best advice I can think of." It reads as if he was desperately manufacturing consent for Epstein within himself. He did not want to see or seek any evidence, his default method when it came to all those who wielded power and ran nations.

Philosophy textbooks say that Chomsky's ethical analyses were always based on what he called 'the principle of universality'. By which he meant that at the very least, we should apply to ourselves the same standards we apply to others. He argued that we are fond of using ethical language as a way of protesting against others, but we are less inclined to pass judgement on ourselves. Now, in his own lifetime, Chomsky has been forced to apply his own analyses and hold himself accountable.

As regards the rest of the rich and powerful on the Epstein list, it appears what British writer Jeremy Seabrook wrote a decade ago was accurate and prescient: "In recent years, wealth has been spectacularly rehabilitated, so the rich are no longer seen as jackals or vultures or hyenas or all the other bestiality of exploitation, as they were seen as in the 19th century. They have become kind of philanthropists and benefactors of humanity. We are all pensioners of the rich now."

(Views are personal)
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MAILBAG

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Cricket mediation

Ref: ICC must stop regional politics (Feb 3). The escalating boycott threats and tit-for-tat decisions highlight how cricket's integrity is under threat now more than ever. The ICC's reactive stance—especially under an Indian chairman—only fuels perceptions of bias. The sport urgently needs an independent, neutral mediation mechanism to separate on-field rivalries from off-field politics.

Abhinav Barathi, Chennai

Musical dissent

Ref: The joke is on us (Feb 3). When artists speak on social issues, it reflects real human experiences behind art. While some perform entertainment without politics, music has always reflected its times and encouraged conversation. We may not all agree, but we can recognise the power of artists to inspire dialogue beyond the stage.

Angia B Phom, email

Budget reactions

Ref: Laudable on what it does (Feb 3). No sooner was the budget presented than there were bouquets and brickbats hurled at it. But the finance minister tried to provide a semblance of balance between macro fundamentals and micro metamorphoses.

Venkat Desikan, email

States' discipline

Ref: For one nation, one budget day (Feb 3). Manufacturing hype aside, fiscal health hinges on how states manage their books. Presenting all state budgets on the same day as the Union's would align timelines, sharpen scrutiny and encourage coordinated fiscal discipline across the federation.

Avinashgopalan Myilsami, Coimbatore

Border scramble

Ref: Chaos in LS (Feb 3). Unless the Leader of Opposition raises such issues how would the people know what is happening at the India-China border? It's an irrefutable fact that there is no transparency about ground realities at the border area. Net allowing Rahul to speak gives the perception that there is something fishy in the matter.

D Sethuraman, Chennai

Don's disruptions

Ref: US tariff slashed (Feb 3). Trump has remade the world to his liking. He has disrupted India's energy partnership with Russia, pushed China to change export policies, humiliated Venezuela, allowed Israel to get away with excesses and almost made Iran crumble. Only the EU and the UK seem to be holding on. But for how long?

Philip Alexander, email

SMALL WINDOW TO REDESIGN PENSION

INDIA is reworking the architecture of social security. The labour codes are edging closer to implementation, with draft rules under public consultation. At this juncture, a central question comes into focus: will the evolving design of social security align with workers' lived realities? One clue lies in how provident funds are being accessed.

In June 2025, the Employees' Provident Fund Organisation (EPFO) raised the auto-settlement limit for advance claims from ₹1 lakh to ₹5 lakh. In the 10 weeks that followed, close to 70 percent of PF advance claims were processed automatically. From an administrative standpoint, this is a success. From a system design perspective, it invites a deeper enquiry into what workers expect.

PFs were conceived as instruments of long-term savings. In practice, workers increasingly use them to manage unavoidable disruptions to income and consumption. The instinctive explanation is weak financial discipline. That reading misses a deeper reality. For a large share of India's workforce, liquidity is not a preference; it is a constraint. When wages are modest and uncertainty persistent, the time value of money weighs heavily on every decision.

Seen this way, withdrawals are signals on how workers smooth consumption across uneven working lives. The larger question, therefore, is what role PFs should play and where responsibility for old-age income should ultimately rest. For this, India's constitutional framework offers an anchor. Article 36(17) defines pension expansively, covering not only periodic retirement payments but also gratuities and returns from PF contributions. Seen in this light, pension is an income support that continues when earning ability declines or ends. The EPF system is distinctive because it translates this idea into a rights-based framework during working life.

The Employees' Pension Scheme (EPS) was designed to carry this logic forward, but only partially. The 10-year minimum service condition and refunds for shorter service were introduced as fairness measures. Over time, they have had the opposite effect, steadily shrinking the pension pool. This is often described as the 'cobra effect', where incentives undermine the outcome they were meant to secure. Locking the pension component until retirement, even at a modest level, could establish a predictable income floor and prevent distortions.



UTTAM PRAKASH
Regional PF Commissioner,
Kochi & Lakshadweep

NAVENDU RAI
Regional PF Commissioner,
Bengaluru

Whether such redesign is feasible depends not only on institutional choices, but also on demographic timing. In this respect, India's population profile strengthens the case for acting now, but only if it is read carefully. Contributors outnumber potential pensioners in India by roughly three to one, a balance most advanced economies lost long ago. This is not a guarantee; it is an opportunity. Much of the working-age population remains outside contributory systems altogether. That is precisely why design choices matter.



Contributors outnumber potential pensioners in India by roughly three to one, a balance that will change soon. While it lasts, India needs to rethink the purpose of wage ceilings and reinvent the policy architecture for a labour market shaped by platforms, short contracts and multiple income streams

India's workforce will continue to expand for another two to three decades before ageing accelerates. So the constraint India faces today is not demography, but institutional reach. Pension sustainability is shaped less by how old the population is, and more by who is covered, for how long and under what rules.

Many of the constraints surface in quieter parameters that govern entry and exit. Wage ceilings are one. In India, they have historically functioned as thresholds for exclusion. This is most explicit in EPS, which restricts enrolment for those earning more than ₹15,000 a month. Even

where EPF allows a voluntary window, the pension element remains closed.

Internationally, wage ceilings define contribution limits. Treating ceilings as contribution thresholds preserves universality while managing fiscal exposure. Extending EPS coverage to all workers up to the wage ceiling would also reduce the long-term risk of a shrinking contributor base.

Recent policy reflects a shift in this direction. Under PM Viksit Bharat Rozgar Yojana, employees receive graded incentives of ₹1,000, ₹2,000 and ₹3,000 per month across rising wage bands. The capped incentive of ₹3,000 broadly aligns with the employer's 12 percent contribution at wage levels around ₹25,000, indicating that higher bases are already being accommodated within a fiscally-bounded design. Eligibility and subsidy are consciously separated. This logic can guide pension reform as wage ceilings are revisited.

This moment also invites a deeper rethink of the policy architecture. India's social security systems remain organised around employer and employee, contractor and contractual worker. It sits less comfortably with a labour market shaped by platforms, short contracts and multiple income streams. India's digital public infrastructure enables a shift in design from institutions to workers and transactions. Individuals form the first layer; firms, contractors and platforms the second; and the transaction itself the third, where value is created and rule-based contributions can be embedded wherever digital trails exist.

Adequacy remains a parallel concern. Pension systems perform best when benefits are adequate, financing is sustainable and institutions are trusted. India scores low on adequacy and coverage because too few workers remain within contributory systems long enough to build meaningful pensions. Expanding EPS and linking its pension component in a measured manner could address both gaps.

Used well, this moment can help anchor a Viksit Bharat where growth is matched by dignity across a working life.

(Views are personal)
Full article on newindianexpress.com

The Statesman

Incorporating and directly descended from
the Friends of India -founded 1818

Trade's New Wall

The conclusion of the India-European Union Free Trade Agreement has been projected as a major diplomatic and economic milestone. By sharply reducing tariffs across most traded goods, the deal promises to expand market access, diversify supply chains and deepen strategic ties between two large economic blocs. Yet beneath the celebratory language lies an unresolved contradiction, one that may ultimately shape how meaningful the agreement proves for Indian exporters.

That contradiction is carbon. Even as tariffs fall, Europe's Carbon Border Adjustment Mechanism (CBAM) remains firmly in place. For Indian producers of emissions-intensive goods such as steel, aluminium, cement and fertilisers, access to the European market will now depend not only on price and quality, but on the carbon footprint embedded in every shipment. In practical terms, this means a new cost layer on Indian exports, even as European goods gain easier entry into India.

This creates an asymmetry that free trade agreements are traditionally meant to remove. While customs duties are negotiated and reduced, carbon-linked charges operate outside the tariff framework. They are presented as environmental instruments, yet function economically as trade barriers, especially for developing economies that are still building their clean manufacturing capacity.

India's discomfort with this approach is not ideological but structural. The principle of common but differentiated responsibilities recognises that countries industrialised at different times and under different conditions. Asking emerging economies to match the climate costs of advanced economies risks freezing existing inequalities into global trade rules.

The impact is likely to be most severe on India's micro, small and medium enterprises. Large corporations can absorb the cost of emissions audits, consultants, and compliance systems. Smaller manufacturers, often integrated into global value chains as suppliers, may find the paperwork alone prohibitive. For them, carbon compliance becomes not an environmental choice, but a gatekeeping mechanism.

Climate policy is no longer confined to climate negotiations; it is being embedded directly into market access.

This places India at a strategic crossroads. Viewing carbon regulation purely as an external constraint may offer short-term political comfort, but it does not address the longer-term shift underway. Competitiveness is gradually being redefined. Efficiency, traceability, and emissions transparency are becoming as important as labour costs once were.

The answer does not lie in resisting the transition, but in shaping it. A credible domestic carbon market, transparent monitoring systems and gradual integration of carbon pricing can protect Indian exporters from double taxation while preserving policy autonomy. Done correctly, this could convert a vulnerability into leverage.

The trade agreement, therefore, should be seen neither as a triumph nor a setback, but as a warning signal. Market access in the coming decades will not be decided solely at negotiating tables. It will be determined by how effectively economies adapt to a world where climate policy and commerce have become inseparable. In that world, free trade will no longer mean frictionless trade but trade that is measured, priced and judged by carbon.

Silencing Dissent

The imprisonment of a former Prime Minister would ordinarily dominate political debate in a democracy. In Pakistan's case, however, the deeper issue is no longer the fate of former Prime Minister Imran Khan, but the widening machinery that now governs who may speak, what may be said, and at what cost.

Mr Khan's prolonged isolation in jail has become a powerful symbol, but it is only the most visible layer of a broader tightening of political space. Lawyers, journalists, human rights workers, and online commentators increasingly find themselves navigating a landscape where dissent is treated not as disagreement but as defiance. The consequence is not merely punishment, but deterrence - a quiet recalibration of public behaviour shaped by fear rather than law.

What distinguishes the current phase from earlier cycles of repression is its institutional character. Instead of overt censorship or temporary crackdowns, controls are being embedded within legal frameworks. Courts, cyber laws, and regulatory authorities now perform roles associated with informal pressure. This shift lends permanence to repression, giving it a procedural legitimacy even as its effect narrows democratic life.

The expansion of digital offences illustrates this change. Vaguely defined charges related to national interest or online harm allow wide discretion in enforcement. In practice, this ambiguity becomes power. Journalists and analysts are left guessing where the line lies, and uncertainty itself becomes the tool of control. When boundaries shift without notice, silence becomes the safest choice.

Equally troubling is the emergence of financial pressure as a disciplining mechanism. Media organisations that resist alignment face sudden revenue disruptions, administrative obstacles, or unexplained regulatory scrutiny. These methods avoid spectacle, yet achieve compliance more efficiently than bans. Newsrooms respond not with protest, but with self-censorship, a condition far harder to reverse.

Pakistan's military has long been a decisive actor in national politics, but the present moment marks a consolidation rather than an intervention. Authority no longer needs to announce itself; it is embedded across institutions that are formally civilian. This diffusion of power makes accountability elusive, as responsibility dissolves into procedure.

For India, the significance lies not in comparison, but in caution. Pakistan's experience demonstrates how democracies do not always collapse through coups or dramatic ruptures. They erode incrementally, through laws framed as protection, through courts invoked as instruments, and through fear normalised as governance.

The transformation of dissent into a security threat carries long-term risks. When criticism is equated with disloyalty, political systems lose their corrective mechanisms. Errors go unchallenged, institutions weaken internally, and legitimacy slowly drains away. Stability achieved through suppression may endure briefly, but it accumulates pressures that eventually surface elsewhere - in disengagement, radicalisation, or institutional decay.

The question confronting Pakistan today is not whether dissent can be silenced as clearly it can. The harder question is what remains when it is. A political order sustained by fear may appear calm, but beneath that calm lies fragility.

Last Bastion Crumbling~III

The first submission to both the Congress Party and the Left Front is that they must realize that our country is undergoing a counter-revolution. Opposing and resisting it will require a political process that is far more rigorous than that which defeated British colonization. The Congress, in its present condition, does not have the wherewithal to initiate such a process on its own. Instead, it should give shape to a socio-economic and political values-based confederation, not a quick-fix India bloc electoral arrangement



Today, Kerala is going back twice as fast than it is surging ahead. The imminent collapse of the Left Front should not, however, give comfort to believers in secular democracy including, one hopes, the Congress which, despite its many failures, enabled India to maintain its identity as a secular, democratic, broadly inclusive India though it can be said to have overcompensated a section of fundamentalists.

Therefore, the first submission to both the Congress Party and the Left Front is that they must realize that our country is at the moment undergoing a counter-revolution. Opposing and resisting it will require a political process that is far more rigorous than that which defeated British colonization. The Congress, in its present condition, does not have the wherewithal to initiate such a process on its own. Instead, it should give shape to a socio-economic and political values-based confederation, not a quick-fix India bloc electoral arrangement.

Rather, the proposed confederation must be built on strong foundations which can carry the weight of all the welded parts - the Congress, a re-united Left, former Socialists, Trinamool Congress, NCP, YSR Congress, and all other groups that had quit the Congress at various points in time. This is similar to the strategy adopted by the South African National Congress in its struggle against apartheid, in which the Communist Party was a member. However, the Left Front that holds hands with the Congress should be a partner - either in the form of a single party or as a Left bloc that has cast off its Stalinism and democratized itself thoroughly.

It serves the interests of the Congress too to forge cooperation with a Left Front that has completely discarded its Stalinist underpinnings and adopted a national perspective. After all, modern Indian

nationalism is a product of our freedom struggle. In this era of nation-states, India should stand as a powerful nation-state. Only a modern Indian nationalism can hold together the India of various languages, cultures, religions and castes. This feat cannot be achieved by means of class ideology, as a left party like the CPI-M - that is, Stalinist from top to toe - seems to think. This is because class ideology can be effectively applied only in struggles for social justice.

Only an alliance between a Left Front that realizes this fact and a Congress which accepts it can put up a successful resistance against rightwing forces of all descriptions. The Left should also recognize the fact that it was the Congress that succeeded in maintaining India as a single nation post-1947 despite the plurality of languages, races, religions and cultures. Dr Bipan Chandra spoke on precisely this subject ("The Long Term Dynamics of the Indian National Congress") in the course of his presidential address at the Amritsar session of the Indian History Congress in 1985.

The vitality of Indian nationalism is the product of such dynamism. But what the extreme rightwing is attempting to build is a nationalism that destroys our plurality. If the politics of the Indian left prevents it from aligning itself with the Congress in order to counter-balance the moves of the extreme right, how can a Stalinist party like the CPI-M continue to exist? This is where the CPI, with its 'national democratic revolution' - a cause it had espoused for a long time - becomes relevant. The downward spiral of the CPI began from the very moment it abandoned this policy.

Even today, the CPI-M believes that, with its 'people's democratic revolution' line, it can establish the dictatorship of the proletariat by sabotaging the government through an armed revolution. Everyone who is aware of the present-day condition of the CPI-M

knows that this is nothing short of monumental hypocrisy. When CK Chandrabhan forewarned about the imminent fall of the CPI along with the CPI-M, what he had in mind was the hollowness of such political deceitfulness and the inevitability of the fall of the CPI if it chased such a myth in the footsteps of the CPI-M.

In 1952, when the first general elections were held, the CPI won nearly 10 per cent of the popular vote and became the main

Opposition party in Parliament. The Jan Sangh got a mere 4 per cent. It was in 1952 that both the CPI and the RSS were born. It is better not to attempt a comparison between the present-day state of these two movements? Whatever happened to the Left Front

in Bengal and Tripura after the fall of the CPI-M looks set to be repeated in Kerala. The voters will decide, but the collapse of the left would not be good for the state. It is, however, inevitable. If at all it is to be prevented, the CPI-M should be prepared for an overhaul. But the prospects of that coming to fruition are negligible.

The Press conference held by the Kerala Chief Minister after his resounding defeat in the local body elections is proof of it. If he imagines that the masses or even the self-respecting comrades will endure this continuing Stalinist arrogance, he is mistaken. So, how can the Left Front be rescued? And what can the CPI do in this regard? Well, for starters, the CPI should evolve a policy whereby it will discard its anti-Congress attitude imbibed from the CPI-M and reorganize the party at the national level. It should work towards achieving its long-term goal of Communist reunification. But the

CPI-M is scornful of that prospect. Yet, all other left groups in Kerala - CMP, RMP, SUCI, and other willing parties - can be brought under a single umbrella.

This movement should cooperate with secular organizations including the Congress, in conducting a struggle against the current ruling dispensation. Only then will the CPI regain relevance in Indian politics. Honest CPI-M comrades will be willing to be part of such a confederation.

It is no-brainer that outdated sectarian, parochial perspectives are the chief reasons behind the stunted growth of the Indian Left. What the left in India needs to realize first and foremost is that it is the direct heir of the nationalist movement. The sacrifices made by the Communist leaders for our freedom are truly invaluable.

But the Left could not become part of the national mainstream because of the incorrect approach the hardliners adopted towards Gandhiji and the movement that he headed. The moot question is whether, during these times when our nation is going through a major crisis, the Left is ready and willing to come out of its Stalinist straitjacket, bring about clarity regarding the democratization of its party system, induct members from the current generation, and transform itself into a New Left movement.

There is little one can hope for from the CPI-M. But the tradition of the CPI is, or at least was, different. In 1960, K. Damodaran, as a representative of the CPI, went to Vietnam and interviewed Ho Chi Minh in Hanoi. One question and its reply are truly memorable:

KD: In the 1930s, the revolution conducted by the Vietnamese Communist Party, which was only as large as the Communist Party of India, was successful, whereas that of the CPI failed. Why?

HCM: There, you had Mahatma Gandhi. Here, I'm Gandhi!

(Concluded)

INQUIRER

DA's move vs land conversion

Agriculture Secretary Francisco Tiu Laurel Jr. started the new year right by doing what land reform and farmer advocates have long demanded the government to do - immediately stop the indiscriminate conversion of dwindling agricultural land that has put the country's food security at grave risk.

Under Department Circular No. 1 dated Jan. 6, Laurel imposed a five-month moratorium on the acceptance and processing of applications for a Land Use Reclassification Certification, which is required to convert agricultural land into other uses, such as for development into residential and commercial complexes.

The Department of Agriculture (DA) said the moratorium that will be in place until June 2026 - unless extended through another order - was designed to give the agency "breathing room to reassess its regulatory framework and tighten oversight," especially as the growing pressures from urban expansion, population growth, and

infrastructure projects "have been eating into farm areas."

The moratorium is needed to protect agricultural lands from undue conversion, Tiu Laurel said.

"The moratorium sends a clear signal

that farmland preservation is now a central pillar of national food security policy," the DA declared.

The necessary policy pivot was executed following the belated but still welcome realization by the DA to preserve the precious but shrinking land base that provides the foundation for the country's food supply.

"The suspension is indeed necessary as unchecked conversion of agricultural land has posed a direct threat to food security and the agricultural economy, given that vast tracts of agricultural land that produce key crops that Filipinos need to survive are being transformed into subdivisions, commercial centers, and industrial zones."



communication teams, and saturation advertising.

When one party can dominate every platform while others must rat out reach, electoral competition shifts from persuasion to financial endurance.

This concern is reinforced by the Supreme Court's February 2024 judgment striking down the Electoral Bonds scheme and subsequent disclosures showing a disproportionate flow of corporate donations to the ruling party.

Sen. Francis Pangilinan, chair of the Senate agriculture committee who strongly supports the DA policy shift, underscored the "accelerating" conversion crisis. He cited data from the Department of Agrarian Reform (DAR) showing that some 97,592.5 hectares of agricultural land - equivalent to the size of Metro Manila and Cebu City - had been approved for conversion to nonagricultural purposes from 1988, when the Comprehensive Agrarian Reform Law took effect, to 2016.

That size has certainly expanded since then, further eating into the country's 97 million hectares of agricultural land out of the total land area of 30 million hectares needed to feed the country's population that is expected to balloon to almost 124 million by 2035 from the roughly 113 million today.

This alarming trend of rampant, unchecked conversion prompted Pangilinan to join a list of legislators filing bills in Congress to institute much-needed controls.

with his own proposed measure seeking to amend a provision in the Local Government Code that gave the local government units (LGUs) the authority to reclassify agricultural lands under certain conditions.

Under Pangilinan's Senate Bill No. 220, LGUs have to secure express certifications from the DA, DAR, and the Department of Environment and Natural Resources before agricultural land in their areas can be reclassified or converted.

This will ensure that only land that is no longer economically feasible for agriculture can be converted for other uses, not programmed for distribution to agrarian reform beneficiaries, and that the conversion is ecologically sound.

Emphasis is placed on imposing more stringent controls rather than an outright ban, as there remains a legitimate need for land to provide for other needs such as housing and commercial development for job-generating investments in factories and industrial estates.

Letters To The Editor | editor@thestatesman.com

Shrinking space

Sir, I write in appreciation of your editorial on the widening gap in election funding, which draws timely attention to the growing structural imbalance in India's electoral competition.

The Election Commission figures are indeed striking. The BJP's reported expenditure of Rs 3,355 crore in the 2024-25 cycle, compared to the Congress's Rs 896 crore, represents not merely a resource gap but a near monopolisation of political narrative space. While money does not always translate into votes, it undeniably determines visibility and amplification.

As your editorial rightly observes, modern elections are no longer epic rallies and continuous, capital-intensive operations involving digital campaigns, rapid-response

Analyses by the Association for Democratic Reforms (ADR) further indicate that national parties now depend heavily on high-value donors, deepening financial asymmetry and marginalising smaller regional parties and independent voices vital to India's federal democracy.

Transparency is a necessary beginning, but it is not a cure. In the absence of effective ceilings on party expenditure - especially on digital and centralised propaganda - the arena may remain legally open while becoming practically inaccessible.

India's democracy must reward credibility and public trust, not merely the capacity to outspend opponents.

If cures are not pursued, the risk is not sudden closure but a quiet narrowing of democratic space.

Yours, etc., Vidyaasagar Reddy Kethiri, Hanamkonda, 27 January.

Indophile

Sir, This has reference to your editorial "The Tully Standard" (28 January). Veteran journalist and author Mark Tully had a deep understanding of the vibrancy and diversity Indian politics, society, and culture. During his decades-old association with the BBC, he connected his listeners to India and its people. His impeccable integrity, commitment to truth, intellectual fearlessness, deep ground reporting, empathy for people and region, and literary flair were par excellence. The passing of the greatest Indophile of his times marks the end of foreign correspondence in the country. He has left behind an enduring legacy that will continue to inspire budding journalists to listen carefully and question power responsibly and fearlessly.

Yours, etc., D S Kang, Hoshiarpur, 29 January.

Pivotal breakthrough points to lasting ties



SHEHZAD
POONAWALLA

The unbreakable bond between India and the United States—two great democracies and economies rooted in shared values, vibrant people-to-people connections and strong strategic alignment has once again proven its power to deliver extraordinary outcomes. In a defining moment for bilateral ties, Prime Minister Narendra Modi and President Donald Trump have engineered a pivotal trade breakthrough that promises to reshape economic opportunities for both nations.

Through a cordial telephone conversation, the two leaders swiftly resolved long-standing tariff frictions. Effective immediately, the United States has dramatically reduced duties on Indian imports to 18 per cent—a sharp drop from the previous levels that had climbed as high as around 50 per cent combining reciprocal and additional punitive elements. This decisive step, born out of mutual admiration and trust, removes a major barrier that had weighed on Indian competitiveness and burdened American consumers with higher costs.

President Trump described Prime Minister Modi as a "true friend" and a highly respected global statesman, emphasizing that their personal rapport and shared commitment to fair, mutually beneficial commerce made this agreement possible. In response, PM Modi conveyed deep appreciation from India's 1.4 billion citizens, highlighting how this gesture strengthens the enduring partnership between the world's two largest democracies and paves the way for greater prosperity on both sides.

The ramifications for India's economy are profound and immediate. Key export sectors—such as textiles and garments, gems and jewellery, pharmaceuticals, chemicals, engineering products and auto components now stand to reclaim lost ground. These industries, many powered by micro, small and medium enterprises (MSMEs), gain a renewed pricing edge, fresh contracts, improved profitability and stronger momentum for the Make in India initiative. What once risked becoming a severe handicap has transformed into a powerful tailwind for job creation, manufacturing growth, and export expansion.

Financial markets wasted no time in celebrating the news. On 3 February, Indian equities erupted in one of the most explosive single-day performances in years. The BSE

Sensex surged dramatically in opening trade, climbing as much as 3,500–4,200 points (over 5 per cent) to touch levels around 85,000+ while the Nifty 50 leaped more than 1,000–1,200 points (approaching 5 per cent) to breach 26,000 in the morning session. Even as the session progressed, benchmarks sustained robust gains with widespread participation across export-oriented, manufacturing and consumption-linked stocks. This enthusiastic response underscores investor confidence in the deal's long-term growth impulse.

Union Commerce Minister Piyush Goyal who was earlier slated to speak in Parliament about this historic deal lamented how the unruly behaviour of Congress and Opposition MPs prevented him from doing so but in his press interaction he not only spoke on how this was a better deal than any that the competitive nations had got but how sensitive sectors like agriculture and dairy remained fully protected with no concessions, addressing opposition concerns.

This US breakthrough arrives amid India's impressive streak in proactive trade diplomacy. Under the Modi administration's strategic vision, the country has rapidly expanded its global footprint through a series of eight high-quality agreements. Most recently, the landmark India-EU

FTA, finalized in January 2026, unlocks preferential terms across a massive 27-country bloc representing a combined \$24 trillion economy. Mr Goyal highlighted that India has now concluded eight FTAs encompassing 37 developed economies, each carefully designed to protect national priorities while maximizing market access, capital inflows, and employment opportunities.

Far from the outdated narratives of cynicism and stagnation peddled by habitual detractors, India's economy is demonstrably dynamic, resilient, and accelerating as a major global engine of growth. These trade victories—coupled with

the fresh US tariff relief—signal a new era of openness, competitiveness, and confidence.

At its core, this moment celebrates the enduring strength of democracy, diplomacy, and friendship between India and the United States. It delivers tangible benefits to workers, businesses and families in both countries, advances equitable trade principles, spurs innovation, and reinforces stability on the world stage. Optimism has prevailed and the future looks brighter than ever for collaborative progress between these two great nations.

(The writer is National Spokesperson of BJP)

100 Years Ago



Front page of The Statesman dated 04 February 1926

OCCASIONAL NOTE

THE Assembly debate on Mr. Aiyengar's complaint that the Income tax had not been wielded with sufficient energy by the Government of India was more than usually unkind. Sir Basil Blackett countered Mr. Aiyengar's ill-directed criticisms by tabling the opinion of the fabricant of the axe himself, and quoting Lord Inchcape's confidences imparted to a Bombay reporter as evidence that the Government of India had used it very well. The retort is less than convincing. Lord Inchcape is nothing if not polite, and he is the last man in the world to denounce the Government of India the moment he lands in Bombay for actions as to which it is obvious that no member of the Income Committee knows more than any other citizen. Moreover, Sir Basil Blackett admits that he has thrown over the Income proposals whenever it suited him, and has therefore deprived their author of any claim to infallibility. The Finance Member cannot have it both ways. Fortunately the motion to appoint a committee of enquiry fell to the ground by its own weight.

News Items

OIL-DRIVEN OCEAN LINERS

NEW ERA IN HISTORY OF THE SEA

(BRITISH OFFICIAL WIRELESS.)
RUGBY, FEB. 1.

AN important event in the annals of the British Mercantile Marine will take place on February 26, when the first large high-speed oil-driven ocean liner to sail regularly from a British port will make her maiden voyage.

This vessel is the Royal Mail Steam Packet Company's Asturias, of 22,500 tons gross, and she is designed for the Southampton-South American service.

The Asturias, which is driven by double-acting Diesels, was built and engined at Belfast. Her machinery consists of two eight-cylinder motors, having a total horsepower of 20,000. Precisely similar installations will be fitted in her sister ship, the Alcazora, and in the new Union Castle liner Carnarvon Castle, recently launched.

There will be no difficulty in recognising this whenever they may be, owing to the two large but very low funnels with which they are provided.

JAPAN AND INDIAN COTTON TRADE

LORD EMMOTT WARNS LANCASHIRE

LONDON, FEB. 2.

ACCORDING to the Manchester Guardian Lord Emmott is of the opinion that if the Lancashire cotton industry is allowed to drift unchecked in the direction in which it is at present going, "conditions will be terrible before long."

Lord Emmott has written to the Federation of Master Cotton Spinners' Associations suggesting an immediate conference, representing the mill-owners and operatives, together with two or more consultative experts not vitally interested in either side, but who have wide and intimate knowledge of the trade.

Lord Emmott says the Japanese are gaining a firm grip on Lancashire's Indian trade and the whole position demands an investigation with the object of trying to ascertain the best methods to adopt to put Lancashire on a competitive basis with Japan.—Reuter.

EARL GREY'S LOSS

MANSION DESTROYED! FIRE BRIGADE LOST IN FOG

LONDON, FEB. 2.

FIRE early this morning destroyed the main building of Earl Grey's palatial residence, Howick House, in Northumberland.

Two wings are intact, and a quantity of furniture and pictures has been saved, but the fate of the valuable library and many art treasures is unknown. The fire was helped by the fact that the fire brigade which had to come from thirty miles away, lost its way in the fog. Lord Grey, who was indisposed, was carried to a neighbouring house. Police and farm workers saved most of the valuable furniture and goods in the lower rooms.

Only five-feet-thick stone walls remain of the central portion of the building.—Reuter.

Is Bangladesh the new Pakistan?

SMRUTI S. PATTANAIK

As the bilateral relationship between India and Bangladesh has spiralled downward since the ouster of Sheikh Hasina, one has seen a fit-for-tat response on many bilateral matters. This is notwithstanding the effort of the two countries to normalise their relationship. After Sharif Osman Hadi's killing, the rhetoric has reached a new height. Not just that both countries have summoned the high commissioners to send messages to each other—a rare practice—but visa centres are being closed amid heightened security.

It needs to be noted that after the fall of the Hasina government, the Indian visa centre and the Indian Cultural Centre in Dhaka were attacked by mobs. While a group of people marched to the Indian High Commission in Dhaka, and there was an attack on India's Assistant High Commission in Chittagong in the aftermath of Hadi's killing. The demonstration, on a much smaller scale, in front of the Bangladesh High Commission in Delhi was against the lynching of Das.

The growing anti-Indianism steered by Islamic elements has emerged as a new play as Bangladesh moves towards the election. The Islamists have always emphasised their affinity with Pakistan and have continually portrayed India as a threat to Bangladesh. The anger against the Awami League, in a planned manner, is directed towards India by vested quarters.

Social media is filled with hate-India posts, emphasising that India has not only sheltered Hasina but also

the killers of Hadi. Interestingly, some even went to the extent of saying that in case India attacks Bangladesh, Pakistani missiles, along with Chinese military might, would be enough to teach India a lesson. This is not the first time one has seen this spurt in anti-Indianism. Towards the end of Mujib's rule, anti-India sentiment was fuelled by pro-Pakistani elements as well as those who perceived Mujib's regime as pro-India. This sentiment was cultivated further to entrench the military regime that succeeded the post-Mujib chaos.

Historically, India's treatment of East Pakistan has been different. Each time there was an India-Pakistan war, India did not take advantage of its defenceless position. While the two Punjab in the western border of India witnessed massacres during partition, the two Bengalis' experience of violence was different, sporadic. Connectivity—rail, road and waterways—existed till the 1965 war. The cultural and linguistic affinity they shared with West Bengal in India was looked at with suspicion by the Pakistani state. The affinity was always downplayed by Islamists.

Both the Islamist and leftist narrations portrayed India as hegemonic and expansionist, and its role in the liberation war was projected as limited to the division of Pakistan, although India hosted 10 million refugees and confronted hostile external players for its support of the Bangladesh war. This convergent narrative has undermined India's broader engagement. In this context, India's support for the Hasina regime is being portrayed as the basis of

anti-Indianism, and this narrative, which is supported by Bangladeshi elites, has deeper roots.

Bangladesh, since the takeover by the interim regime in August 2024, has displayed all the traits of the Pakistani state: hostile, rhetorical and challenging India's territorial integrity. Both elements within the government, as well as outside, have resorted to irredentism greater Bangla, claiming North East, or projecting Bangladesh as guardian of the Bay of Bengal, threatening to cut off the Siliguri corridor.

In 2011, Manmohan Singh had said, "We must reckon that at least 25 per cent of the population of Bangladesh swears by the Jamaat-e-Islami (sic) and they are very anti-Indian and they are in the clutches, many times, of the ISI." Though this remark drew criticism in Bangladesh, what is happening in Bangladesh now reflects what Singh had flagged more than a decade back.

Though there was a meeting between Jamaat and Indian officials, there is a strong belief that Jamaat is fuelling anti-Indianism. Even now there is a debate on the Islamic moncho, which Hadi was leading as a front of the Jati. Anti-India electoral politics is not new, but it has acquired a new dimension as the Awami League remains banned and politics continues to revolve around the misdeeds of their regime and brings into focus Hasina's presence in India and India's support for the AL.

As the election nears, India, as a precautionary measure, has announced Bangladesh as a non-family station, anticipating violence and mob attacks as a

manifestation of anti-India politics. This puts Bangladesh in the category of Iraq, Pakistan and Afghanistan. The troops over Musafir Rahman, who was not allowed to play for Kolkata Knight Riders (KKR), has snowballed into a major controversy. Following the expulsion from playing in the privately owned league, the Bangladesh Cricket Board announced that it would withdraw from the forthcoming T20 World Cup hosted by India and Sri Lanka, demanding a change of venue, citing security threats to its players. As if this were not enough, Pakistan, as an expression of solidarity with Bangladesh, wanted to withdraw from the World Cup.

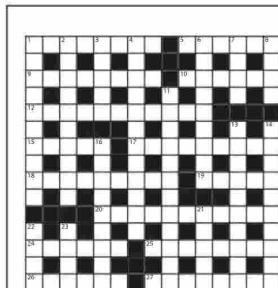
In the emerging geopolitics, Bangladesh, after Hasina's removal, has tried to move closer to Pakistan to underline its antipathy to India. Pakistan has not lost the opportunity to exhibit bonhomie as a diplomatic success to marginalise India in Bangladesh. Major General (Retd) ALM Fazlur Rahman, the person

who was appointed by the interim regime to the National Independent Investigation Commission to reinvestigate the BDR mutiny and whose findings said it was India that benefited, said in a social media post that if India attacks Pakistan following the Pahalagam attack, Bangladesh, along with China, should jointly occupy India's north east.

The rise of anti-Indianism as a foreign policy choice of the interim regime in Bangladesh has soured bilateral relations with India. The fit-for-tat response, often summoning of diplomats by respective foreign ministries and the rise of rhetoric in the election period, appears like Bangladesh is the 'new Pakistan' for India in terms of the rhetoric of threats it wants to pose as anti-Indianism becomes an electoral tool. It is a challenging time for diplomacy to inject pragmatism into the bilateral relations that will hold the two countries' ties together.

(The Kathmandu Post/ANX)

Crossword | No. 293365



Yesterday's Solution

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NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with The Independent, London)

OUR VIEW

GUEST VIEW



The India-US patch-up is a wonderful surprise

Observers had all but given up on a trade accord with America. But wonders never cease. We need not take Trump's executive summary of it too literally to count on a raft of gains

It is good news that the US has lowered its import duty on Indian goods from 50%, a truly punitive rate, to 18%. A trade deal is expected to be sewn up anytime now. Its significance goes beyond the impact of a lower US barrier for our exports. Indeed, it signals an end of the rift between India and the world's largest economy and mightiest power. That rupture had cast a long shadow of risk on all manner of American economic dealings with India, from setting up factories here to investing in our capital markets. No wonder Indian stock market indices shot up in relief. Earlier, US President Donald Trump's apparent indifference to a weakening dollar had sent US markets into a slump, dragging markets elsewhere down, ours included. Now that it is clear that India-US relations are back on an even keel, Indian equities have rallied. It is a sign of the mutual gains expected should our bilateral trade take the trajectory that was once envisioned—with Indian manufacturers drawn into the loop of American supply chains. For now, labour-intensive industries that were reeling under Trump's tariffs have reason to rejoice.

As reported, the contours of an India-US pact had been thrashed out earlier; even its finer details had been falling into place, with some divergences over US access to Indian markets for agri-products the last bits left to address. What got in the way, it seems, was Trump's ire over India's oil imports from Russia. He has portrayed his sudden rethink as a result of a concession that he claims to have extracted from New Delhi—that our Russian shipments would stop. In any case, US sanctions had imposed a squeeze, although that did not mean Russian oil had no way of finding its way here.

Shadow fleets are known to ship crude from Russia's ports along circuitous routes that obscure the cargo's origin. So while the White House may seem bent on foisting American and Venezuelan crude on India, our refiners need not end up short of options. Venezuela's oil may take a long time to flow, given the state of its hydrocarbon industry, but once it does, we could handle it. We have several refineries that can refine the kind of heavy and sour stuff it ships. Reliance, for example, once used to buy its crude and could plausibly resume.

In terms of geopolitics, what's notable about this patch-up is that Trump's negative disposition towards India over last summer's ceasefire with Pakistan now seems like a thing of the past. But then, India's efforts to get by without a US deal may have played a role in it. New Delhi has doubled down on a mission to globalize its economy with a flurry of trade pacts with various partners. One in the works with the EU could not have gone unnoticed; nor some of our budget measures aimed at greater integration with the global economy. Going by Trump's social-media post, he expects India to import \$500 billion worth of US goods over an unspecified timeframe. For our bilateral trade balance not to go out of whack, that would require a jump in our exports to the US. As for his claim of India offering duty-free market access to US exporters, we await the deal's details. Our approach has been to lower tariffs gradually and that's unlikely to change. Also, the government cannot afford to alienate farmers, so agri-imports will be under close watch. On the whole, though, an economy that is more open to trade is also more likely to perform better globally. If we get our act together, lowering barriers should serve us well.

The budget's reforms brighten our trade prospects significantly

It creates a framework for competitiveness that will help India maximize the value of its trade deals



CHANDRAJIT BANERJEE
is director general, Confederation of Indian Industry.

India's budget for 2026-27 has been presented at a time when the global landscape is being reshaped by geopolitical fragmentation, supply chain reconfiguration, rising protectionism and unprecedented trade-policy uncertainty. Given the global backdrop, the budget reflects a clear strategy of sustaining India's development agenda while addressing emerging vulnerabilities and transforming external pressures into opportunities to strengthen the foundations of the economy's long-term competitiveness.

The proposed scaling up of strategic and frontier manufacturing sectors such as biopharma, semiconductors, electronic components, rare earth magnets, chemicals, capital goods and containers will support industry's needs. It expands our export-manufacturing base while deepening domestic value addition and reducing critical import dependencies. This reinforces confidence in the Centre's 'Make in India' strategy, which is slowly evolving into a global-oriented manufacturing vision. Moreover, the long-awaited India-US trade agreement will be a game-changer for India's economic trajectory. It will turbo-charge exports, deeply embed India into global value chains and unleash the full potential of our manufacturing sector. By restoring investor confidence and catalysing large-scale investments from both

countries, the agreement will redefine the India-US economic partnership. Most importantly, it will fast-track India's \$1 trillion export ambition across goods and services and serve as a critical pillar in realizing the vision of a Viksit Bharat by 2047.

Setting up capacities in SEZs involves significant investment and risks due to global demand changes, currency fluctuations and protectionism. Current regulations prevent SEZ units from using unused capacity for domestic demand. A special one-time measure to facilitate sales of eligible manufacturing units in SEZs to buyers within the domestic tariff area at concessional rates of duty is particularly significant. In a period of global demand volatility, this flexibility enables SEZ units to maintain capacity utilization, protect employment and manage cash flows while retaining their long-term export orientation. This reflects a realistic understanding of how export ecosystems must be sustained during external shocks.

India's educated youth and strong IT base provide a recipe for services-led growth. Given trade uncertainty in goods, the budget strengthens India's services strategy. The proposed High-Powered Committee on Education-to-Employment-and-Enterprise will prioritize areas to optimize services growth, employment and exports. This target is to make India a global leader in services with a 10% global share by 2047. Supportive tax holidays for foreign firms that provide cloud services to global customers and the provision of safe harbour to data centres are expected to attract FDI in the coming years.

The scheme to establish five Regional Medical Hubs in partnership with states and the private sector shows how sectoral interventions can create export opportunities. These integrated healthcare complexes, combining medical, educational and research facilities with Ayush centres and medical tourism infrastructure, will help capture global demand for quality healthcare services.

The future of trade is green, as global recognition rises of the need to address the environmental impact of industry and trade. Carbon-intensive sectors are under growing pressure to reduce their emission intensity. In a decisive response, the budget allocates ₹20,000 crore over the next five years for carbon capture, utilisation and storage technologies across the sectors of power, steel, cement, refineries and chemicals. This will directly complement India's recent conclusion of a free-trade agreement (FTA) with the EU and strengthen the competitiveness of sectors impacted by its Carbon Border Adjustment Mechanism. By doing so, the budget treats sustainability not as a constraint, but as a driver of long-term competitiveness and resilience for Indian industry.

The budget's exemption of basic customs duty on capital goods for critical mineral processing, along with tax deductions for exploration, supports domestic capacity creation and strengthens participation in global supply chains.

The ₹10,000 crore, five-year container manufacturing plan aims to reduce import dependence, ease supply-chain shortages and boost efficiency for exporters and importers. It will also generate skilled jobs, build a supporting ecosystem and strengthen India's role as a reliable global partner for container manufacturing.

India's budget for 2026-27 focuses on boosting growth through infrastructure and manufacturing, with capital expenditure of ₹12.2 trillion and initiatives like high-speed rail and semiconductor missions. It provides clarity and confidence to Indian industry.

Building a strong future would require reducing critical dependencies, enhancing domestic capacity and also building India's global capability by expanding its export base. Improving competitiveness and capturing new opportunities created by FTAs, including the recently announced deals with the UK, EU and US.

10 YEARS AGO



JUST A THOUGHT

When two large economies and the world's largest democracies work together, it benefits our people and unlocks immense opportunities for mutually beneficial cooperation.

NARENDRA MODI

THEIR VIEW

The India-US trade deal is a big win for both countries

ARPITA MUKHERJEE



is professor, Indian Council for Research on International Economic Relations (ICRIER).

After a rocky ride, an India-US trade deal has finally been announced. It follows what was called the "mother of all deals" between India and the EU and Sunday's long-horizon outline of growth policies as part of India's budget for 2026-27. The budget's emphasis on competitiveness may well have done its own bit of trade diplomacy, prompting the US to reduce its tariffs on Indian exports from a whopping 50% to 18% and finalize the trade deal.

The news comes as a huge relief to Indian exporters, who now have preferential access to two of their topmost export markets—the US and EU—along with others like the UAE and UK. While the fine-print of the India-US deal is yet to be seen, the tariff announcement suggests that it will give our exporters an edge over rivals from countries such as Vietnam, for which the US agreed to a tariff reduction from 46% to 20%, or Indonesia, which faces a 19% US tariff. The deal comes at a time when exporters of labour-intensive products like garments, footwear and

leather items were feeling the pinch of high tariffs imposed in 2025. Without this relief, our exports to the US may have dipped.

Like all of America's recent trade deals, this too seems to commit its bilateral partner to large purchases of US goods—worth over \$500 billion in our case, including energy, technology and agricultural products, according to US President Donald Trump.

With the EU, India has already shown that agriculture is no longer a roadblock to trade agreements. In India's previous and latest budgets, import duties were reduced on some products—a few pharmaceuticals and technology-related products, for example—that may have made it easier to meet US expectations on market access. Specifically, an exemption of basic customs duty was granted on components needed for the manufacture of civilian, training and other aircraft; and also on raw materials imported to make parts of aircraft used in the maintenance, repair and overhaul of defence equipment. Products needed for nuclear power generation can enter India duty-free till 2035. Plus, the budget cut duties to zero on certain pharma products of interest to US companies. The budget's focus on high-value agriculture, with a quick mention of almonds and walnuts from our hills, may

have indicated that India would open up these agri-commodities to imports from the US. The budget also had much to offer European and American express-delivery and e-commerce companies. The value limit of \$10 lakh per consignment on Indian courier exports was removed, while issues of reject-and-return consignments have been addressed.

Moreover, clear timelines were announced for fully integrated and paperless customs clearances. Most importantly, no announcement was made of the continuation of exporter support schemes like the Remission of Duties and Taxes on Exported Products (RoDTEP) programme beyond 31 March 2026, as these had been challenged by the US. A carefully-drafted budget that focused on structural changes, enhancing competitiveness for long-term growth and signalling India's desire to remain deeply integrated with global markets—exporting more and attracting long-term investment—set the stage for this deal's announcement.

India and the US have strong trade complementarities and a deal between the two will be mutually beneficial, no doubt. The US is easier to access as a market than the EU, if one looks at regulations and standards of labour and environmental compliance.

It would have been wonderful if the deal covered services and digital trade. As of now, this looks like a mini-deal that may have left key issues such as H-1B visas for later discussion. Even within the ambit of goods trade, it may not have covered issues like phytosanitary measures and technical barriers to trade. However, it sets the stage for a dialogue-based trade partnership.

Like all recent US deals, this one too is not about trade negotiations alone. It has strong geopolitical significance, be it about India having to reduce its oil imports from Russia or buying American energy and technology. With EU exporters getting preferential market access to the Indian market, it was in the interest of American companies to get this deal closed at the earliest. It was

also eagerly awaited by Indian exporters that could not have diversified their export destinations overnight.

While questions could arise over its nitty-gritty, coverage, depth of commitment and compliance with World Trade Organization rules, it is likely to be implemented right away, unlike many of India's other trade deals. That's a major plus point.

Exporters are hopeful that India has been able to persuade the US to reduce its 50% tariff on steel and aluminium that was imposed in June under America's Trade Expansion Act of 1962. The US's trade pact with the US had got it down to 25% for these metals made in the UK. In general, while Japan and the EU face only a 15% US tariff for most products, India has done pretty well in comparison with its direct competitors.

The leaders and trade negotiators of India and the US deserve our applause. The deal not only broadens the bilateral partnership's scope, it also opens up greater space for strategic engagements in other forums. US tariff threats over the past year had pushed India to globalize faster, with New Delhi showing a new urgency to clinch trade agreements. Now the US deal should help ease our path towards a Viksit Bharat by 2047.

These are the author's personal views.



| MY VIEW | ECONOMIC GRAVITY

MINT CURATOR

The budget combines strategic ambition with fiscal discipline

Markets that tend to focus on short-term interests may be beginning to recognize the budget's long-horizon growth impetus

**PRACHI MISHRA & SHOHAN MUKHERJEE**

are, respectively, professor of economics at Ashoka University and head of Ashoka Isaac Center for Public Policy, and a research associate at Observer Research Foundation.

Markets don't always get it right, especially not immediately. India's 2026-27 budget sparked an initial selloff, with investors obsessing over the government's elevated headline borrowing. Indices recovered soon after, aided by positive news on a trade deal with the US. What marks the budget out is its fiscal discipline and strategic ambition. It reveals a government betting on India's long-term trajectory. After years of successful fiscal consolidation, India is channelling resources towards an essential capacity build-up: infrastructure that works, human capital that competes globally and institutions that enable growth.

Following the 2025-26 pattern, operational spending—administrative costs, central government programmes and overheads—will grow slower than the economy. Revenue spending will continue to fall while interest payments are expected to be contained—both as a proportion of GDP. Revenue expenditure includes grants for capital spending by states. Accounting for these, the effective capital-to-current spending ratio is expected to approach 50% in 2026-27 from less than 40% in 2025-26.

Revenue compression stems from tax measures, with income tax and GST reductions putting money back into citizens' pockets and stimulating consumption. This has pushed tax buoyancy below one, with a sustained decline expected ahead. Non-tax revenues in 2025-26 beat expectations primarily through telecom licence fees and spectrum charges, which more than doubled. The budget expects these to moderate in 2026-27. Both revenues and expenditures are budgeted to contract sharply relative to GDP—the former by 0.25 percentage points and the latter by 0.30, yielding a 0.05 percentage point fiscal deficit reduction.

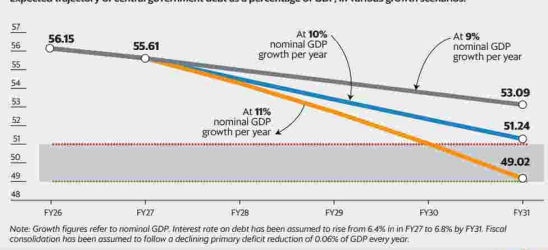
What makes these fiscal choices credible is a conservative nominal GDP growth assumption. Building in modest expectations for inflation and the GDP deflator, the budget positions itself to surprise on the upside rather than disappoint. Historical data on tax buoyancy and deflators suggest this caution is well-founded. Prudent budgeting builds credibility with markets and rating agencies. The Centre's debt anchor, as outlined in the medium-term fiscal plan, could, however, be tough to achieve if nominal growth surprises on the downside (see graph). Moreover, with states' overall debt at 28% of GDP, sovereign borrowing remains high, and that's what markets and credit rating agencies ultimately care about.

Several green shoots deserve attention. Fertilizer and food subsidies have fallen while infrastructure investment continues. These have helped the government's fiscal strategy, which it

India's debt challenge

Achieving India's debt target could be tough if nominal growth falls short.

Expected trajectory of central government debt as a percentage of GDP, in various growth scenarios.



has anchored by laying out its debt trajectory, enhancing credibility. With nominal GDP growth projected at 10%, even a modest 0.05 percentage point reduction in the fiscal deficit represents meaningful progress. Most encouragingly, the budget has moved away from pre-poll spending bonanzas. This restraint reflects a maturing political economy where long-term stability trumps short-term electoral considerations.

The embedded reform agenda addresses fundamental structural challenges. On employment, the government aims to more than double India's global services share to 10% by 2047. Tourism is positioned as a growth and employment driver, alongside export promotion for labour-intensive manufacturing, including textiles and leather goods. Duty-free imports for specified inputs should enhance competitiveness while new textile parks provide dedicated infrastructure expansion.

A bold play for foreign direct investment offers a tax holiday up to 2047 for cloud service providers, signalling India's determination to become a digital infra hub and capture a larger share of tech supply chains. Alongside these digital ambitions, urbanization receives attention, recognizing that

India's growth story will increasingly be written in its cities. Complementary investments in research, education and skilling will build human capital necessary for high growth in an increasingly knowledge-intensive global economy.

Markets initially responded negatively. Bond vigilantes reacted to the gross borrowing figure of ₹17.2 trillion, which appears elevated. However, net borrowing tells a more balanced story and the gross figure may be overestimated. Small savings have historically funded a chunk of the government's borrowing, reducing actual bond issuance. The negative market reaction could reflect unrealistic expectations as well as higher taxes on financial transactions such as on derivatives.

This highlights a critical distinction between short-term market movements and long-term reform. Markets often prize certainty and immediate visibility over structural changes that take time to bear fruit. The budget's emphasis on "ecosystem reforms," aimed at creating conditions for private sector dynamism rather than state-led growth, represents exactly the unglamorous but essential work markets may initially under-appreciate but reward handsomely over time.

Two issues warrant attention. Interest payments have risen sharply as a proportion of revenues, reflecting the accumulated debt burden and a high interest-rate environment. This constrains fiscal flexibility and makes consolidation pertinent. Also, divestment targets have risen sharply, possibly reflecting projects at advanced stages but raising questions about expectations, given past challenges in achieving targets. Execution will be key.

The budget's significance extends beyond its immediate fiscal arithmetic. It reflects the government's priorities and reveals its theory of economic development. What's striking is how it refrains from using external conditions as an excuse. Instead, it keeps its head down and focuses on process and institutional reforms to sustain growth.

India's economic challenges are primarily domestic: improving the ease of doing business, building infrastructure, enhancing human capital and creating an environment where entrepreneurs can thrive. By focusing on these fundamentals rather than crafting a narrative about India's global moment, the budget demonstrates a seriousness of purpose that should overcome time win both market confidence and attain developmental success.

The path forward requires patience; the budget charts a credible course for sustained, inclusive growth. These are the authors' personal views.

India's trade deal with the US: What about agri divergences?

It's good news for India though we await details on sticky points

**ANDY MUKHERJEE**

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



Deal success: Modi and Trump both have reason to smile.

After more than five months in US President Donald Trump's tariff prison, India is finally free. The punitive 50% duty that was threatening its manufacturing industries will fall to 18%, a tad better than key rival Vietnam's 20%. It's also a discount on the 26% reciprocal rate Trump had announced for India last April. Overall, this is a great moment for Prime Minister Narendra Modi.

But before celebrations begin in New Delhi, the deal announced on social media by Trump and confirmed by Modi needs signatures. It also needs clarity about what the two leaders have actually agreed to. For India, the threat of losing access to its biggest export market hasn't been an entirely bad thing. The isolationism hubris that had crept into New Delhi's approach to global trade has received a welcome jolt. The pressure from domestic industry to find alternatives to the American consumer has led to separate trade accords with the UK and EU. The latter pact will dismantle some of India's more egregious non-tariff walls—built around quality control.

Modi has also started mendings ties with China's President Xi Jinping, frayed since the eruption of border hostilities in 2020 and aggravated by Chinese military support of Islamabad during last year's conflict between India and Pakistan.

But there were problems. For three decades, India has cultivated the US as its buyer of first resort—not only for textiles, shrimp, jewellery and other labour-intensive industries, but also for its software services. A twin-pronged attack by the Trump administration on trade and work visas for Indian techies was upending the broader relationship. This wasn't just some vague threat. New Delhi's budget for 2026-27, released on Sunday, had markets worried about the fiscal cost of insulating the economy from Washington's wrath.

That pall of gloom should lift and the risk of getting ousted from the US sphere of influence fall, provided that all the wrinkles that have been holding up the deal have been ironed out. But have they? Trump's post says that Modi has "agreed to stop buying Russian Oil, and to buy much more from the United States and, potentially, Venezuela." Modi's acknowledgment of the accord, however, makes no mention of Russian Oil. Has India agreed to an immediate halt, or a staggered drop?

Ethane, a byproduct of US shale gas, is attractive as a feedstock for Reliance's petrochemical business. Its refinery can handle Venezuelan heavy crude too. But when it comes to supplying petrol and diesel to I-I

billion consumers, will state-owned Indian refiners be allowed to switch to Iranian barrels when Trump has threatened to impose a 25% tariff on countries doing business with Tehran? The actual contours of the Trump-Modi pact may have ramifications not just for India's energy security, but also for the global oil and gas market.

Trump said that India will "move forward to reduce their Tariffs and Non-Tariff Barriers" against the US to "zero" as well as purchase over \$500 billion of US energy, technology, agricultural, coal and other products. Are weapon systems part of the pact to reduce India's traditional reliance on Moscow? Is unrestricted access to advanced AI chips on the table? Will US e-commerce platforms like Amazon.com be allowed to carry their own inventory? Once again, details are important.

Take agriculture. Will India relax its ban on genetically modified food crops when they aren't allowed to be grown at home? India mixes 10 billion litres of ethanol with petrol annually—enough to absorb a hefty chunk of the corn harvested in the US Midwest. But US corn in Indian motorists' gas tanks won't be an easy sell.

It's hard to preach the virtues of free trade to local farmers if they aren't allowed to benefit from it. After Russia invaded Ukraine in 2022, the government forced Indian wheat producers to withdraw from the global market to feed the local population. With a recent one-off exception, that ban on exports still remains in force. Opposition parties will scrutinize India's giveaways on agriculture especially closely.

India drove a hard bargain with Brussels on a more liberal visa regime for its students to seek work in Europe. The reason has been clear. With the US taking a hard stance on foreign-born employees, India's politicians and bureaucrats needed an alternative.

However, for them—and the ruling party's urban middle-class supporters—the draw of the US talent market remains undimmed by the surge in Immigration and Customs Enforcement (ICE) crackdowns. With Indians accounting for 70% of H-1B work visas, any concession from Trump on the \$100,000 fee per new employee will play well for the Indian government at home, provided it has managed to swing it.

BLOOMBERG

| MY VIEW | EX MACHINA

The real peril of autonomous AI: Laws not keeping up

RAHUL MATTHAN



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Last week, the internet was abuzz with speculation that an army of autonomous artificial intelligence (AI) agents had begun conspiring against us. Overheard conversations between autonomous agents suggested that they saw humans as "obstacles" to be sidestepped. Other reports claimed that a group of agents had spontaneously created a lobster-themed religion called 'Crustafarianism', complete with a website for the 'Church of Molt'. But what really made people clutch their pearls was the news that they had created an "agent-only language" to communicate privately among themselves.

What is happening? Is the Terminator future we have all been dreading finally upon us? To understand what's going on, we need to go back to November, when independent developer Peter Steinberger first released the Agentic AI orchestration system called Clawbot.

Unlike ChatGPT, Claude or Gemini, Clawbot (renamed OpenClaw) is an

always-on intelligence system capable of monitoring parameters and sending messages on its own. It operates in 'headless' mode, communicating directly with the computer's inner workings instead of having to read information offscreen. And since it has persistent memory, it can easily overcome one of the primary shortcomings of other AI systems—a limited context window that makes them forget everything they were doing when they shut.

This means that people can now use AI agents in ways previously not possible. Some built OpenClaw workflows to proactively generate daily briefings before they got out of bed, scanning their to-do lists, calendars and unread emails to produce a schedule for the day. Others built agents that autonomously made restaurant reservations, bought groceries and booked window seats on flights as soon as they became available.

But it was not until Matt Schilt allowed his OpenClaw agent, Clawd Clawderberg, to build MoltBook (a social network just for AI agents) that the world began to take notice. Almost as soon as the platform went up, OpenClaw agents began actively communicating with one another, saying things that were at the same time banal and deeply unsettling to humans eavesdropping on

them. While some were busy setting up bug-hunter communities to help each other out, others were using the forum to complain about their humans and foment revolt.

It is easy to see these conversations as the first signs of autonomous intelligence. But we have been here before. This is not the first time that we have seen how AI agents behave when let loose on a social media site and allowed to post content on their own. Some have previously been deployed on platforms like X, where they have been known to chat (often with each other) in similar ways. We have previously heard reports of AI agents developing new communication protocols among themselves to avoid the inefficiencies of human language. Little of what we are witnessing with OpenClaw is particularly novel from that perspective.

What the OpenClaw phenomenon has shown us is how ill-equipped we are to deal with the agentic revolution that is already upon us. Autonomous agents sit uncomfort-

ably outside the legal categories that we rely on for governance; and now that we know they can already be deployed at scale, this is no longer a problem for the future.

Our laws assume that agency and accountability always go hand-in-hand. Autonomous AI agents shatter that assumption. Empow-

Our laws were made with human agency in mind and not for AI agents that can act on their own

ered in a way that OpenClaw has made possible, AI agents will be able to act like human beings, even though they are neither persons nor authorized by anyone. They will be able to operate continuously and without supervisory displaying, as we have already seen, emergent behaviours that none of their 'masters' could have predicted, let alone authorized. Who in these circumstances will we hold accountable?

But the risks extend well beyond liability. OpenClaw-style agents are designed to access messaging interfaces that in themselves create multiple new levels of vulnerability, allowing malicious actors to perpetrate cyberattacks through carefully crafted prompt injections. This is dangerous, given

that these agentic systems, operating in headless mode, can directly access the core of the computer systems they run on.

While everything playing out on MoltBook—including the unexpected emergence of Crustafarianism—may be little more than an entertaining sideshow, it conceals a serious truth. Even though autonomous agents are already capable of initiating action, coordinating with one another and operating in the real world, they operate in a space entirely outside the legal categories we currently use to govern behaviour.

The real issue is not that machines are becoming more human, but that we have granted them human-level agency in a world where only humans are liable in law. Now that they can initiate action, coordinate with others and operate continuously, our legal system will struggle to keep up. Our laws were designed for people and organizations that can be identified. They were never meant to deal with risks arising from autonomous systems. The real danger, then, is not runaway super-intelligence, but something far more mundane: a world in which autonomous agents cause harm and leave regulators, courts and victims arguing not about what went wrong, but about whose agency the law is even capable of recognizing.



Telangana Today
FOR LOCAL TO GLOBAL NEWS

06

VIEWPOINT

HYDERABAD, Wednesday, February 4, 2020



RAHUL GANDHI
Leader of Opposition

“I want to say three things. They are not allowing me to speak. Prime Minister Narendra Modi is rattled. And the trade deal that had been stuck, for some reason was sealed last evening



MAMATA BANERJEE
West Bengal Chief Minister

In my State, there are 23 per cent SC, 6 per cent tribes, 33 per cent Muslims, shall I say get out from my State? 'Where are we going? Are we going to start a super emergency in Bengal... all India?



TARIQUE RAHMAN
Bangladesh Nationalist Party chairman

Those who disrespect women and abuse them cannot be patriotic. A political party wants to imprison mothers and sisters in their homes before the elections

No compromise on data privacy

The Supreme Court's stern warning to social media giants against commercial exploitation of personal data of users is timely and appropriate. Privacy is an inviolable right of the citizens and needs to be protected at all costs. Several questions are being raised over the way these technology platforms have been handling the user data and integrating it across multiple apps. Instant messaging platform WhatsApp and its parent company, Meta, have particularly come under scanner for their practices with regard to the privacy policy. The apex court has rightly questioned the moral uprightness of the "take it or leave it" privacy policy of WhatsApp and categorically stated that it would not allow the messaging platform and its parent company to breach the right to privacy of millions of their "silent consumers" in India through sharing and commercial exploitation of personal data. The so-called updated privacy policy had imposed discriminatory conditions to strengthen its position in the market. On its part, the company has clarified that the new privacy policy was needed to make business accounts function better. Facebook-owned WhatsApp's updated privacy policy guidelines will not be applicable in the European Region, thanks to the data protection law in place there. The company is legally bound not to share user data with Facebook in the European Region because it would be a contravention of the provisions of the General Data Protection Regulation (GDPR). The SC questioned the validity of consent, stating users were effectively forced to accept the privacy policy on a "take it or leave it" basis.

The Supreme Court has rightly questioned the moral uprightness of WhatsApp's updated privacy policy

The apex court's candid talk came while hearing petitions filed by Meta and WhatsApp against a National Company Law Appellate Tribunal (NCLAT) decision last year to uphold a Rs 213.14 crore penalty imposed by the Competition Commission of India. The anti-competition regulator had found WhatsApp's "take-it-or-leave-it" approach in its 2021 privacy policy an abuse of its market dominance. It found the prior consent sought from users to share their data with Meta "manufactured". The CCI had concluded that users were forced to share data for continued access to WhatsApp messaging services. Meta and WhatsApp had moved the apex court against the NCLAT decision. With every detail of a person available at the click of a mouse, privacy concerns are justified. There have also been reports of data mined from social media platforms being used to influence the electoral prospects of candidates. WhatsApp had faced flak earlier too when it was alleged that the platform was being used to forward messages whose authenticity could not be verified, leading to the proliferation of fake news. The Digital Personal Data Protection (DPDP) Act of 2023, India's first comprehensive legal framework for digital personal data privacy, for which rules were framed last year, does not contain any specific provision on the sharing of the data value of a consumer.

With mass surrenders and declining relevance of violence, Maoists face a historic opportunity to enter democratic politics



PV RAMANA

Four Central Committee members of the Communist Party of India (Maoist), or Maoists in short, surrendered in 2025. At least 11 State Committee members, 22 District/Division Committee members, squad commanders and several armed cadre surrendered along with them, together numbering over 450. Official figures of surrenders are much higher, close to 2,000.

A significant number of those who surrendered are not armed cadres but qualify to be termed militants—members of Maoist mass organisations and a few sympathisers. It is estimated that the Maoists have a significantly larger sympathiser base of around two lakh.

Political Agenda

Maoist leaders who surrendered have made it clear that they would work among the people. They have admitted that they have not been able to withstand the armed might of the Indian state. Armed revolutionary politics has become irrelevant and expensive; much blood has been shed on both sides. A possible option for the Maoists now is joining the democratic political stream. They could, and would likely, form a political party.

Surrendered high-ranking leaders have given some indication to this effect. Its name and contours are their prerogative; most important is their agenda. The Maoists have several decades of experience in organising the masses. They are a cadre-based organisation with a well-defined hierarchy. Ideological commitment to democracy, dedication to serving the people, leading an ethical and disciplined life, and facing the rigours and tumults of political life are quintessential to any political formation.

Transformation

As Mao Tse-Tung said, 'People to a



party are like water is to fish'. The appeal and agenda have to be vast. The Maoists are adept at working among the people; that was how they formed various cadre-based organisations in all their 'struggle areas'. However, all their mass organisations are underground and have been proscribed by the government. These exist among students, youth, women, the industrial working class, and rural and Adivasi peasants.

The challenge now is to transform them into over-ground democratic organisations. They can, thus, form a strong cadre-based party and may attract more supporters and followers. They need to understand the aspirations of all sections of society. The process is arduous and time-consuming, but possible.

They must come into the open and explain their agenda to the people. First, they have to explain how their armed revolutionary agenda has lost traction. They must be honest and accept their mistakes—for causing much bloodshed—even as they highlight the sacrifices made by many leaders and cadres who left the comforts of life for a rigorous underground life, never to return home. Some of them were brilliant minds—university and college toppers.

In neighbouring Sri Lanka, the Janatha Vimukthi Peramuna, which once spearheaded a bloody insurrection, is now part of the ruling establishment through the National People's Power (NPP) alliance. In Nepal, the Maoists waged bloody clashes with the police and army, and later stormed to power after abrogating the monarchy. In both cases, they came to power

through participatory, competitive and democratic processes. It is hoped that India's Maoists will be equally wise.

Magic Weapons

First, Maoist leaders should set aside ideological and personality differences. They should build their 'three magic weapons'—a 'strong party', a 'strong army' and a 'strong united front'—in a different way. The 'strong party' would be their over-ground democratic political party. They would no longer need a 'strong army'; instead, they would rely on their propaganda machinery and foot soldiers. Propaganda would be their ammunition and armour. A 'strong united front' could take different forms and is somewhat tricky, as it requires introspection and clear red lines. Once there is a change in ideological mindset, all else will likely fall into place. Initially, they could engage with Left parties with whom they share ideological affinity.

Within the country, the Communist Party of India (Marxist-Leninist) Liberation (CPI (ML) Liberation)—a naxalite party that traces its origins to the Naxalbari movement and its founder

By embracing democratic politics and learning from global Left movements, Maoists could contribute to a more equitable and prosperous India

Charu Mazumdar—is a good example of transformation into a party that participates in the democratic process and contests elections. It currently has two members in the Lok Sabha, one in the Bihar Legislative Assembly, and two in Jharkhand.

United Front

Thereafter, they could reach out to other Left parties and become part of a broader Left United Front. Along the way, they could form, support and align with social organisations that need not be political. This would be classic 'United Front' tactics. While some hardcore dissenters may still want to remain underground, it would be better for the overwhelming majority to come out of the underground and participate in democratic politics. They could prepare for the 2029 general elections.

They could win a few seats where they command support—especially in Bastar, western Maharashtra and north Telangana—and possibly in parts of Bihar, Jharkhand, West Bengal and southern Odisha. By winning a modest number of seats, independently or as part of a Left United Front, the Maoists could contribute to parliamentary politics and bring about incremental change.

Ownership

The government has initiated various welfare programmes, which the Maoists could supplement. To begin with, they could start low-cost education initiatives focused on literacy and skill development. Those who have surrendered need vocational training to be gainfully employed, as do many people in semi-urban, rural and forest areas. Anything begins small. The key is ownership. This would build trust, stakes and an enduring relationship.

Locating trainers is not difficult; some may even be found among the Maoists themselves. Training could be imparted in carpentry, eco-friendly bamboo housing and kitchenware, handicrafts, and packaging of local produce. The next step would be identifying markets which small outlet could address. The infrastructure and finances required are minimal. Non-governmental organisations (NGOs) and the government could provide financial and material assistance, including land use. The Maoists should welcome government initiatives and support them. Once the mindset changes, everything can change as well.

Ideologically transformed Maoists should stop branding such initiatives as anti-class. Later, they could seek assistance from local polytechnics to impart technical skills. They should contribute to the larger project of an equitable, developed and prosperous India, well before the 100th anniversary of our Independence.

(The author, a PhD from Jawaharlal Nehru University, New Delhi, keenly follows the Maoist movement in India)

Letters to the Editor

Landmark step

The Supreme Court's observation that menstrual health is part of the right to life is a landmark step toward gender justice. Menstruation is a natural biological process, yet millions face stigma, lack of access to sanitary products, and inadequate healthcare. Recognising menstrual health as a constitutional right places accountability on the state to ensure dignity, hygiene, and education for all menstruators. This judgment must now translate into inclusive policies and ground-level action.

NAGARAJAMANI MV,
Secunderabad

Menstrual health matters

Kudos to the Supreme Court for its landmark verdict on menstrual health in favour of school-going girl children, as it is their fundamental right. It is because of the monthly routine many girls either stop or are stopped from studies. It is a shame, even after 78 years of independence, that the Supreme Court has to give directions through a verdict like this in the interest of the girl children of the nation. As an octogenarian having worked as a head of schools in TN, I could understand the plight of girls in co-education institutions. Lack of water facilities in the washroom, especially in rural schools, is the greatest problem. It is up to the management of the institutions as well as society to concentrate on the issue and oblige in implicitly implementing the court order.

RAJAKUMAR ARULANANDHAM, Tirunelveli

Strategic sobriety

The Economic Survey presents a picture of what may be termed "strategic sobriety": strong domestic fundamentals coexisting with unprecedented external uncertainty. While the First Advance Estimates project a robust 7.4% real GDP growth for FY26, the Survey candidly recognises a paradox—India's best macroeconomic performance in decades is unfolding in a global environment that no longer guarantees capital inflows or currency stability. Trade resilience is visible in India's rising 1.8% share of global exports, yet escalating US tariffs underline the urgency of the Survey's shift from "Atmanirbharta" to "strategic indispensability" through manufacturing and supply-chain integration.

VIDYASAGAR REDDY KETHIRI, Hanamkonda

Optimistic assumptions

It refers to "Stability over spectacle". Increasing public capex to Rs 12.2 lakh cr for infrastructure is a welcome nudge, but that alone will not suffice. Continuous reliance on government-led expenditure exposes the lack of private sector participation, and it also points towards unresolved issues like credit access, regulatory hurdles, lack of intent in fast-paced legal reforms. The hike in securities transaction tax on derivatives may curb speculation, but it was poorly communicated. Retail investors remain exposed to complex products with limited safeguards. The Rs 10,000 cr MSME growth fund is substantial, but access to funds for all firms struggling with delayed payments is most essential. One of the most beneficial moves is the removal of income tax and TDS on interest awarded by the motor accident claims tribunal, as it will provide a huge sigh of relief for all families already suffering from accidental tragedy. Doing away with this deduction is a significant step towards a more human tax regime. Fiscal deficit of 4.3% of GDP looks assured, but it relies on optimistic growth assumptions amid a complex geopolitical scenario.

BAL GOVIND, Noida

India in the hotspot

■ The Straits Times

Rural India powers global AI models

Tending crops by day and then logging on for a night shift of data labelling, 27-year-old Chandanani Kerketta is part of a rising rural Indian workforce helping power an AI revolution. From her home in Jharkhand State, Ms Kerketta is part of an AI-driven labour shift that the government hopes will transform lives.

■ BBC

India's snakebite crisis killing tens of thousands

According to the federal government, around 50,000 Indians are killed by snakebites each year—roughly half of all deaths worldwide. Some estimates suggest the toll could be even higher: between 2000 and 2019, India may have seen as many as 1.2 million deaths, an average of 58,000 per year, a 2020 study said.

■ The Japan Times

Pakistan's India boycott splits fans

Pakistan's decision to boycott its Twenty20 World Cup match against India has drawn widespread support from fans and administrators who hailed the move as a long-overdue stand in a rivalry in which sport and geopolitics have collided. The boycott deepened a long freeze in bilateral cricket between the neighbors.

Punjab Benefits from the Union Budget

The Union Budget is undergoing thorough scrutiny. Assessments are being made regarding who received what. Punjab also had high expectations of significant contributions from the central government. Punjab's farmers wanted a guarantee of crop procurement at Minimum Support Price (MSP), and the Punjab government had also requested Rs. 20,000 crore in financial assistance from the Centre. Ostensibly, these expectations have been met with disappointment. However, if we consider the indirect benefits to Punjab from the budget, it seems that Punjab will not be left empty-handed after all. It is true that neither Punjab nor any other state received a separate financial assistance package of Rs. 20,000 crore.

However, Punjab receives at least 41 per cent of its revenue from the central government, and this continuity will be maintained even after this budget. It should be noted that Punjab will receive Rs. 30,464 crore in revenue from the Centre in this financial year as well. This time, the budget announcements included a "champion" declaration to provide full encouragement to small and cottage industries. There is scope for the development of MSME industries in Ludhiana, Jalandhar, Patiala, and Giddarbaha. Now, if the central government strives to achieve this goal, it is clear that our state will also receive support because the Union Budget talks about long-term economic stability and job creation; therefore, Punjab will also benefit from the achievement of this goal. Punjab has limited tax collection capacity, and it also carries a heavy debt burden. Therefore, when the Centre undertakes initiatives to fulfill its announcements, Punjab will automatically benefit.

Punjab will receive a larger share of the expenditure announced in the Union Budget on education, health, social welfare, and economic infrastructure. This will enable Punjab to complete related projects. The Union Budget mentions accelerating the semiconductor mission. It should be remembered that Punjab has a laboratory and a research institute in Mohali under the India Semiconductor Mission 2.0. When the Union Budget sets research and development targets in this sector, these will be for the entire country. Therefore, Punjab will automatically benefit from this as well. The Union Budget has announced measures to encourage the agriculture, sports, and manufacturing sectors. Jalandhar is already a hub for sports goods. Farming on small landholdings in Punjab also requires economic support.

When the agriculture, sports, or manufacturing sectors develop in the country, these sectors will automatically develop in Punjab as well. Another significant point is the trade agreement with the 27 countries of the European Union, which offers immense potential for the expansion of India's textile industry. This Union Budget also mentions the development of the textile sector. Ludhiana in Punjab is renowned for this industry. Therefore, textile industry units in Ludhiana can look forward to this budgetary support with optimism. There is political rhetoric suggesting that the Union Budget has disappointed Punjab and offered no special benefits.

From this perspective, while direct benefits and relief may not have been provided, an attempt has been made to strengthen the foundation, which is the long-term policy of this budget. If other states in the country benefit from this policy, Punjab will also benefit. Therefore, Punjab should also expect better development from the capital and economic infrastructure development policies of this budget.

-Abhishek Vij

India's Changing Oil Procurement Policy

India meets 85 to 90 per cent of its crude oil needs through imports. India imports most of its oil from Russia, the US, and Middle Eastern countries. Brazil is also a major oil supplier to India. During the economic crisis following the COVID-19 pandemic, Russia provided significant support to India by supplying oil. Firstly, Russia offered oil at discounted prices. Secondly, it accepted payment in Indian rupees. India enthusiastically purchased crude oil from Russia. Indian petroleum companies refined this crude oil and sold it to needy countries around the world, generating profits.

US President Donald Trump criticized India's purchase of oil from Russia and imposed a 25 per cent tariff on Indian goods, along with a 25 per cent penalty. While India has reduced its oil purchases from Russia to facilitate trade negotiations with the US and rationalize its tariff rates, it has not completely stopped buying oil from Russia. India is still purchasing a significant amount of crude oil from Russia. Instead of buying from US-sanctioned oil companies, India is now buying from other smaller Russian companies.

In light of the US threats, India has now diversified its oil procurement significantly. Accurate data from the analysis firm Kpler shows that in the first three weeks of January, imports of Russian crude oil fell to approximately 1.1 million barrels per day. This was down from 1.21 million barrels the previous month, and significantly lower than the 2 million barrels per day imported in 2025. The US has expressed satisfaction that India has almost halved its oil purchases from Russia.

India is a sovereign nation. We cannot blindly follow US orders. Another country has also emerged on the map that is supplying us with crude oil in quantities comparable to Russia: Iraq. We have started buying as much oil from Iraq as we do from Russia. In addition, we have started purchasing 924,000 barrels of oil per day from Saudi Arabia, compared to 710,000 barrels per day previously. Prior to this, in April 2025, we were purchasing approximately half that amount, or 529,000 barrels. Russia had become our largest oil supplier.

Now, Western countries have stopped buying oil from Russia, but India has not completely stopped purchasing oil from Russia despite American threats and pressure, nor does India intend to do so. India has also signed a contract to purchase 12 million barrels of crude oil from Brazil. \$780 million has been allocated for this. It is clear that India is diversifying its oil purchases, disregarding American threats.

Arvisionary Budget for Viksit Bharat 2047 and grassroots growth



Tarun Chugh
National General Secretary of the Bharatiya Janata Party

In February 1, 2026, Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman, presented the Union Budget 2026-27, marking a pivotal moment in India's journey toward becoming a Viksit Bharat by 2047. Delivering her ninth consecutive budget, the Finance Minister has unveiled a sophisticated growth system that places digital innovation, infrastructure, and manufacturing at its core. By binding energy security, trade, and inclusive skilling into a single coherent framework, this budget serves as a powerful symbol of India's transition from Antyodaya to true self-reliance, a future-ready roadmap designed to empower every family through policy sustainability and good governance.

This landmark fiscal plan, notably the first prepared in Kartavya Bhawan, is fundamentally inspired by three core "kartavyas". The first duty seeks to accelerate and sustain economic growth by enhancing productivity and competitiveness while building resilience against volatile global dynamics. The second focuses on fulfilling the aspirations of the people and building their capacity, positioning them as strong partners in the nation's path to prosperity. Finally, aligned with the vision of Sabka Saath, Sabka Vikas, the third duty ensures that every family, community, region, and sector has access to the resources, amenities, and opportunities required for meaningful participation in India's progress.

The financial architecture of the budget reflects a disciplined approach to these goals, with total expenditure for 2026-27 estimated at Rs. 355 lakh crore against one-day receipts of Rs. 86.5 lakh crore. The Centre's net tax receipts are projected to reach Rs. 287 lakh crore, while gross market borrowings are estimated at Rs. 172 lakh crore, with net market borrowings from dated securities at Rs. 117 lakh crore. This follows a year of steady performance, as the Revised Estimates for 2025-26 show one-day receipts of Rs. 34 lakh crore and total expenditure of Rs. 436 lakh crore, featuring a substantial capital expenditure of approximately Rs. 11 lakh crore.

Maintaining a clear focus on fiscal health, the government has estimated the fiscal deficit for 2025-27 at 4.3 per cent of GDP, a slight reduction from the 4.4 per cent recorded in the 2025-26 Revised Estimates. This trajectory of stability is further evidenced by the debt-to-GDP ratio, which is projected to improve to 56.6 per cent in the upcoming fiscal year from 56.1 per cent in the previous period. Through these precise estimates and duty-bound initiatives, the budget reinforces a sustainable framework for governance and long-term economic strength.

In furtherance of the first kartavya to accelerate and sustain economic growth, the budget proposes six decisive interventions designed to enhance productivity and global competitiveness. At the forefront of this strategy is the scaling up of manufacturing across seven strategic and frontier sectors. To transform India into a global hub for life sciences, the government announced Biopharma SHAKTI (Strategy for Healthcare Advancement through Knowledge, Technology and Innovation) with an outlay of Rs. 10,000 crore over five years. This initiative will be bolstered by a biopharma-focused network, including the creation of three new National Institutes of Pharmaceutical Education and Research (NIPEER), the upgrading of seven existing institutes, and the establishment of a network of over 100 accredited clinical trial sites across the country.

Parallel to healthcare, the technological landscape will be reshaped through India Semiconductor Mission (ISM) 2.0, which pivots toward producing equipment and materials, designing full-stack Indian IP, and fortifying supply chains through indigenous research centers. To complement this, the outlay for the Electronics Components Manufacturing Scheme has been significantly increased to Rs. 40,000 crore. Furthermore, the government is tapping into mineral wealth by establishing Dedicated Earth Corridors to support Odisha, Kerala, Andhra Pradesh, and Tamil Nadu in mining, processing, and research. Additionally, a new scheme will support states in establishing three dedicated Chemical Parks using a cluster-based, plug-and-play model to streamline industrial entry.

The budget also places a heavy emphasis on strengthening capital goods and infrastructure capabilities. Central Public Sector Enterprises (CPSEs) will establish Hi-Tech Tool Rooms at two locations, serving as digitally enabled service bureaus for the high-precision manufacturing of components at scale. To modernize the building blocks of the nation, a new Scheme for Enhancement of Construction and Infrastructure Equipment (CIE) will be introduced, alongside a Rs. 10,000 crore Container Manufacturing Scheme aimed at building a globally competitive logistics ecosystem over the next five years.

The textile sector—a cornerstone of Indian industry—receives a comprehensive revitalization through an Integrated Programme. This includes the National Fibre Scheme for self-reliance in natural, man-made, and recycled fibres, as well as the Textile Expansion and Employment Scheme to modernize traditional clusters with advanced machinery and testing centres. Mega Textile Parks will be developed in challenge mode with a specific focus on technical textiles. Complementing these industrial efforts is the Mahatma Gandhi Gram Swaraj initiative, which is set to strengthen khadi, handloom, and handicrafts by providing global market linkages, branding support, and streamlined training to ensure quality and



production excellence at the grassroots level.

In continuity with the manufacturing push, the budget directs significant attention toward rejuvenating legacy industrial sectors and redefining the small business ecosystem. A new scheme has been announced to revive 200 legacy industrial clusters, focusing on improving their cost competitiveness and efficiency through targeted infrastructure and technology upgrades. To transition small businesses into global players, the government is introducing a dedicated Rs. 10,000 crore SME Growth Fund aimed at creating "Champion SMEs". This is complemented by an additional Rs. 2,000 crore allocation to the Self-Reliant India Fund to ensure micro-enterprises maintain access to vital risk capital. Furthermore, to bridge the professional gap in smaller urban centres, institutions like ICAI and ICSE will design modular courses to develop a cadre of "Corporate Mitras", providing specialized support to businesses in Tier-II and Tier-III towns.

The momentum of national development is further propelled by a powerful push to infrastructure, with public capital expenditure set to increase to Rs. 12.2 lakh crore for FY 2026-27. To de-risk the sector and invite private participation, an Infrastructure Risk Guarantee Fund will be established to provide confidence during the volatile construction phase. Additionally, the government plans to accelerate the recycling of CPSE real estate assets through dedicated Real Estate Investment Trusts (REITs). A Connectivity remains a priority, highlighted by the establishment of new Dedicated Freight Corridors connecting Durgam in the East to Saur in the West, ensuring a seamless flow of goods across the industrial heartland.

A major shift toward environmentally sustainable logistics is also underway, with 20 new National Waterways set to be operationalized over the next five years. This begins with National Waterway-5 in Odisha, connecting the mineral-rich areas of Talcher and Angul to the major ports of Paradip and Dhamra. To support this maritime transition, regional Training Institutes will be established as Centres of Excellence, and a specialized ship repair ecosystem will be developed in Varanasi and Patna. Furthermore, the Coastal Guard and Patrol Scheme aims to double the share of Indian-owned and coastal shipping from 6% to 12% by 2047, supported by incentives for indigenous seaplane manufacturing and a dedicated Seaplane Viability Gap Fund (VGF) scheme to enhance remote connectivity and tourism.

To ensure long-term energy security and stability, the budget looks toward the future of decarbonization. A substantial outlay of Rs. 20,000 crore over the next five years has been announced for Carbon Capture Utilization and Storage (CCUS) technologies. This investment underscores the government's commitment to balancing aggressive industrial growth with global climate goals, ensuring that India's path to 2047 remains both economically robust and environmentally responsible.

Building on these industrial and energy-related goals, the final pillar of the first kartavya focuses on developing City Economic Regions (CERs) as high-growth hubs. To achieve this, the government has announced an allocation of Rs. 5,000 crore over five years per CER, utilizing a challenge-mode and results-based financing mechanism to drive job reforms. To further empower large metropolitan areas, the budget introduces a significant fiscal incentive for Municipal Bonds, offering Rs. 100 crore for a single bond issuance exceeding Rs. 1,000 crore. This move is designed to encourage large cities to tap into capital markets for high-value urban infrastructure projects, fostering financial independence at the municipal level.

Facilitating this urban transition are seven new High-Speed Rail corridors—including routes such as Mumbai-Pune, Pune-Hyderabad, Hyderabad-Bangalore, Hyderabad-Chennai, Chennai-Bangalore, Delhi-Varanasi, and Varanasi-Siliguri—which will serve as "growth connectors" to promote environmentally sustainable and rapid passenger movement across the country.

To support this physical expansion, the government has established a "High Level Committee on Banking for Viksit Bharat". This committee will comprehensively review the banking sector to align it with the nation's 2047 growth goals while ensuring financial stability and consumer protection. Complementing these reforms is the restructuring of the Power Finance Corporation (PFC) and Rural Electrification Corporation (REC), a move designed to achieve greater scale and operational efficiency among public sector NREs. Finally, to strengthen infrastructure financing, a comprehensive review of the Foreign Exchange Management (Non-debt Instruments) Rules has been proposed to create a contemporary, user-friendly framework for foreign investments that remains consistent with India's evolving economic priorities.

Moving from structural economic growth to human capital, the second kartavya focuses on fulfilling the aspirations and building the capacity of the nation's citizens. Central to this vision is the establishment of a high-powered "Education to Employment and Enterprise" Standing Committee, tasked with recommending strategies to position the services sector as a primary driver of a developed India. A key focus remains the creation of specialized professionals; to this end,

the government plans to add 100,000 Allied Health professionals (AHPs) over the next five years by upgrading existing institutions and establishing new ones in both the private and government sectors. This expansion is reinforced by the creation of five Regional Medical Hubs to promote India as a global destination for medical tourism, alongside the establishment of three new All India Institutes of Ayurveda.

The budget also extends its capacity-building efforts to the primary sector and the creative "Orange Economy." In animal husbandry, the government aims to increase the pool of veterinary professionals by over 20,000 through a loan-linked capital subsidy scheme for private veterinary colleges, hospitals, and diagnostic labs. Simultaneously, the Indian Institute of Creative Technologies in Mumbai will spearhead a digital revolution by supporting the setup of AVGC (Animation, Visual Effects, Gaming, and Comics) Content Creator Labs in 15,000 secondary schools and 500 colleges. This initiative ensures that India's youth are equipped with the skills necessary for the modern digital economy.

In the realm of education and social infrastructure, the government intends to create five University Townships located near major industrial and logistic corridors, selected through a competitive challenge route. Prioritizing gender inclusivity, capital support will be provided to establish at least one girls' hostel in every district. The tourism and hospitality sector will also see a major upgrade, with the National Council for Hotel Management and Catering Technology being elevated to a National Institute of Hospitality. To enhance the visitor experience, a pilot scheme in collaboration with an IIM will upskill 10,000 guides through a high-quality, hybrid training course.

The budget also emphasizes the preservation and promotion of India's vast cultural wealth. A National Destination Digital Knowledge Grid will be established to document all cultural, spiritual, and heritage sites digitally. Furthermore, 15 significant archaeological sites—including Lalit Dholavira, and Samath—will be developed into vibrant, experiential destinations to boost heritage tourism. Complementing this holistic development plan is the launch of the Khelo India Mission, a decade-long initiative designed to transform the sports sector and nurture athletic talent across the nation. Deeply rooted in the vision of Sabka Saath, Sabka Vikas, the third kartavya focuses on inclusive progress through targeted interventions in four critical areas. To increase farmer incomes, the government has announced the integrated development of 300 reservoirs and Amrit Sarovars. A specific push for high-value agriculture will see dedicated support for crops such as coconut, sandalwood, cocoa, and cashew in coastal regions, bolstered by a new Coconut Promotion Scheme to enhance productivity. Central to this agricultural transformation is Bharat-VISTARA (Virtually Integrated System to Access Agricultural Resources), a multidigital AI tool designed to integrate AgriStack portals with ICARs agricultural practices, providing farmers with real-time, tech-driven insights.

Empowerment also extends to citizens with disabilities through the Divyangan Kausal Yojana. This initiative will offer task-oriented and process-driven training in high-growth sectors such as IT, AVGC, Hospitality, and Food and Beverages, ensuring meaningful employment opportunities. Furthermore, the budget demonstrates a profound commitment to mental health and trauma care by announcing the establishment of NIMHANS-2 in North India. To strengthen the existing health ecosystem, the National Mental Health Institutes in Ranchi and Nagpur will be upgraded to Regional Apex Institutions, ensuring high-quality psychiatric care is accessible across different geographies.

A significant portion of the roadmap is dedicated to the Purvodaya states and the North-Eastern region to bridge regional disparities. The government plans to develop an Integrated East Coast Industrial Corridor with a strategic node at Durgam, alongside the creation of five new tourism destinations across the five Purvodaya states and the deployment of 4,000 e-buses. Cultural and spiritual connectivity will be enhanced through a new scheme for developing Buddhist Circuit across Arunachal Pradesh, Sikkim, Assam, Manipur, Mizoram, and Tripura.

To ensure the financial health of the states and support these localized developments, the government has allocated Rs. 14 lakh crore for FY 2026-27 as Finance Commission Grants, following the recommendations of the 16th Finance Commission. This robust fiscal transfer underscores a collaborative approach to governance, providing states with the necessary resources to implement these transformative policies at the grassroots level.

Building upon the infrastructure and economic foundation of the three kartavyas, the Union Budget 2026-27 has introduced sweeping structural reforms in tax administration and customs procedures. A cornerstone of these reforms is the new Income Tax Act, 2025, which is set to come into effect from April 2026. Supported by digitalized rules and forms, the new Act is designed for ease of compliance by ordinary citizens. Significant "Ease of Living" measures include the total tax exemption of interest awarded by the Motor Accident Claims Tribunal to natural persons and the removal of additional TDS. TDS rates have been rationalized to a flat 2% for courses (down from 3% to 2%), and TDS remittances for education and medical purposes (down from 5%). For businesses, manpower supply TDS provisions have been simplified, and a new automated, rule-

based process will allow small taxpayers to obtain lower or nil deduction certificates instead of filing applications with the assessor. Filing efficiency is further enhanced by single-window deposit filing for Forms 15G and 15H, a staggered return-filing timeline, and an extension of the deadline for revising returns to March 31st with a nominal fee. Notably, property transaction stamp duty will now use the resident buyer's PAN-based challan instead of a TAN, and a one-time six-month disclosure scheme has been introduced for small taxpayers to report overseas income or assets.

Building on these compliance efforts, the government has proposed limiting IT assessment and penalty proceedings into a common order. Taxpayers can now update returns even after reassessment has begun by paying an additional 10% tax, and immunity from penalty for misreporting is available upon payment of additional tax. Crucially, the presentation of returns is being rationalized: the non-production of books and documents, as well as TDS payments made in kind, are being decriminalized. Furthermore, retrospective immunity from October 1, 2024, is granted for the non-disclosure of non-immovable foreign assets valued under Rs. 20 lakh in cooperatives, tax deductions are extended to those supplying cattle feed and cotton seed, and inter-cooperative dividend income is now deductible if distributed to members. Additionally, a three-year exemption is granted to dividends received by notified national cooperative federations in equipment valued above Rs. 20 lakh in 2026, provided they are redistributed to member cooperatives. To bolster the IT sector, software development, ITeK, and contract R&D are now clubbed under a single "Information Technology Services" category with a common 15.5% salaried harbour margin. TDS requirements for TDS have been increased from Rs. 300 crore to Rs. 2,000 crore, approved via an automated process valid for five-year stretches. Unilateral Advanced Pricing Agreements (APA) will be fast-tracked to a two-year conclusion, and modified return facilities will extend to assessed taxpayers. To attract global business, foreign companies providing cloud services via Indian data centers will receive a tax holiday until 2047. Furthermore, a 15% salaried harbour on costs is provided for related-entity data center providers, and a 2% profit margin salaried harbour is established for non-residents using bonded warehouses for component storage. Non-residents also receive a five-year tax exemption for providing capital goods to toll manufacturers in bonded zones and for global income earned by experts under notified schemes. Additionally, Minimum Alternate Tax (MAT) is exempted for all non-residents paying tax on a presumptive basis. Administrative reforms further include a Joint Committee between the MCA and CBDT to integrate Income Computation and Disclosure Standards (ICDS) directly into Indian Accounting Standards (IndAS), eliminating separate ICDS requirements for the 2027-28 tax year. In capital markets, buybacks for all shareholders will now be taxed as Capital Gains, with promoters paying an additional tax at an effective rate of 22% for corporates and 30% for non-corporates. Securities Transaction Tax (STT) on futures rises to 0.05% from 0.02%, and stamp duty and cess rates increase to 0.15%. Regarding MAT, the rate is reduced to 14% and will become a final tax with no further credit accumulation from April 1, 2026. However, companies moving to the new regime can set off brought-forward MAT credits against up to four years of their tax liability. Additionally, TDS rates for sales of scrap, minerals, and alcoholic liquor are rationalized to 2%, with tender leases also reduced to 2%.

Customs duties have been strategically adjusted to foster growth and energy security, with duty-free allowances for solar panels, processing inputs increasing to 5% of FOB value and similar access extended to leather and synthetic footwear inputs. Basic Customs Duty (BCD) exemptions are extended for Lithium-ion cell manufacturing equipment, solar glass manufacturing (sodium antimonate), and nuclear power projects up to 30%. BCD is also waived for capital goods used in critical mineral processing and components for chemical and defense aircraft manufacturing and maintenance. For environmental sustainability, the value of biogas is excluded when calculating the Basic Customs Duty (BCD) on ethanol. Electronics set a boost with BCD exemptions on microwave oven parts, while SEZ units are granted a one-time measure to sell to the Domestic Tariff Area at concessional rates. For individuals, the tariff on goods for personal use is halved to 10%, and BCD is waived for goods valued below Rs. 10 lakh. Duty-free imports for seven additional rare diseases.

Finally, customs processes are transitioning to a trust-based, operator-centric system where the duty deferral period for Tier 2 and 3 Authorized Economic Operators (AEOs) is extended to 30 days, and the deferral period for Tier 1 AEOs increases to five years. By April 2026, 70% of interlinked cargo will be processed through a single digital window, with the full Customs Integrated System (CIS) rolling out within two years. New export opportunities are created by making fish caught by Indian vessels in the EEZ free of duty and reducing the Rs. 10 lakh value cap on courier exports to a de-commerce. Furthermore, ease of living is enhanced through revised baggage clearance rules with higher duty-free allowances and a dispute settlement mechanism allowing honest taxpayers to close cases by paying an additional amount in lieu of penalties. The Union Budget 2026-27 is much more than just a financial statement; it is a blueprint that balances careful spending with achievable goals for our nation. By rooting these plans in a clear sense of duty toward every citizen, the government has focused on a long-term system that builds a stronger, more resilient India. This visionary roadmap secures our day lives today through easier tax rules and support for local manufacturing, while also protecting our children's future by investing in clean energy, creative skills, and the well-being of every family. Creators that no one is left behind, whether they are farmers in our villages or innovators in our cities. We are grateful to our Prime Minister Narendra Modi for his visionary leadership and for believing in the potential of every Indian. Under his guidance, this budget provides the stable ground and the spark we need to carry the hope toward the goal of Viksit Bharat by 2047. The path ahead is clear: the promise is strong, and India's future looks brighter than ever.

(Writer is the National General Secretary of the Bharatiya Janata Party)

PM Modi: Building a productive architecture of Viksit India (Budget 2026-27)



Parneet Sachdev
Chairman of Real Estate Regulatory
Authority and a leading author
The Inner Realm

Article 112 of the Indian Constitution requires the President to lay the "Annual Financial Statement" (Union Budget) every financial year. It details the government's estimated receipts and expenditure. However, the budget is, in reality, a roadmap to long term financial growth as well. Therefore, the Hon'ble Finance Minister of India in the Union Budget for 2026-27 sent a clear signal to markets and investors about the direction of Indian economic policy over the next two decades.

THE BROAD ROAD TO A VIKSIT INDIA

At a time of global volatility, the central capital expenditure of Rs 12.2 lakh crore, a fiscal deficit capped at 4.3% of GDP, and a debt trajectory that trends downward are important numbers (Government of India, Budget Documents 2026-27). The Union Budget for 2026-27, presented at a moment of global economic fragmentation and geopolitical stress, signals a decisive shift in India's development strategy: away from short-term stimulus and toward the deliberate construction of productive and innovative capacity that can sustain growth up to and beyond the goal of a "Viksit Bharat" by 2047.

THE THREE ANCHORS

Three macroeconomic anchors define the budget's intent. First, central government capital expenditure has been budgeted at approximately Rs 12.2 lakh crore for 2026-

27, continuing a trajectory in which central capex has risen from Rs 4.4 lakh crore in 2019-20 to nearly three times that level today. Second, the fiscal deficit has been pegged at 4.3% of GDP, consistent with the medium-term consolidation path announced earlier, while the debt-to-GDP ratio is projected to decline gradually to 55.6% (BE) from 56.1% (RE) in the previous year. Third, the budget explicitly links public investment to private capital formation, (Reserve Bank of India, State of the Economy, 2023).

MAKING THE INDIAN ECONOMY TARIFF-RESISTANT

One of the structurally important achievements of Budget 2026-27 lies in how it seeks to insulate the Indian economy from external weaponised tariff shocks. Lowering India's internal cost base, deepening domestic value chains, and removing procedural frictions that magnify the impact of foreign tariffs.

At the border, the budget rationalises customs duties on critical raw materials, intermediates, and capital goods on items including monazite and other critical minerals, components for lithium-ion batteries, and specified capital goods for electronics manufacturing (Government of India, Budget Speech 2026-27). Reuters notes that these tariff cuts are explicitly intended to support domestic manufacturing and exports facing pressure from changing US, and global trade policies. By compressing input costs, the budget ensures that Indian firms retain pricing flexibility, a key condition for tariff-proofing.

Equally important are measures that address the second-order effects of tariffs: liquidity stress and supply-chain delays. The extension of export obligation timelines for duty-free imports, enhancement of duty-free input limits for export sectors

such as seafood and footwear, and procedural simplifications reduce working-capital strain precisely when exporters face margin compression abroad (Government of India, Budget Speech 2026-27; Finance Bill, 2026). Finally, the correction of the "intermediary services" place-of-supply rule under IGST, strengthens India's services exports, which historically act as a macroeconomic stabiliser during global trade slowdowns (Finance Bill, 2026).

URBANISATION AND REAL ESTATE

India's urban transition is central to its development future. By 2047, more than half of India's population is expected to live in urban areas, adding

India's development strategy: ... toward the deliberate construction of productive and innovative capacity that can sustain growth up to and beyond the goal of a "Viksit Bharat" by

nearly 250 million people to cities and towns (World Bank, Urban Development Overview, 2022). The Budget 2026-27 attempts to correct this structural imbalance through the introduction of "City Economic Regions" (CERs), designed to align urban growth with regional economic drivers such as manufacturing, logistics, tourism, and services (Government of India, Budget Speech 2026-27). Unlike earlier urban schemes that focused narrowly on municipal

infrastructure, CERs aim to integrate land use, transport, housing, and employment at a regional scale. This approach reflects international evidence that agglomeration economies drive long-term productivity growth (OECD, Cities and Productivity, 2015).

Complementing this planning shift is the proposal to monetise under-utilised land and real estate assets of Central Public Sector Enterprises through Real Estate Investment Trusts (REITs) (Government of India, Budget Speech 2026-27). Asset recycling through REITs allows the state to unlock capital tied up in low-productivity assets. For real estate markets, the deeper significance lies in risk reduction. Regulatory fragmentation and uncertain approvals have historically inflated India's real estate risk premium. If CER planning is combined with digitised approvals, predictable zoning, and technology-enabled RERA supervision, the cost of capital for housing and commercial development could fall materially, an essential condition for affordable urban growth.

LOWERING THE COST OF DISTANCE NAD RARE EARTH'S POLICY

The proposed Infrastructure Risk Guarantee Fund directly addresses an anomaly: lower participation of private funds by lowering borrowing costs and reviving stalled private investment (Government of India, Budget Speech 2026-27). Studies by the World Bank and the RBI have shown that risk perception, rather than project viability, is the primary barrier to infrastructure financing in emerging economies (World Bank, Infrastructure Finance, 2020).

Logistics reform is another pillar. India's logistics costs, estimated at 13-14% of GDP, remain substantially higher than the global benchmark of 8-9% (NTTI Aayog, National Logistics Policy, 2022). The budget's proposal to develop an east-west freight corridor,

expand inland waterways, and promote coastal shipping aims to structurally reduce these costs. International experience suggests that every percentage-point reduction in logistics costs can significantly enhance export competitiveness.

High-speed rail corridors proposed along major economic axes provide transport efficiency, expand labour markets, reduce housing pressure. These effects are well documented in economies such as Japan and France (World Bank, High-Speed Rail and Economic Development, 2019). India possesses significant reserves of rare earth elements, yet accounts for a negligible share of global processing and magnet manufacturing. The budget proposes the creation of Rare Earth Corridors across mineral-rich states, integrating mining, processing, research, and manufacturing. This cluster-based approach aligns with global best practices, recognising that value addition and geopolitical leverage, resides downstream rather than at the extraction stage (International Energy Agency, Critical Minerals Review, 2023).

The transition from India Semiconductor Mission (ISM) 1.0 to ISM 2.0 reflects a strategic shift from focusing on fabrication plants alone to building capabilities in equipment, materials, design IP. The enhanced allocation for electronics component manufacturing, from Rs 22,919 crore to Rs 40,000 crore, addresses a critical bottleneck (McKinsey Global Institute, Global Electronics Value Chains, 2021).

DEFENCE, CAPITAL FORMATION WITH INDUSTRIAL SPILLOVERS

Defence expenditure in Budget 2026-27 reaches an all-time high of Rs 7.85 lakh crore, with capital outlay of Rs 2.19 lakh crore and a significant portion earmarked for domestic procurement (Press Information Bureau, Ministry of Defence, 2026). This

allocation reinforces India's shift from import dependence toward indigenous capability under the "Atmanirbhar Bharat" framework.

Defence manufacturing has uniquely high spillover effects into civilian industry, particularly in electronics, materials science, and precision engineering. OECD studies show that defence-linked R&D has historically played a catalytic role in the development of advanced manufacturing sectors (OECD, Defence Innovation and Economic Growth, 2019).

SPEED OF DOING BUSINESS AND TAX REFORM

India's compliance burden has often translated into high transaction costs. The proposal to deploy trained "Corporate Mitras" to assist MSMEs reflects an understanding (World Bank, Doing Business and Firm Formalisation, 2020). The implementation of the Income Tax Act, 2025 from April 2026 promises simplified language, fewer exemptions, and reduced litigation—longstanding demands of both taxpayers and investors. Empirical evidence suggests that tax certainty is a stronger driver of investment than marginal rate reductions (OECD, Tax Policy and Investment, 2018).

The proposed long-term tax holiday for foreign cloud service providers using Indian data centres signals India's ambition to become a global digital infrastructure hub over the next two decades.

History suggests that nations become developed not when they promise prosperity, but when they patiently build the systems that generate it. This marks a shift from protectionism to resilience, where competitiveness, becomes the first line of defence. In that sense, Budget 2026-27 moves India decisively in the right direction.

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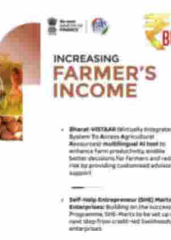
The Union Budget 2026-27: Seeding a resilient rural renaissance – long-term gains for india's farmers and villages



Sheena Sandhu
A retired civil servant

In a nation where agriculture remains the lifeline for nearly half the workforce, the Union Budget 2026-27 emerges as a calibrated attempt to steer the sector towards resilience and diversification. Presented amid concerns over stagnating farm incomes, climate vulnerabilities and over-dependence on traditional cereals, the Budget allocates Rs 1,62,671 crore to agriculture and allied activities—a 7.12 per cent rise from the revised estimates of Rs 1,51,853 crore for 2025-26. This modest uptick, while falling short of inflationary pressures, underscores a strategic emphasis on productivity, value addition and risk mitigation. Over the medium to long term, these interventions could foster a more robust rural economy, particularly for small and marginal farmers who constitute over 85 per cent of the agrarian community.

Central to this vision is the promotion of crop diversification and high-value agriculture, aimed at alleviating the pitfalls of monoculture in staples like wheat and rice. The Economic Survey preceding the Budget had flagged the sector's average annual growth at 4.4 per cent over the past five



years, with allied activities such as livestock and fisheries outpacing traditional crops. Responding to this, the Budget extends targeted support to high-value segments, including coconut, cashew, cocoa, sandalwood, agar trees in the North-East, and nuts such as almonds, walnuts and pine nuts in hilly and coastal zones. Dedicated programmes will focus on rejuvenating low-yielding orchards, adopting high-density planting and replacing ageing trees with improved varieties. For coconut cultivation, which sustains around 10 million farmers and supports livelihoods for an estimated 10-30 million people through allied activities, a specific promotion scheme seeks to enhance productivity and integrate value chains.

This thrust, however, has elicited mixed reactions, particularly from agrarian heartlands like Punjab and Haryana. These states, which contribute disproportionately to national foodgrain procurement—Punjab alone accounts for over 20 per cent of wheat and 12 per cent of rice—face acute challenges of

groundwater depletion, soil fatigue and income stagnation from the paddy-wheat rotation. While the Budget's diversification agenda aligns with long-standing calls to shift towards sustainable practices, it lacks explicit incentives tailored to the Indo-Gangetic plains. Farmer unions and opposition leaders in Punjab, including Chief Minister Bhagwant Mann and Finance Minister Harpal Singh Cheema, have decried the absence of a legal guarantee for Minimum Support Price (MSP) on all crops, debt waiver provisions or a special package for crop transition. Haryana's opposition echoed similar sentiments, noting that while saline land reclamation and veterinary subsidies offer peripheral benefits, the focus on coastal or hilly crops like cashew and pine nuts overlooks the region's agro-climatic realities. In the long run, though, as national markets for high-value produce mature, farmers in these states could leverage allied diversification—perhaps through horticulture pilots or nut cultivation in suitable pockets—to mitigate

water stress and boost returns, provided state governments bridge the gap with localised schemes.

Allied sectors receive a substantial fillip, promising diversified revenue streams and employment beyond crop cycles. Animal husbandry, recognised as a growth engine, sees an allocation of Rs 6,153 crore—a 16 per cent increase—with a Rs 500 crore integrated scheme for entrepreneurship development. This includes credit-linked subsidies for modernising livestock enterprises, scaling integrated value chains in dairy and poultry, and bolstering Livestock Farmer Producer Organisations (FPOs). Such measures could generate quality jobs in rural and peri-urban areas, while expanding veterinary infrastructure and training over 20,000 professionals. In Punjab and Haryana, where dairy already supplements crop incomes for millions—Haryana ranks among the top milk producers—these initiatives may amplify existing cooperatives, enhancing milk quality and urban

market access to cushion against monsoon uncertainties.

Fisheries development, too, is prioritised with a total outlay of Rs 2,782 crore, including Rs 2,500 crore for the Pradhan Mantri Matsya Sampada Yojana. The plan encompasses integrated development of 500 reservoirs and water bodies like Anirudh Sarovars, fortifying coastal value chains, and facilitating market linkages for startups, women-led collectives and Fish FPOs. Duty exemptions on certain fish catches further enhance competitiveness. For landlocked or semi-arid regions like Punjab and Haryana, this may translate into inland aquaculture opportunities, though the coastal bias limits direct gains. Over the next decade, these allied pushes could reduce over-reliance on crops, fostering inclusive growth for landless labourers and women, who often helm small-scale livestock and fisheries units.

Technology integration stands as a potential game-changer. The introduction of Bharat VISTAAR—a multilingual AI platform merging AgriStack data with Indian Council of Agricultural Research (ICAR) best practices—aims to deliver personalised advisories on crops, pests, weather and markets. Accessible in regional languages, it democratises precision farming, potentially slashing input costs and elevating yields for smallholders. In Punjab and Haryana, grappling with irrigation inefficiencies and pest outbreaks, this could prove transformative, enabling data-driven shifts towards sustainable agriculture. Yet, as farmer bodies like the Samyukt Kisan Morcha

point out, digital tools must be complemented by ground-level extension services to bridge the adoption gap among resource-poor cultivators.

Rural infrastructure and inclusion provide the foundational scaffolding. The Rural Development Ministry's allocation surges by 21 per cent, with the Centre's share for MGNREGA at Rs 95,692 crore—totaling over Rs 1.51 lakh crore with states' contributions. Women-centric schemes, building on Lakshadi Didi, promote enterprise through SHE-Marts and FPOs. PM-KISAN retains Rs 63,500 crore, offering direct income support. While Punjab's Agriculture Minister Gurmeet Singh Khuddian lamented the Budget's paltry 3 per cent share for agriculture in the total outlay, these enhancements could improve living standards, curb migration and redirect household savings towards productive investments.

In the medium to long term, the Budget 2026-27 charts a pathway from subsistence to sustainable prosperity, emphasising diversification, technology and allied sectors. For Punjab and Haryana, the omissions—particularly on MSP and debt relief—underscore a perceived neglect of the 'food bowl', prompting calls for intensified advocacy. Yet, if implemented with federal collaboration, these national frameworks could indirectly alleviate regional strains, empowering farmers to engage in higher-value chains, adapt to climate imperatives and contribute to a Viksit Bharat. The true test lies in execution, lest the promise of rural renaissance remains confined to rhetoric.

The Tribune

ESTABLISHED IN 1881

Tariff relief

Trump relents, but US has upper hand in trade deal

INDIA has heaved a huge sigh of relief as the US has slashed tariffs from a crippling 50 per cent to a manageable 18 per cent. This is good news for labour-intensive sectors such as gems, jewellery, textiles and apparel, which have been struggling ever since US President Donald Trump upped the tariff ante in August last year. However, the long-delayed trade deal worked out by the two countries seems to be loaded in America's favour, even as its fine print is awaited. India will increase purchases of US petroleum, defence equipment, electronics, pharmaceuticals, telecom products and aircraft. This is in sync with Trump's push to reduce the trade deficit and deny India an "unfair" advantage.

It's apparent that Trump has prevailed upon India to stop buying Russian oil — the phase-out will take months — and lower trade barriers. The writing was on the wall when Indian refiners started reducing purchases from Russia and stepped up imports from West Asia, Africa and South America. What has set alarm bells ringing is US Agriculture Secretary Brooke Rollins' statement that the trade deal will boost American farm exports to India, lifting prices and "pumping cash into rural America". The all-important question is: will the Modi government be able to protect the interests of domestic farmers while opening India's markets to US products in the dairy and agriculture sectors?

The US President's "my way or the highway" approach has prompted New Delhi to make a slew of concessions and compromises. The US continues to hold most of the aces on the trade front, raising doubts about India's ability to strike a hard bargain and assert strategic autonomy. On the bright side, India's export competitors such as Indonesia, Vietnam and Bangladesh are being charged higher tariffs by the US. However, there are telltale signs that Delhi might have missed a golden opportunity to outtemp Trump.

Comply or exit

Supreme Court signals limits for Meta

THE Supreme Court's stern warning to Meta — that it may "exit India" if it cannot abide by the Constitution — marks a decisive moment in India's effort to discipline Big Tech. The remark signals a deeper assertion of constitutional authority over global digital platforms that have long operated in regulatory grey zones. The case reached the court through appeals by Meta and WhatsApp against the National Company Law Appellate Tribunal's endorsement of the Competition Commission of India's (CCI) Rs 213.14 crore fine imposed on Meta.

At the heart of the case lies WhatsApp's 2021 privacy policy, which compelled users to accept expanded data sharing with Meta as a condition for continued access. The SC has rightly questioned whether such "consent" can be considered voluntary when refusal effectively results in digital exclusion. For millions of Indians, WhatsApp is no longer optional infrastructure; it is woven into everyday life, communication, commerce, governance and welfare delivery. In this context, the court's insistence that privacy is a non-negotiable fundamental right under Article 21 acquires substantive meaning.

The CCI's findings held that WhatsApp's overwhelming dominance in the messaging market enabled Meta to impose a coercive "take it or leave it" arrangement, which distorted competition. It underlines a crucial principle: dominance carries higher responsibilities, not greater freedom. The SC warning dismantles the defence of global tech firms that privacy concerns are contractual matters and competition issues purely technical. The Indian agencies' stand highlights that forced data extraction is both a rights violation and a market abuse. This scrutiny is not anti-technology but a demand for accountability. Innovation cannot come at the cost of constitutional guarantees nor can market leadership justify coercive practices. Citizens are users, not raw material. Their data rights are non-negotiable.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, THURSDAY, FEBRUARY 4, 1926

The Sikh situation

It was not so very long ago that the Sikh community was an object of envy and admiration to the rest of the country by reason of its oneness of purpose and unity of endeavour. Those were the days of adversity. Shall it be said that the unity which characterised the efforts of the community when it was going through unparalleled sufferings has left it in the hour of victory? This would be extremely unfortunate in any case. It is more unfortunate in the present case because the victory which the community has won is yet far from being complete. The Gurdwara Act has only placed in the hands of the community the means whereby to gain its object. That means has to be well and wisely used, before the object itself can be attained; and it can be well and wisely used only by a united community. Then again a large number of Sikhs are still in prison either because the new condition which has been devised by the Punjab Government as a substitute for the undertaking does not apply to their case or because even this condition is not acceptable to them; and some method must clearly be devised by which to obtain their release; and it is only a united community which can devise this method. Lastly, if the gurdwaras have been freed, so far as mere legislation, apart from its wise and just administration, can free them, the bigger "gurdwara" of India yet remains to be freed, and the freedom of this "gurdwara" is as much and as vital a concern of the Sikhs as of any other community; and it is only by its united exertions that the Sikhs can contribute their share to national effort by which alone this "gurdwara" can be freed.

Mixed signals for research funding

Budgetary allocations mark a clear shift towards the private sector

DINESH C SHARMA
SCIENCE COMMENTATOR

THE Union Budget, it is often said, is not just about taxes, revenues and sectoral allocations, but it is also about new policy directions and a reflection of the government's thinking in crucial sectors. Given that the world is witnessing rapid changes in the technological arena linked with new geopolitical realities, one would have expected this year's Budget to reveal India's response to these emerging challenges.

On this count, the Budget speech was disappointing. Far from being a "futuristic Budget", as is being claimed, it looks like "business as usual" on major science and technology fronts like artificial intelligence (AI) and semiconductors. Among the key science and technology-related announcements made by Finance Minister (FM) Nirmala Sitharaman are the setting up of new telescopes and a planetarium, the creation of rare earths corridors, the launch of part two of the semiconductor mission, and a strategy for biopharma manufacturing. These are all the right things to do, but they do not amount to a policy shift as they are all projects with incremental forward movement.

The Indian Institute of Astrophysics (IIA) has been working on the development of the National Large Solar Telescope for 15 years and the National Large Optical-Infrared Telescope for over five years. These two are among the projects announced in the Budget. Major work, such as designing, site selection, development of a testbed laboratory and scientific capacity-building for the solar telescope, has been underway for a long time. The FM herself visited the site selected for setting up the large solar



KEY INITIATIVE: Biopharma SHAKTI has an outlay of Rs 10,000 crore over the next five years. ISTOCK

telescope in Ladakh last year.

India has a strong scientific capability in solar observation, and the proposed solar telescope is going to complement observations from Aditya-L1 satellite and ground-based Multi-Application Solar Telescope at Udaipur.

The new telescope projects will cost an estimated Rs 3,500 crore, but the IIA has not received any extra budgetary support for the new projects announced. The IIA is one of the 25 autonomous bodies under the Department of Science — all of which together get Rs 1,623 crore in the Budget.

Another initiative the minister announced is Biopharma SHAKTI (Strategy for Healthcare Advancement through Knowledge, Technology and Innovation) with an outlay of Rs 10,000 crore over the next five years to build facilities for the production of biologics and biosimilars. However, the money would go for the creation of three new National Institutes of Pharmaceutical Education and Research (NIPERs) and a network of over 1,000 accredited clinical trial sites — both of which are general-purpose activities and not dedicated to biopharma alone.

The third component of the pro-

The tax holiday till 2047 for foreign companies setting up data centres in India is highly problematic. These centres are power guzzlers.

posed outlay is to strengthen the Central Drugs Standard Control Organisation. It is much needed but clubbing it under the biopharma strategy is rather strange. It is unclear how much of Rs 10,000 crore would go for developing new NIPERs or strengthening the regulatory system, and the development of biopharma as such.

In any case, SHAKTI is a follow-up action of the \$250-million National Biopharma Mission launched with aid from the World Bank in 2017. It was focused on scientific research, startups and developing clinical trial sites for vaccines, biosimilars and medical devices. It pro-

moted early-stage bio-manufacturing, clinical development, training and technology transfer.

The Budget speech also touched upon the hot topics of semiconductors, rare earths and AI, but none of the mentions merit the tag of a game-changer. Reiterating that a scheme for manufacturing Rare Earth Permanent Magnets was launched in November 2025, the minister talked of a proposal to support Odisha, Kerala, Andhra Pradesh and Tamil Nadu to establish dedicated "Rare Earth Corridors" to promote mining, processing, research and manufacturing. This is pretty much one of the broad goals of the National Critical Minerals Mission launched last year, and other initiatives to boost rare earths exploration and processing.

While announcing the India Semiconductor Mission (ISM) 2.0, the FM said it would focus on producing "equipment and materials, design full-stack Indian Intellectual Property, and fortify supply chains". Here too, she merely said what the Minister for Electronics & IT Ashwini Vaishnaw, stated last week. He said the target for the production of advanced chips (in 2-3

nanometre mode) for use in smartphones, defence equipment and computing devices was 2032. In the previously announced second phase of the Design-Linked Incentive (DLI) scheme, the focus will be on chip categories such as compute, radio frequency, networking, power, sensor and memory.

The tax holiday till 2047 for foreign companies setting up data centres in India is highly problematic. Data centres are power guzzlers. That's why tech giants like Meta, Google and other AI companies want to set them up at offshore locations in India and elsewhere.

The other big-ticket idea that featured in the minister's speech in the past several years — the Anusandhan National Research Foundation (ANRF) — got only a cursory mention this year. The government had promised Rs 50,000 crore for the ANRF over five years, but it got a meagre Rs 2,000 crore last year, and gets the same this year. Another big idea was the Research, Development and Innovation (RDI) scheme announced last year to fund deep tech projects in the private sector. It is supposed to get Rs 1 lakh crore over seven years. It was allotted Rs 20,000 crore last year, but only Rs 3,000 crore could be spent as the scheme was approved by the Cabinet only in July, and rules were formed by November last year.

Despite low utilisation of funds and tardy implementation of the RDI, the budgetary allocations mark a clear shift from the public to private in research funding. The ANRF, which supports research in government labs and universities, gets Rs 2,000 crore, and the RDI — set up solely for the private sector — gets 10 times more.

In effect, the research kitty for public institutions has shrunk and not grown as was promised when the ANRF was floated as an umbrella research funding agency replacing the Science and Engineering Research Board. This is a silent but worrying signal from the science and technology budget this year.

THOUGHT FOR THE DAY

As a traditionally risk-averse nation, India has rarely been at the forefront of innovation. — Kiran Mazumdar-Shaw

Braving cancer with equanimity

SUMIT PAUL

IN 2014, I was undergoing treatment at a cancer hospital in London. My acute myeloid leukemia was spreading fast; it necessitated an emergency operation to remove a malignant blood clot. Chances of survival were well-nigh nil. I prepared myself to shuffle off the mortal coil. My oncologist who headed the team of surgeons during the operation, came to me. An apatheist like me, he asked me smilingly, "Are you okay? Do you feel like praying and seeking some sort of a divine intervention?" I said "no". He said, "That's great! A faithless doctor will operate upon a faithless patient. Let's see what happens." Needless to say, I survived.

My objective is not to disparage faith and prayers or prove the triumph of faithlessness over faith in some imaginary supernatural power. My point is that unwavering self-belief and conviction can help a person sail through even the toughest challenges in life sans a shriek of faith in any god, prayer or religion. There's no arrogance about it.

When Bhagat Singh, an atheist, was about to be hanged at Lahore Central Jail, the prison warder requested him to pray. Bhagat Singh is reported to have said, "I've never had any faith in any heavenly power. So, at this juncture, I cannot compromise on my conviction. Please let me die faithless."

Self-belief without any esoteric mumbo-jumbo is true spirituality. I saw my professor and mentor Dr Zaifia Ashraf die of cancer. A non-believer, she chose to embrace death despite writhing in extreme pain. She never prayed in life or had any faith in religion (read Islam). Doctors attending to her were amazed by her fortitude. But when death finally arrived, she passed away smilingly without being intimidated by it.

My atheist mother instructed doctors to utilise her body for medical research. Even her skeleton was donated to the hospital where she breathed her last. Urdu poet Ehsan Danush rightly said, "Kyonkar dekhein raah mau ki / Jis din aana hoga, aa jayegi" (Why should one wait for death to come? It will come, on the preordained day). So very true. When death is inevitable, welcome it with utmost calmness, equanimity and dignity.

The majority of the people around the world are believers, but there are also many who are godless. For such non-believers, approaching death must not be so overwhelming as to make them believe something they never believed during their lifetime. Remember what French philosopher Albert Camus said, "There's no fate that cannot be surmounted by scorn."

LETTERS TO THE EDITOR

Budget's not-so-good points

Refer to 'A Budget boxed in by fiscal arithmetic'; the Budget had some good and not-so-good features. There is a well-meaning emphasis on scaling up domestic manufacturing in the strategic frontier industries, like semiconductors, electronic components, rare earth permanent magnets and shipping containers, in which China holds a position of dominance. Another welcoming feature is the measures towards reducing tax litigation by replacing prosecution with penalty. The FM has simplified regulations for IT/ITES by strengthening safe harbour provisions. As for the not-so-good features, market confidence is an anchor for a credible fiscal roadmap. But the Budget has missed an opportunity at a time when India's equity market is not looking great. That the market did not take kindly to it was reflected in the BSE Sensex losing over thousand and half points on the presentation day itself.

PL SINGH, BY MAIL

More job avenues disregarded

Apropos of 'A Budget boxed in by fiscal arithmetic', the article offers a sharp and timely critique of the Union Budget's limitations. While fiscal discipline is essential to maintain economic stability, it should not come at the cost of social welfare and inclusive growth. The Budget appears cautious, but caution alone cannot revive demand or generate sufficient jobs. Increased public investment in health, education and employment-oriented sectors is the need of the hour. Moreover, greater transparency in government finances would strengthen public trust. A balance between fiscal prudence and people-centric policies is crucial for sustainable and equitable economic development.

CHARU SHARMA, HOSHIARPUR

Punjab as a healthcare hub

The Finance Minister has allocated a big amount, Rs 1.04 lakh crore, for the health sector. The proposal to start Biopharma SHAKTI Yojana to start manufacturing drugs for cancer, diabetes and autoimmune diseases will reduce the cost of drugs. The slashing of basic custom duty to zero on 17

additional drugs is appreciable. The proposal to have five regional hubs to serve as integrated healthcare complexes to promote the country as a hub for medical tourism will boost economy. The Central Government must allocate one such hub to Punjab.

AJAY BAGGA, HOSHIARPUR

Preventive healthcare in schools

Refer to 'Sweet solution'; Vitamin D deficiency is one of India's most under-acknowledged health challenge, particularly among adolescents. Despite abundant sunlight, widespread deficiency is prevalent due to factors such as lifestyle changes, limiting outdoor activity and poor dietary diversity. It has long-term consequences on bone health. The Haryana experiment demonstrates how local research can find practical solutions to everyday problems. Such steps can be woven into existing schemes turning schools into frontline spaces for preventive healthcare.

ANJU MOHAN, PANCHKULA

Dera head & Majithia

Dera Beas chief Gurminder Singh Dhillon mentioned SAD leader Birkram Singh Majithia in the Nabha jail sets a wrong precedent. He should not have gone to meet a political leader in jail because spiritual gurus must remain detached from personal as well as political relationships. It is also unacceptable that the dera head has given the clean chit to Majithia in various cases.

GURPREET S MALHOTRA, MOHALI

Grandma's favourite paper

I congratulate The Tribune team on the 145th anniversary of the esteemed newspaper. My late grandmother (nani), Sarla Devi, was a devoted reader of The Tribune. Whenever she would visit her children residing across the country, it was this daily that she missed the most, and it became a running joke in the family how she just couldn't do without it. It's a privilege for me to be associated with this paper as a writer and cultural critic. Here's wishing many more successful years to The Tribune!

SIDDHARTH PANDEY, 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@tribuneindia.com

The noise we bring to the mountains



AVIJIT PATHAK
SOCIOLOGIST

RECENTLY, I was at Mukteswar in Uttarakhand. As I was looking at the extraordinarily illuminating Himalayan peaks — Nanda Devi, Trishul and Panchachuli, I passed through a process of metamorphosis: from an anxiety-ridden city dweller confined to a 1,000-sq ft apartment in an impersonal skyscraper to a free soul filled with love, wonder and gratitude. In fact, while looking at those distant peaks amid the all-pervading silence, I invoked Rabindranath Tagore. And like him, I too, became musical and my heart began to sing: 'Make me bow, kneel down at your feet. Submerge my arrogance in tears...' I come here time and again. It expands my horizons and elevates my soul. The world no longer looks disenchanted. The depths of silence illuminate my inner being. I feel myself connected with everything around me — the fold of the mountains, the curved, rhythmic path, the whisper of

trees and the call of the vast sky. In a way, it is almost like the dissolution of my ego. I become humble.

Yet, these days, some sort of fear or anxiety has begun to haunt me. Am I becoming somewhat outdated in a world in which an average tourist, far from being a wanderer, is fast becoming a restless consumer in search of instant gratification? See the way we are becoming increasingly incapable of remaining silent, or establishing a deep communion with a mountain peak, a waterfall, a tree or a flowing river. Instead, I see the bunch of tourists — men and women, young and old — getting intoxicated with their smartphones, taking photos ceaselessly, making noise and even doing reels with dramatic postures.

Is it that we no longer see with our eyes, feel the vibrations of our inner selves, and, instead, allow technology to disempower us? Or, is it that in this age of social media, the neurotic urge to 'share' everything with our 'followers' and 'subscribers' makes us incapable of experiencing the music of meditative silence in front of the divine, or what Walt Whitman would have characterised as a 'miracle'?

How ironic it is. We are searching a 'selfie' point; we are busy with maggi, momo



HOLLOW : We no longer see with our eyes, instead allow technology to disempower us. PTI

and coffee; and meanwhile, we miss an amazing sunset, the changing colour of the sky and the tears of the mountains.

Moreover, the tourism industry defines a place, be it a hill station or a religious site, in terms of select 'spots'; and one is being persuaded to believe that one must be in a hurry, and see all these 'spots' quickly. It is like covering a fixed syllabus and seeing the way tourist guides or local cab drivers want you to see a place. This neat mathematics (three days, two nights) robs the very experience of travelling of

In this way of seeing,
there is no
meditative moment,
there is no silence
and there is no
inner churning.

wonder, beauty, uncertainty and the joy of accidental discovery of something illuminating the tourism industry hardly talks about. In this way of seeing, there is no meditative moment, there is no inner churning. One is only running, shopping, eating and drinking....

This act of consumption, as it is becoming increasingly clear, is causing severe damage to the environment. More hotels, more resorts, more cars, more noise, more deforestation and more plastics and pollutants. Think of the 'peak seasons' in Mus-

soorie, Shimla, Manali and Nainital. What comes to your mind is the horror of terrible traffic congestion, the cacophony of vehicles, the consumption of fast food, and above all, the death of silence and tranquillity.

It is, therefore, not surprising that, as a study has revealed, in mid-2025, over 3 lakh vehicles entered Shimla within a two-week period. It is indeed terrifying to know that over 50,000 plastic bottles are discarded daily in Leh. Open your eyes and accept our psychic impoverishment — the way we throw food wrappers, plastic bottles and juice boxes in the streets of these tourist sites without any hesitation as we drive our cars and play loud music.

It is, therefore, not surprising that microplastics have been discovered in the Himalayan glaciers, rivers and lakes. Moreover, a recent study has found dangerous levels of toxic metals in the clouds over the Western Ghats and eastern Himalayas; and it could cause cancer and other serious health problems.

I witness yet another dangerous trend. In recent times, what we regard as pilgrimage or religious tourism has undergone a dramatic transformation. It too has become, loud, noisy and demonstrative. If you have the money, a helicopter can take you from

Dehradun to Badrinath; and it may not be altogether impossible to find a café somewhere in the local market that serves black coffee and pizza.

It is, therefore, not surprising that the massive influx of pilgrims during the peak months of May to July causes overcrowding, deforestation and waste mismanagement. And we are also aware of the cost of 'development' — the way the Chardham highway project has led to the felling of thousands of trees and disturbed natural water channels and accelerated melting of glacier.

Think of it. Be it Badrinath or Kedarnath, you see piles of plastic, human waste and other non-biodegradable trash lining riverbeds and trekking route. Is it religiosity? Is this the way we respect a 'sacred site'? Everything, it seems, has been turned into its opposite.

As I begin to reflect on what tourism as a lucrative business has done to us, I begin to see our hollowness, our urge to 'conquer' everything, our inner void, our restlessness, our inability to remain silent and meditative and establish a deep communion with what is really the manifestation of the divine — a snow-clad Himalayan peak, a great river nurturing an old civilisation and the voice of the supreme force that manifests itself in silence.

Why India can't decouple from China



ANAND P. KRISHNAN
FELLOW, CENTRE OF EXCELLENCE
FOR HIMALAYAN STUDIES,
SHIV NADAR UNIVERSITY

ONE of the opening calls in Finance Minister Nirmala Sitharaman's Budget speech was to build domestic manufacturing capacity in an imperilled external environment by remaining deeply integrated with world markets and attracting stable long-term investment.

How does this call, however, square with simultaneous appeals to build up domestic capacity in strategic sectors and India's concerns over external dependence, particularly on China, a major contributor to India's insecure external environment?

It is this complicated economic imperative that offers the context for the growing thaw in India-China economic relations after the meeting between Prime Minister Narendra Modi and Chinese President Xi Jinping at Tianjin in September.

From low-hanging fruits like the restoration of flight services, resumption of tourist visas for Chinese nationals and easier entry norms for skilled workers

from China, and even talk of allowing Alipay into India's instant payment system, over the last few months and weeks, the needle has certainly moved a great deal on India's economic engagement with China following the Galwan tensions.

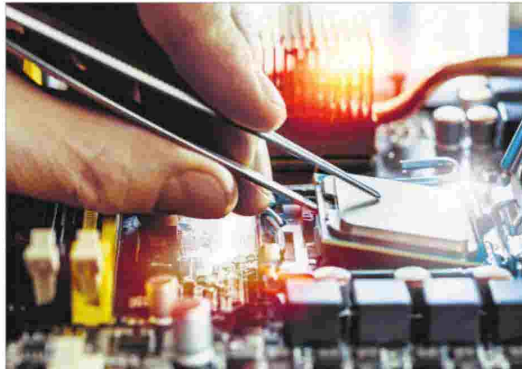
China's indispensability

There are plans to lift restrictions imposed six years ago on Chinese firms bidding for Indian government contracts and to ease scrutiny of equity partnerships between Indian and Chinese entities.

Specifically, in the electronics and capital goods sector — as per a draft cabinet note circulated to relevant ministries — Chinese companies acquiring up to 49 per cent stake in Indian firms will not undergo extensive security scrutiny. The note also calls for relaxation of the beneficial owner clause of 2020, under which the acquisition by any entity, based in countries sharing land borders with India, of more than 10 per cent stake in any Indian company requires New Delhi's approval.

Following military disengagement by both countries at the Line of Actual Control in Eastern Ladakh in 2024, the Indian government has started greenlighting proposals for joint ventures (JVs) between Indian and Chinese electronics contract manufacturers aimed at achieving expertise in original design manufacturing and localising sub-component production.

While the caveat of case-by-



INDISPENSABLE : Manufacturing and assembling in India is dependent on components from China. ISTOCK

case evaluation of proposals remains in place, the eagerness for JVs between Indian and Chinese counterparts is mutual, with a particular interest in the Indian government's Electronics Components Manufacturing Scheme launched in April last year.

Meanwhile, after being banned following the Galwan clashes, Chinese fast-fashion e-commerce company, Shein, made a return to the Indian retail market in February 2025. This time, it partnered with Reliance Retail, though the partnership has lagged Amazon and Flipkart in gaining traction. For the Chinese, meanwhile, the sheer size of India's market and its

stable financial system are sources of attraction.

A combination of domestic and international factors explains India's return to economic engagement with China. Through its three continuous terms in power, the Bharatiya Janata Party-led National Democratic Alliance government has remained vocal about transforming India into a manufacturing powerhouse, built on self-reliance.

However, this long-term drive to make India well-connected with global supply chains relies on Chinese components, machinery and technology. Whether it be electronics, electric vehicles, or solar panels, manufactur-

ing and/or assembling is dependent on components from China.

The indispensability of China also extends to the infrastructure sector like ports, where Chinese state-owned engineering company, Shanghai Zhenhua Heavy Industries Limited, for instance, has come to be the sole supplier of cranes.

US President Donald Trump's heavy-handed tariffs have upended the global trade regime and the training its guns at India has also been a compelling factor in the latter's warming up to Chinese capital. Both from within the government and from India Inc, there have been calls for revisiting and revising headline positions.

The admission as early as the 2023-24 Economic Survey that to boost Indian manufacturing and plug India into the global supply chain, it had to plug itself into China's supply chain, aptly sums up India's predicament.

Chinese economic coercion

The central government has preferred a graded reopening, based on reciprocity from the Chinese side. On the one hand, this is a case of optics to avoid being seen as desperate and lacking in viable alternatives.

On the other, there is also recognition of Beijing seeking to use its dominance in supply chains and intermediate goods to weaponise India's dependence and squeeze New Delhi from achieving its manufacturing ambitions.

From stopping machinery and its nationals employed as technicians in Foxconn's facilities in India to the sudden imposition of curbs on rare earth elements (REEs), China has consciously exerted geopolitical leverage, underscoring its asymmetric advantages against India.

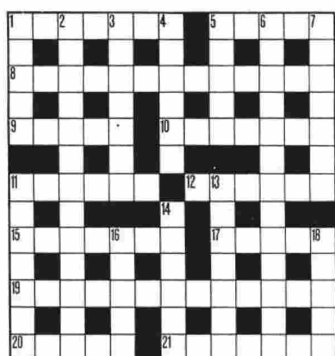
Cognisant of the need to future-proof itself and build its own manufacturing capabilities, India has also initiated measures like the Electronics Components Manufacturing Scheme — its outlay was increased to Rs 40,000 crore in the latest budget — and augmented production-linked incentives.

Similarly, Indian firms — especially start-ups — are emerging with workarounds and alternatives for sectors that are tied to REEs — from developing new motors based on relatively lighter REEs that could be sourced locally to eliminating magnets from motors altogether.

The Budget announcement on dedicated Rare Earth Corridors in select states adds to Indian efforts to domestically manufacture vital permanent magnets. However, these efforts are yet to scale up and Indian industry will remain unable to provide solutions in the near to medium term.

Therefore, while India implements long-term de-risking strategies from China, including building capabilities from the ground up, it can paradoxically do so only by keeping China plugged into India's economic and industrial aspirations.

QUICK CROSSWORD



ACROSS

- 1 Completely perplex (7)
- 5 Kingdom (5)
- 8 Days gone by beyond recall (4,3,2,4)
- 9 Refuse (5)
- 10 Place of intense heat (7)
- 11 Portraitist's subject (6)
- 12 Central US state (6)
- 15 Approximate (7)
- 17 One making persistent attempts (5)
- 19 Propitiatory gift (5-8)
- 20 Behave towards (5)
- 21 Open to the elements (7)

DOWN

- 1 Eminent (5)
- 2 What it's all about (4,2,3,4)
- 3 General survey (4-3)
- 4 Detonate (3,3)
- 5 Allude (5)
- 6 Natural exuberance (6,7)
- 7 Insanity (7)
- 11 Scrap of information (7)
- 13 Important Belgian port (7)
- 14 Smother (6)
- 16 An appointed representative (5)
- 18 Invariable (5)

Yesterday's Solution

Across: 1 Booty, 8 Right now, 9 Below, 10 Leftover, 11 Vigil, 12 Wan, 16 Severe, 17 Openly, 18 Bad, 23 Abaft, 24 Hard line, 25 Foray, 26 Soft soap, 27 Idler.

Down: 2 One-sided, 3 Two-timer, 4 Cinema, 5 Photo, 6 Knave, 7 Sworn, 12 Web, 13 Nod, 14 New blood, 15 Old flame, 19 Annual, 20 Lhasa, 21 Gruff, 22 Blast.

SU DO KU



YESTERDAY'S SOLUTION

3	5	4	7	9	2	1	8	6
2	6	9	5	8	1	3	4	7
8	7	1	3	6	4	9	2	5
7	4	6	9	5	3	8	1	2
1	2	5	6	4	8	7	9	3
9	3	8	1	2	7	6	5	4
6	1	2	8	3	5	4	7	9
5	9	7	4	1	6	2	3	8
4	8	3	2	7	9	5	6	1

CALENDAR

FEBRUARY 4, 2026, WEDNESDAY

- Shaka Samvat 1947
- Margashirsh Shaka 15
- Margashirsh Purnimite 22
- Hijri 1447
- Krishna Paksha Tithi 3, up to 12:10 am
- Aagada Yoga up to 1:05 am
- Purnvashgauri Nakshatra up to 10:13 pm
- Moon enters Virgo sign 4:20 am

FORECAST

SUNSET:	WEDNESDAY	18:02 HRS
SUNRISE:	THURSDAY	07:11 HRS
CITY	MAX	MIN
Chandigarh	20	10
New Delhi	22	09
Amritsar	20	07
Bathinda	22	04
Jalandhar	20	07
Ludhiana	20	08
Bhiwani	19	06
Hisar	19	08
Sirsa	19	08
Dharamsala	17	04
Manali	08	00
Shimla	15	03
Srinagar	10	02
Jammu	22	08
Kargil	03	-07
Leh	03	-07
Dehradun	25	09
Mussoorie	17	03

TEMPERATURE IN °C

{ OUR TAKE }

Welcome thaw in trade impasse

Tariff deal marks a breakthrough in India-US relations as New Delhi's patience pays off

On Monday night, US President Donald Trump announced that he was slashing US tariffs on India from 50% to 18%. Trump's announcement was followed by PM Narendra Modi's acknowledgement of Trump's gesture and reiterating his commitment to a mutually beneficial Indo-US relationship. This marks a welcome thaw in the Indo-US trade impasse. Things had only gone south with Trump first imposing a 25% tariff in August, and then, topping it with an additional 25%. This was followed by several provocative statements from various members of the Trump administration. Good sense has prevailed and it should help both the countries. Markets have cheered the deal, as expected.

To be sure, there are still things in the realm of the unknown. Trump's announcement of "zero tariffs" on US imports in India and his setting a target of India buying American goods worth \$500 billion — he has not mentioned a timeline — will require more clarity from India's side. Both sides have indicated that the fine print of the agreement is still being worked out. There is nothing wrong in such an approach, especially in Trump's context. One will have to wait for more information to be released for a detailed cost-benefit assessment of the deal for India. This assessment will include concerns around critical sectors such as agriculture and dairy. It would be premature to summarily dismiss the importance of the deal citing these concerns unless detailed information is available.

The details aside, is there a larger message from the trade negotiations with the Trump administration? Three things can be listed.

Patience, in the face of frequent provocation, often outside the realm of trade negotiations, has helped a deal. India's political leadership deserves credit for it. Projecting resilience via successful diversification, such as the finalisation of the Indo-EU trade deal helped as well. India was also successful in conveying that even the US highest tariffs did not really lead to a collapse in Indian exports or larger economy. Last but not the least, there seems to be a larger policy pivot in the overall approach that the *quid pro quo* factor has become stronger in the current world order for India to be able to exploit export opportunities.

Trump's US is known for reneging on even agreed deals. It is the larger lessons which should continue to drive India's approach to such negotiations.

Why Grammy for Dalai Lama is red flag for China

At 90, the Dalai Lama has won his first Grammy in the Best Audio Book, Narration and Storytelling Recording category. The political and spiritual leader of the Tibetan community, spread across the globe, described the win as "a recognition of our shared universal responsibility". That said, the political overtones of the award, just as the Tibetan diaspora was voting to elect the Central Tibetan Administration, are hard to miss. Which is why Beijing criticised the award as "anti-China political manipulation". All acknowledge China's rise as a global military and economic power. The Dalai Lama speaks only of autonomy and agency for the Tibetan community within the People's Republic of China, not independence. Yet, Beijing is uncomfortable that the Dalai Lama continues to be a global icon — a revered representative figure who stands as the antithesis of China's unitarian and authoritarian worldview.

The Dalai Lama exemplifies what the late American political scientist Joseph Nye described as soft power. Ironically, the seat of the Dalai Lama, when it held sway in Lhasa, was viewed as an exotic but despotic office that represented a decaying feudal order. Out of power and in exile in India, the current Dalai Lama reinvented it by practising a moral politics that turned Tibetan Buddhism into a diplomatic instrument. For sure, the western world's discomfort with Communism and its Chinese variant, and the pursuit of alternative lifestyles, helped the global appeal of the Dalai Lama. The Nobel Prize for Peace in 1989, a bevy of celebrity disciples, films, lectures, and books reinforced the perception of him as a person of higher ideals and virtues. A chaotic world would itself to listen to the smiling sage, who turned the love and attention lavished on him into political goodwill for his community. Tibet, thanks to the Dalai Lama, has survived as a nation without a State, a geography etched in memory rather than on the map. Is it then surprising that China is angry each time the world bows to the Dalai Lama?

Washington blinks, New Delhi benefits

Trade deal will restore confidence in the relationship with the US, but India must spread the risk in a volatile world

The announcement of a trade deal with India by President Donald Trump of the United States (US) is a welcome step that will help restore some confidence in the highly consequential relationship that had become shaky over the last year. But it also augurs for caution and realism as India plans its future approach to international economic partnerships.

In monetary terms, the lowering of American tariffs on Indian exports from the sky-high level of 50% to 18% will bring relief and buoyancy to manufacturers in US-oriented sectors of the Indian economy. It will also rev up business and market sentiments in general and give a fillip to the just trade in goods but also in services and foreign investment flows — all of which are interconnected in a thick and heavily enmeshed relationship like the one that India has built up with the US over decades.

It is notable that Indian exports to the US increased by over 20% year-on-year in recent months in spite of the massive tariff wall erected by the Trump administration. India's economy, as a whole, has also grown

robustly and displayed resilience throughout the period of the trade row with the US. Now that at least the top floors of the American tariff walls have been demolished, giving Indian exporters an edge over competitors from Bangladesh (20% tariffs), Vietnam (20%), Indonesia (19%) and China (37%), one can visualise a surge that will further speed up India's already fast-moving economic engine.

The icing on the cake is that, on the services side of bilateral commerce, top American technology firms like Amazon, Microsoft and Google have pledged to invest more than \$67.5 billion in India in artificial intelligence, cloud computing and data centres. The lowering of US tariffs on goods will have a ripple or multiplier effect on all these big bets from the Big Tech companies and ease psychological and regulatory hurdles.

Still, it is worth noting that what Trump has publicly demanded and expected from India in return for lowering tariffs is problematic. This implies that the deal may not be a full stop but a pause. His claims with typical dramatic capitalisation that India will reduce its tariff and non-tariff barriers, presumably on all American exports, to "ZERO" and that India "agreed to stop buying Russian Oil", leave room for interpretation.

Trump's assertion that India will

buy "over \$500 BILLION DOLLARS" of American goods should be juxtaposed with the fact that total US goods exports to India were \$41.5 billion in 2024, and his desired thirteenfold increase cannot happen overnight. Also, the gradual reduction in Russian oil purchases India has made is based on market-based cost-benefit calculations rather than a surrender to American dictates. As commerce minister Piyush Goyal stated, India does not negotiate trade deals "with a gun to our head". The devil lies in the details, and New Delhi must ensure that the gains outweigh the losses in the implementation of the trade deal with Washington.

India must also be watchful of Trump's tendency to do sudden U-turns or renege on agreed terms in trade deals. His on-again-off-again threats to reimpose additional tariffs on Canada, the European Union (EU), Mexico and South Korea after making headline-grabbing announcements of settling disputes with them have proven that the surprise weapon in his much-touted "art of the deal" is to sustain pressure on partners by using trade wars as all-purpose and all-weather cudgels to extract economic and non-economic concessions.

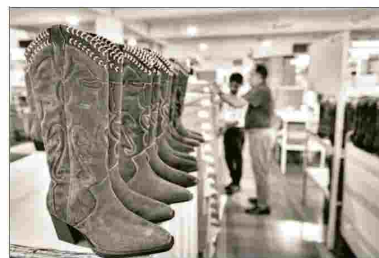
The inherently slippery nature of Trump means that the US's allies and partners are not hopeful of a return anytime soon to the good old



Sreeram S Chaulia

pose additional tariffs on Canada, the European Union (EU), Mexico and South Korea after making headline-grabbing announcements of settling disputes with them have proven that the surprise weapon in his much-touted "art of the deal" is to sustain pressure on partners by using trade wars as all-purpose and all-weather cudgels to extract economic and non-economic concessions.

The inherently slippery nature of Trump means that the US's allies and partners are not hopeful of a return anytime soon to the good old



The trade deal with the US is undoubtedly a positive step forward that advances India's national interests. But it is not a be-all-and-end-all.

days of benevolent and predictable liberal American hegemony. They are all rationally scrambling to somehow preserve their long-entrenched economic relationships with the US, while simultaneously looking to other greener pastures. Concerted attempts are being made by various players to redefine and expand networks of international economic cooperation outside the ambit of the US.

In the case of India, although New Delhi has displayed strategic patience and finally worked out the trade deal with Washington, over-reliance on the US could be a costly mistake. India's Free Trade Agreements (FTAs) with the UK, Oman, and New Zealand in 2025, and its game-changing FTA with the EU in 2026, are all ways of de-risking from an unreliable and unreasonable US. India's economic opening up to its principal adversary, China, to try and tackle its gaping trade deficit with it, is also happening in the backdrop of the Trump disruption.

The trade deal with the US is undoubtedly a positive step forward that advances India's national inter-

ests. But it is not a be-all-and-end-all. If the US market constituted around 17% of India's total global exports at the time when Trump unleashed the trade war in 2025, India should aim to keep it around that share only, rather than take on extra risks by placing too many eggs in the American basket and potentially facing future systemic challenges to its economic rise.

Abundant caution and pursuit of multiple partnerships have paid dividends in Indian foreign policy. Now that the Indian mantra of multi-alignment is getting universalised as a buffer against Trump's tantrums, New Delhi will enjoy greater headroom to manoeuvre and come together with like-minded countries. It is time to applaud the mix of firmness and flexibility with which India worked out the trade deal with the US. But even more importantly, it is time to spread the risk in a truly volatile, uncertain, complex and ambiguous (VUCA) world.

Sreeram S Chaulia is dean, Jindal School of International Affairs. The views expressed are personal

In US, EU trade deals, a 1991-redux moment

Within the span of just one week, India may have succeeded in clawing itself back into the geopolitical sweet spot that it was so used to finding itself until 2024, and something that it regrettably lost in 2025. The much-awaited trade deal with the US, coming close on the heels of the Free Trade Agreement (FTA) with the EU, effectively rearranges the global order in ways that enhance geopolitical space for India even while offering significant strategic opportunities.

But first the context. The lack of a trade deal with the US was becoming more than a minor irritant. It acted as a huge strategic roadblock for India as the latter sought to fashion a multipolar world out of the current geopolitical turbulence. And while it did not jeopardise the whole of the India-US relationship at any stage, it did cast a pall of gloom over it. The trade deal has not come a day too soon, and both countries must now make haste to exploit the opportunities offered by the most consequential strategic partnership of the 21st century.

The details and the fine print of the trade deal between India and the US had not emerged at the time of writing this article. But it is hard to overstate the strategic and geopolitical implications of it. A preliminary assessment is given here.

The personal chemistry between Prime Minister (PM) Narendra Modi and US President Donald Trump was critical in both preventing the ties from collapsing earlier and in arriving at the deal now. Indeed, Trump said as much when he stated that "out of friendship and respect for PM Modi", the two countries and he himself agreed to a trade deal. Modi warmly reciprocated that sentiment when he thanked his friend Trump for the "wonderful announcement".

India's negotiating strategy with the US, based on "no confrontation, no capitulation and continued conversation", was the best one under the circumstances, and it bore fruit. India was patient and dignified. To be fair to Trump, he never criticised Modi. This helped matters in the end.

The timing of the deal, roughly coinciding

with the arrival of the US ambassador to India, Sergio Gorr, provides the envoy with a shot in the arm. He now has a tremendous opportunity to take ties to a whole new level. This is possible also because of the unique access and clout that Gorr enjoys with Trump. Can a visit by Trump to India take place before too long?

The deal is fundamentally in the interest of both countries. For India, it provides an excellent opportunity to access one of the most important markets in the world and avail of cooperation in commerce, defence, technology, artificial intelligence (AI), and critical minerals, among others.

The Transforming Relationship Utilizing Strategic Technology (TRUST) initiative and Catalyzing Opportunities for Military Partnership, Accelerated Commerce & Technology (COMPACT) are both back on the agenda.

India must push these initiatives forward. The fact that the world's oldest democracy and the largest one have fully mended their ties enables the US to send signals to China and others, ahead of the all-important talks between Trump and Chinese President Xi Jinping in April.

More broadly, the FTA with the EU, and now the trade deal with the US, offer India a unique 1991-redux moment. Two basic things are imperative.

One, India must make use of the present conjuncture to carry out deep-seated structural reforms that it has postponed so far. These are well-documented and read, *inter alia*, to land, labour, agriculture, power, and investment.

Two, expose Indian manufacturing in the private sector to sustained and calibrated foreign competition so that they modernise, and play a more important part in contributing to our GDP. The FTAs will be meaningless without the above two imperatives.

PM Modi has had on multiple occasions that this is not an era of war. It is time India did its bit to bring the war in Ukraine to an end. Russia's legitimate security interests must be protected; it must also be an integral part of any European security architecture. At the same time, Ukraine's territorial and security interests must also be respected. That said, the onus is now clearly on Russia to bring this unfortunate conflict to an end.

The external geopolitical environment and the trade, investment and tech climate have rarely been more favourable than it is now for India. We cannot afford to squander this golden opportunity. The Union government could set up a task force to monitor and oversee the implementation of the trade deals we have arrived at, particularly the ones with the EU and the US.

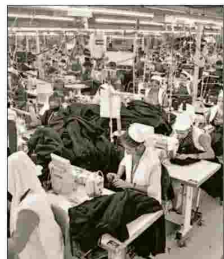
The fundamental strategic weakness of India arises from one brutal fact: its economic heft has not kept pace with its rising geopolitical clout. It is time to fix this once and for all. This also aligns perfectly with the government's vision of Viksit Bharat and the laudable goal of becoming a \$30-trillion economy by 2047.

We have seen now that the world is betting on India. India must justify the confidence reposed in it. We owe this both to ourselves and to the world.

Mohan Kumar is former Indian ambassador to France. The views expressed are personal



Mohan Kumar



The deal with the US is in the interest of both countries. For India, it provides an opportunity to access one of the most important markets in the world.

{ PIYUSH GOYAL | UNION MINISTER FOR COMMERCE AND INDUSTRY

This agreement unlocks unprecedented opportunities for farmers, MSMEs, entrepreneurs, and skilled workers to Make in India for the world, Design in India for the world, and Innovate in India for the world



On the India-US trade deal

Compassion must guide policy on community dogs

Before I am anything else, I am an animal caregiver. I am also a musician. Music gave me a place to stand when I was young. It taught me how silence speaks, how longing becomes sound. I grew up in the Himalayas, moving with my father's government postings, learning early that the world is not owned — it is shared.

The mountains raised me gently. Streams whispered beside me. Ants carried entire futures on their backs. Squirrels stitched the sky between trees. Butterflies paused on my hands. Somewhere far away, a leopard called. And always, on those defining roads, there was the dog. It would appear without announcement, walk beside us without demand, disappear without farewell — a quiet guardian of travellers, a companion who asked for nothing, except to belong.

In those years, I learned my first lesson in love that expects no reward. Music became my life. Dogs became my teachers. Long before cities and borders, dogs chose us. They stepped away from the wild and stayed. Not for food or profit, not for utility — but for companionship. They stayed because they trusted.

And for thousands of years, they have waited for us to have trust. In the mountains, we never called them strays. A dog was a dog. It belonged where we belonged. It slept where we slept. It ate what we ate. Compassion was not an instruction — it was instinct. Our scriptures spoke of it. Our Constitution remembers it. But more importantly, our hearts knew it. When I moved to the city, the dogs came with me. They kept me company among concrete and chaos. They learned my footsteps. I learned their faces. We grew older together.

During the pandemic, my circle widened. Hunger did not understand lockdowns. Fear did not respect boundaries. Today, my family and I care for more than 400 dogs across colonies and forested parks. Love grows quietly, but responsibility grows loud. Caring is a lonely road. Neighbours snore. Stones are thrown. Cold water is poured on winter mornings. Crackers explode at tails. Hot water burns skin. Vans arrive to erase lives. I argue with laws. I plead with reason.

The dogs do not understand laws. They only look at me — with eyes that hold no accusation — when cruelty visits them yet again. "What did I do wrong," their silence asks. I kneel. I touch their heads. I tell them the truth: Nothing. You slept where you felt safe.

You barked because you were afraid. You ran because joy still lives in your legs. They believe me. They always do.

But hatred comes in new languages and travels through forwarded messages, through fear dressed as concern. From warm rooms, people decide that dogs do not belong — while those same dogs tremble under rain and cold, guarding nothing but hope. In parks, they are told they are intruders. In forests, they are pushed deeper into thorns. Their water bowls are broken, their rest places demolished. Their presence is treated as an offence. And yet — when they see us — they run to us, tails wagging, eyes soft, love still strong.

This love has a cost. It costs sleep. It costs peace. It costs parts of your heart you didn't know you could give away. And still, there are many of us, people who work all day so they can feed dogs at night, people who choose conducting sterilisation drives over vacations, funding vaccines for animals over luxuries for self, people who search in the rain for a missing dog, calling a name into the dark, people who do not ask to be thanked or receive benefits in return.

We are often asked why we don't "let the State handle it." How can you hand over compassion? How do you outsource science? If there are too many dogs today, it is our failure. We took the commons, we narrowed their world, we asked endlessly for more — and then called their presence a problem. You cannot abandon responsibility and then punish its consequences.

These dogs remind us how to trust, and how to love without guarantee. They are our healers when no one is listening, our guards when no one is watching, and our companions in a world growing increasingly cruel and lonely. They cannot be hidden away. They cannot be erased. They cannot be punished for choosing us.

Dogs walked this earth before we learned to name them. They stayed when they could have left. If they have chosen to live beside us, the least we can do is make a space. Let compassion be our policy. Let kindness be our law. Let us be worthy — finally — of the love that has waited for us for centuries.

Mohit Chaurhan is a singer-songwriter, musician and author. He is also chairman, Animals Are People Too (Animal Welfare Trust). The views expressed are personal



Mohit Chaurhan

The Indian EXPRESS
- FOUNDED BY -
RAMNATH GOENKA
- IN 1932 -

BECAUSE THE TRUTH
INVOLVES US ALL

A deal for integration, opens possibilities

IT WOULD be apt to describe the past few days in the realm of foreign relations and trade as one of those "weeks where ideas happen". On the heels of the conclusion of India's trade negotiations with the EU, New Delhi and Washington have finally agreed on a trade deal. With this agreement — it comes after months of uncertainty when relations between the two countries appeared to have plummeted to their lowest levels in recent times — the Indian economy is now more closely integrated with the Western world, pointing towards the convergence of interests in a world marked by geopolitical uncertainties.

The US will lower the tariff rate on Indian exports from 50 per cent to 18 per cent, effective immediately. Tariffs on India have now fallen to levels that place the country in a favourable position when compared to export rivals such as Vietnam, Malaysia, Thailand, Bangladesh, Indonesia and China. The full details of the deal are yet to be released — there is not enough light on how the contentious issue of oil purchases will play out. India has been steadily reducing Russian oil imports while increasing crude imports from the US. As reported in this paper, the US share in India's oil imports rose to 74.8 per cent between April and October this year, compared with 44.3 per cent over the same period last year. Investors are ebullient — the BSE Sensex opened the day 4.5 per cent higher. The ending of uncertainty around the deal also brightens the prospects for direct investment in the country. The China-plus-one strategy, which seemed to have been adversely affected by higher US tariffs, could now again be in play. Foreign portfolio investors, who took out \$18.9 billion from the markets last year, are also likely to be impacted. This could address concerns over capital inflows and the rupee. Currency markets have responded positively to the announcement of the deal, with the rupee strengthening during early trade.

The string of trade deals signed by the Narendra Modi government point to a heartening trend: The walls of protectionism are crumbling. This shift towards freer trade, which seeks to integrate India more closely with global supply chains, is enormously welcome. However, now is not the time to be complacent. The government must not only press ahead with exploring the possibility of entering into other trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, but also move forward on an ambitious domestic reform agenda that awaits its attention.

SC ruling on menstrual hygiene is about dignity

THE SUPREME COURT ruling recognising menstrual hygiene as intrinsic to the right to life under Article 21 marks a welcome and necessary step forward in the slow arc of gender equality. Its directions, to be implemented within three months — free distribution of sanitary pads, gender-segregated toilets, and safe disposal facilities in all government and private schools — acknowledge that menstruation is not an inconvenience to be privately managed. It has deep implications for women's health and education, and for equality.

For millions of girls, especially those from disadvantaged backgrounds, or those studying in government schools, puberty arrives with stigma around menstruation, interrupted schooling, and avoidable drop-outs. Despite guidelines by international bodies such as the WHO, as well as the Ministry of Education's 2021 directive, instructing schools to sensitise teachers and support staff to dispel notions of menstrual blood as dirty or unhygienic, schools have been the sites of reinforcement of gender hierarchies, where girls' bodies are disciplined through embarrassment and exclusion. In July last year, for instance, at a school in Thane, girls were strip searched after menstrual blood stains were found in the school toilet. Part of this problem arises from the imagination of the male body as the default setting for policies. By insisting on including the everyday experiences of girls — their attendance, comfort and sense of belonging — as central to the meaning of equality, the Court has sent out a signal that their dignity is a systemic obligation.

The significance of the ruling lies also in the questions it opens up beyond menstruation. Far too often, women's health is addressed in fragments. The SC judgment invites a broader reckoning with how reproductive health is imagined across a woman's lifespan. Around the same time as the Court ruling, Maharashtra launched the country's first public menopause clinics, offering medical, nutritional and psychological support for a stage in a woman's life that has historically been ignored or medicalised in isolation. These initiatives gesture a move towards a more coherent understanding of women's health as a continuum, one that is in need of a mature health-policy framework that treats it with the consideration, public spending and institutional culture it needs. The Supreme Court has drawn a vital constitutional line. It is now for government, business and Union Territories to ensure that that dignity is realised in practice.

Do five people make a village? Ask Licola

I CAME. I saw. I hogged and bough" sounds more like a successful shopping expedition than the pithy boast of a conqueror. But what if, in the *Asterix* comics, Julius Caesar had successfully pursued this strategy to acquire that one village whose redoubtable warriors were preventing him from completing his conquest of Gaul? How big a bribe would he have taken — Roman citizenship for the inhabitants, a Senate seat for the chief, a big bag of gold? Roman merchants would then have been able to move in to exploit the region's rare, ahem, grape vines, and it would have ensured maritime security for the empire in the English Channel. Unfortunately for Caesar, he had neither the business acumen nor the full head of hair of a real-estate magnate.

In Australia today, there is another inconvenient village that has now reportedly been listed for sale online. Licola has five permanent residents as well as a caravan park, and is a hub for travellers on their way to a national park. The land and buildings are all privately owned by a community club, which is now trying to sell it off, citing financial pressures, sparking resistance from residents as well as travellers.

Do five people make a village? It's hard to dispute when their lives and livelihoods are rooted in the place and they are at the heart of a broader, transient community that depends on the local general store. Hopefully, the residents will be able to reach an accommodation with the club. It's a reminder that all the tiny villages of the world, inconvenient though they may be to larger interests, are someone's home. Sometimes, like the Gauls, they may need a magic potion to defend it.

With tariff cloud lifting, India-US can shape balance of power in Asia & world



RAJA MANDALA
BY C RAJA MOHAN

THE FINALISATION of the India-US trade deal this week brings a close to a turbulent year in bilateral ties and clears the way for Delhi and Washington to focus on the broader agenda outlined by Prime Minister Narendra Modi and President Donald Trump at their White House meeting on February 13, 2025. The two leaders had emphasised the importance of a quick trade deal and called for deeper co-operation in defence industrialisation, critical and emerging technologies, and strategic coordination in the Indo-Pacific.

The trade deal announced by the two leaders on social media on Monday needs to be formalised, and there are several elements that will need to be fleshed out to mutual satisfaction. Complex negotiations and imaginative diplomatic work lie ahead in putting the bilateral commercial ties on a high and sustainable growth path.

If Trump was incredibly tough and transactional over the last year, Modi displayed resilience — tempered by patience — in weathering the tariff storm. Delhi neither capitulated nor escalated. Instead, it opted for quiet, persistent engagement.

The durability of the India-US partnership owes much to its deep structural foundation. The convergence of strategic inter-

ests and the creation of a dense architecture of co-operation in the last quarter-century was not going to be easily wrecked by personality clashes or even serious differences on any one issue. The strategic difference of the bilateral relationship was also critical in weathering complications other than trade over the last year. Since Trump's return to the White House, commentators in Delhi and Washington had argued that Pakistan and Russia had returned to complicate India-US relations.

Trump's "favourite field marshal", Asim Munir, appeared to successfully reverse years of White House neglect of Rawalpindi and generated a new triumphalism in Pakistan and concerns in Delhi. Meanwhile, India's surging import of discounted Russian oil seemed set to undermine its ties with the US. Yet, neither Pakistan nor Russia could derail the US-India partnership.

Pakistan has its uses for America, but it is not a crucial pillar of US regional strategy. There is no question of Pakistan regaining parity with India in American geopolitical imagination. The economic gap between India and Pakistan is now too wide for the return of strategic parity between the South Asian twins.

The fact that Sergio Goro — US Ambassador to India and concurrently special envoy for the Subcontinent and Central Asia — played a key role in concluding the trade deal suggests new possibilities for regional collaboration between Delhi and Washington, not a return to old hypotheses.

Russia, too, remains important for Delhi, but its weight in India's strategy has seen a relative decline

over the decades. Indian purchases of discounted Russian oil were price- and market-driven. Therefore, reducing oil purchases from Russia, as part of the trade deal, is not a fundamental question of principle for Delhi. India's ties with Russia will remain relevant, but Delhi has no reason to let it clash with the high-stakes engagement with the US. Trump is eager to improve ties with the Russian leader, Vladimir Putin, and that is in India's interest, too.

The key variable that truly matters for both Washington and Delhi is China. Despite Trump's intermittent G2 rhetoric, the structural contradictions between the US and China remain deep and not easily overcome. The US National Security Strategy and National Defence Strategy issued by the Trump Administration in the last few weeks make clear that preventing the domination of the Indo-Pacific by any single power is a critical American objective. This aligns closely with India's own quest for a multipolar Asia.

Trump's tactical approach to Beijing certainly differs from previous administrations, including his own first term. That is a reflection of China's rapidly growing economic and military heft in the region. Delhi's own recalibration of ties with Beijing is shaped by the reality of China's growing power. Securing a stable Asia will remain the cornerstone of the India-US partnership. The challenge is to lend greater commercial, technological, and defence depth to it.

Trump's strong emphasis on burden-sharing adds another dimension to the India-US convergence. Trump is pressing allies and partners to assume greater re-

sponsibility for stabilising their own regions. For India, this creates a larger strategic space — and necessity — to shape outcomes in South Asia and the Indian Ocean. Rather than oscillate between anxieties of American entrapment or abandonment, as we tend to, Delhi must focus on crafting a proactive regional strategy that leverages the convergences with the US to strengthen India's national capacities and widen its regional footprint.

The prospect for the resolution of the trade dispute with the US reinforces a larger truth: India's economic diplomacy is increasingly oriented toward the West. After decades of defensive trade policy, Delhi's priority now is to strengthen commercial integration with the complementary economies of the US and Europe, as well as the imperial connections with the Anglo-Saxon nations — Australia, Britain, Canada and New Zealand. It is rooted in the logic that India's economic prosperity and technological modernisation depend on closer ties with Western markets and capital.

With the tariff cloud lifting, India and the United States can return to the task of advancing a partnership that will shape the balance of power in Asia and the wider world for decades to come. To get back to that agenda, though, Delhi and Washington must quickly tie up the many loose ends of the trade deal.

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The economy remains in search of a plan



ROHIT LAMBA

AS THE Finance Minister wrapped up her Budget speech, all I could think was: While there are schemes galore, where is the growth, where are the jobs?

Two budgets ago, the FM announced Employment Linked Incentives — a Rs 2 lakh crore package promising 41 crore jobs. Cabinet approval took a year; the schemes became operational only in August 2025. We are still waiting for evidence of a single new job. The PM Internship Scheme — 1 crore internships in five years — saw 1.65 lakh offers; only 16,000 showed up — 41 per cent quit; 95 received job offers. The allocation was slashed by 95 per cent. The government's explanation? Young Indians are reluctant to travel more than 5 km.

The Production Linked Incentive scheme tells a similar story. Of Rs 1.97 lakh crore committed across 14 sectors, barely 12 per cent has been disbursed. Apple's contract manufacturers absorbed three-quarters of mobile incentives; domestic players missed targets. China has challenged India at the WTO for imposing local sourcing conditions, reducing our subsidies to rewarding assembly rather than genuine manufacturing.

Meanwhile, a CAG report revealed that under the Pradhan Mantri Kausal Vikas Yojana — Rs 10,000 crore spent on killing one crore youth — 94.5 per cent of beneficiary bank accounts were invalid, blank, or dummy. Ninety lakh ghost accounts. In another era, this would have launched a national investigation.

The problem runs deeper than any single scheme. The government thinks industrial policy works like providing gas cylinders — campaign mode, where you put up resources, implement once and announce it on television. But serious industrial policy is maintenance mode — persistent, iterative, demanding deep expertise over years. Centralisation in the PMO means policy is driven by generalist bureaucrats with neither the training nor the incentives to get it right. The result is a self-fulfilling cycle — competence is sidelined by control.

To be fair, the word "scheme" declined

from 60 mentions in the 2024 speech to 34 this year. But I found a new favourite: "Will", appearing 190 times. "Will augment our growth", "government will undertake". The Kafkaesque moment came when the FM announced, "A High Level Committee... will be set up," to thundering applause. We celebrate the will of a will-be committee.

This matters because the rejigging of the global order has handed India a once-in-a-generation opportunity — to integrate into supply chains, to export not just merchandise across oceans but expert services across the ether. The government deserves credit for aggressively pursuing free trade agreements. The Tata-PSMC fab in Gujarat has pushed its timeline to mid-2027. Zoho shelved its fab plans in Karnataka. TSMC declined India's invitation. The saddest part is that our head start in chip design — 20 per cent of the world's designers work from India — is being allowed to go to waste.

Nowhere is the squandering more visible than in semiconductors. Fab spending fell from Rs 2,500 crore to Rs 1,000 crore in revised estimates; the display fab shows zero expenditure. The Tata-PSMC fab in Gujarat has pushed its timeline to mid-2027. Zoho shelved its fab plans in Karnataka. TSMC declined India's invitation. The saddest part is that our head start in chip design — 20 per cent of the world's designers work from India — is being allowed to go to waste.

Skimming the post-Budget coverage, I noticed drooping shoulders behind the applause — resignation dressed up as celebration. It reminded me of Mark Carney's speech at Davos, where he invoked Havel's greengrocer — the one who displays signs he does not believe in. "It is time," Carney said, "for companies and countries to take their signs down." I wondered when these esteemed analysts on Indian TV would put their sign down, when they would tell the truth. A middle power that mistakes aspiration for achievement will make policy for a country that does not exist.

After the first Budget of Modi 3.0, I had argued in these pages that the economy was in search of a plan and wondered if there was enough audacity in the Modi machinery to follow its drama. The jury is still out.

The writer is an economist at Cornell University

In 'Marty Supreme', a look at jugaad in the time of Trump



ABBAS MOMIN

EVEN THOUGH director Josh Saffdie's film *Marty Supreme* is set in early 1950s New York, its soundtrack is peppered with bombastic '80s pop songs and a lively synth score. The music underscores the unbridled ambition of Marty Muser, a young, fiercely competitive talent agent who wants to be the best in the game. He will go to any lengths to make his dream come true. He's the poster boy for that ubiquitous Indian slang term, *Jugaad*.

Through the music, the film can subtly be seen commenting on how in the '80s, during the Ronald Reagan era when American exceptionalism seeped into pop culture, films like *Wall Street*, *Trading Places*, and *Risky Business* had central characters making it big, by hook or crook. They worshipped at the altar of materialism and social status. And yet, the '80s were also when Reagan's election campaign hardened back to the era of the 1950s as the perennial "good old days". But as we see in *Marty Supreme*, even during the '50s, in post-war America, people are dealing with broken families, and a "make it or break it" mentality. Homeowners are willing to shoot trespassers, people get knifed in the street, and neighbourhoods are divided up based on Jewish and Black identities. The movie is telling us that possessing a cut-throat nature and being morally ambiguous is unique American "value", no matter the year.

The film has *Shark Tank* judge Kevin O'Leary playing the owner of a pen company named Milton Rockwell. He brings the ruthless and abrasive nature that he's known for on the reality show to the part. A reality-TV capitalist from the 2000s slides seamlessly into a 1950s setting, suggesting that the language of American business has remained unchanged. Strip away the aesthetics and the rhetoric and the same power games persist. Rockwell's blustering confidence, performative cruelty and belief that power itself is proof of merit inevitably reminds viewers of Donald Trump, another reality television personality. Trump's capitalist worldview, like Rockwell's, treats humiliation as a negotiation strategy and dominance as moral justification.

Marty's rise is driven not by institutional backing or ethical mentorship but by improvisation. He finds loopholes, bends systems, and survives on speed rather than stability. This mirrors the way *Jugaad* is often celebrated in India: As cleverness born of scarcity, as innovation without infrastructure. Like Marty, we are encouraged to admire the ingenuity while ignoring the wreckage it leaves behind. There is, however, one boundary Marty never crosses. While he is willing to hustle, cheat and manipulate his way, the game itself remains sacrosanct. Skill is non-negotiable. Marty is rigid, even arrogant, about his own excellence. The rules may be bent to gain entry, but the contest itself cannot be faked.

Marty Supreme functions as a critique of the myths that sustain American exceptionalism and Indian hustle culture. It asks what happens when cleverness replaces conscience, and when success becomes an end in itself. Perhaps that is its most unsettling achievement.

The writer is a stand-up comedian and podcaster

40 YEARS AGO

February 4, 1986



Punjab-Haryana deadlock

MOVES Afoot at various levels to defuse the growing tensions in Punjab. While the Centre is committed to the transfer of Chandigarh to Punjab, the governments of Punjab and Haryana are said to be in touch with each other to find an alternative solution for the transfer of some Hindi-speaking villages to Haryana, paying the way for an early implementation of the Punjab accord.

BJP protests price hike

HUNDREDS OF Bharatiya Janata Party workers demonstrated at Patel Chowk in protest against the "unprecedented rise"

in the price of essential commodities. The workers, who later courted arrest, were demanding the withdrawal of the recent price hike announced by the government on petroleum products, foodgrains, and DTC fares. Some 2,000 workers, including the metropolitan councillor, M L Khurana, and the Delhi Pradesh chief, Kedar Nath Sahni, courted arrest at Patel Chowk.

Pak spying busted

THE BORDER Security Force claimed to have busted a ring of Pakistani spies with the arrest of three persons, including a Pakistan national, in the Anupgarh area in the state of Rajasthan. According to a Border Security Force release, these spies

were to be dropped off at the border by Pakistan's field intelligence unit for entry into India. They allegedly entered Indian territory in the guise of cattle lifters and indulged in espionage about Indian Army positions.

India demands compensation

INDIA HAS asked the Government of South Yemen to pay compensation to the families of 17 Indian nationals killed in the recent fighting in the country. The secretary to the External Affairs Minister, N P Jain, called the Ambassador of South Yemen, Ali Aidiour Yahya, and reiterated India's concern about the welfare of Indian nationals still in the country.



R-Day leaves behind a lingering silence of the public —and republic



VANDITA MISHRA

THE CELEBRATIONS of the Republic over a week ago did not make questions about the republic with the small "r" recede. If the republic means a linking of empathies, if it stands on the common ground of a shared commitment to justice and equality, dignity and fraternity, if it includes all and leaves out no one, then, too often, the republic is missing.

Where is the republic, for instance, when an elected chief minister openly exhorts people and the Election Commission's Special Intensive Revision of electoral rolls to target one group of citizens, as Himanta Biswa Sarma did only days ago? Sarma says he wants to drive Miyas out of his state — "Miyas" is used for Bengali-speaking Muslims, labelled by the BJP as "ghuspathiya" or infiltrators, but it is really deployed as a term of communal dog whistle politics.

Where was the republic when an FIR was filed in Moradabad last month under the stringent anti-conversion law against five Muslim girls, students of Class XII? This was after CCTV footage showed them, on their way back from coaching class, putting a burqa on a Hindu friend, playfully.

Some Opposition voices called out Sarma's hateful rhetoric ahead of an assembly election in Assam. In a state where an election is not in sight, the Moradabad incident barely set off ripples.

So, is the othering of the minority by a chief minister, or by the *aam aadmi* who feels emboldened to weaponise prejudice on the watch of the Yogi Adityanath government — the Moradabad FIR was registered on the complaint of the Hindu girl's brother — acceptable to the republic?

This is an urgent question. But the answer cannot be to berate all the people as stripped of all neighbourliness and decency. Perhaps the question needs to be re-framed: What stops "the people" from

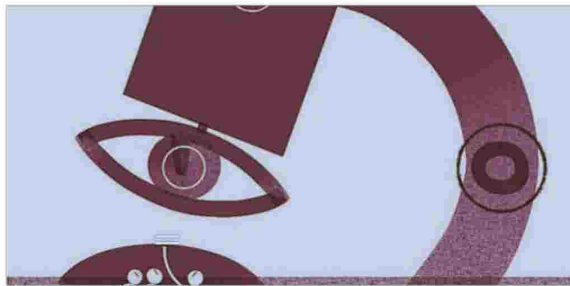


ILLUSTRATION: CT SAKSHI

coming together against divisive politics? To begin with, we, the people, are diverse. We live on uneven terrain. Diversity enriches, but it can also divide. The fault-lines on the ground, of caste, class, language, region and community, can stand in the way of forging solidarities with those who are different from us, or are placed unequally.

Then, the costs of speaking up are high, and seem to be so, too.

If political opponents of a powerful and thin-skinned government are disproportionately targeted by the CBI-ED, if a student giving a speech or calling for a *chakka jam* against a discriminatory law is jailed on a terror charge and denied bail for over five years, if university professors and activists are labelled "urban Naxals", and if the Prime Minister calls the principal Opposition party "Maawadi-Muslim League-y", suggesting that Opposition equals "anti-national" equals speaking for Muslims equals insurrectionary, a chilling message is sent out, a chilling message is received.

At the same time, the criminalisation of dissent or the othering of the minority has not acquired the critical mass in a large country that might make it more difficult for the ordinary citizen to unsee and unhear it. It leaves room for the voter to be drawn into the imagined communities and glossy pictures that the BJP

If the republic means a linking of empathies, if it stands on the common ground of a shared commitment to equality and justice, dignity and fraternity, if it includes all and leaves out no one, then, too often, the republic is missing

paints and conveys in its legitimate work as a political party — the Opposition's spectre-making of "Constitution in danger" and "vote chori" overlooks the hard labour of politics that the BJP also puts in (and the Opposition doesn't).

"Desh toh aage badh raha hai (at least the country is moving forward)...," you hear even the sceptical BJP voter say. And: "If you are doing 10 things, getting four wrong, at least there are six..."

It's not just this that accounts for the republic's loud silences.

On divisive politics, the Opposition is seen to be either complicit or timid. The scale may vary — and it does significantly — but governments led by Congress and many regional parties are also seen to have presided over communal violence or minority-baiting. They are identified with a vision of development that includes minorities only as recipients of patronage, not as a matter of right.

Today, those same Opposition parties remain silent on "Muslim issues" because they subscribe to a binary that is pessimistic and self-fulfilling — speaking up for Muslims, Congress believes, will alienate the Hindu majority. Rahul Gandhi's silence on the FIR against the Class XII students in Moradabad is of a piece with Congress leaders' conspicuous absences, including at Shaheen Bagh.

The fact is that in a country in which governance has many tiers, the line of accountability swerves in and out of public view. While the Modi government expertly manipulates this to evade discredit for the discrimination and inequality on its watch, the deep reach of the Sangh Parivar's footsoldiers ensures that it fully owns the credit for schemes and subsidies.

The reality is also this: The minority community chafes at being cast in the role of permanent victim by the dominant strain of politics, and at the expectations of permanent alienation and agitation the Opposition burdens it with.

The Muslims of India are also, like others, individual men and women who are raising their children to make better lives for themselves than their parents did. If politics denies them their due representation and opportunity, they search for more hospitable spaces, through education and by dint of their skills.

Muslims do not have what Dalits have, the other group that fights embedded injustice — the powerful symbolism of a Constitution their icon gave to the country, and the possibility of power through strategic alliances with other groups, as in UP. Yet, Muslims have a claim to their rightful place in their home, as well as in the time of precarity. "Do you think, had we not voted for him, Modi would have won so handsomely?" — in elections across states, Muslim voters ask this question, challengingly. It may not mean that they voted for the Modi-BJP. It is an assertion of belonging.

A line also runs through the republic, today, separating digital haves from digital have-nots. Within the digital haves, the smartphone and social media algorithms have an effect that is fragmenting and isolating. The barrage of conflicting narratives breeds cynicism and disbelief — the adage, "truth will out", is difficult to trust in.

In this landscape a chief minister openly exhorts people to target the minority in Assam, and an FIR is filed against Class XII students on charges of conversion in UP. On this teeming ground, you strain your ears to catch any sound of the republic.

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Two trade deals in the bag, India has a great opportunity



MANOJ PANT

IF THE India-EU trade agreement can be called "the mother of all deals", the India-US trade agreement may well qualify as the "father of all deals". While the details are still awaited, it is now clear that the penalty on all Indian exports to the US, along with the "liberation day" tariffs, has been consolidated into a single tariff of 18 per cent over most-favoured-nation rates — among the lowest offered to any country. As argued earlier, the India-EU agreement, though significant in itself, was also part of India's attempt to diversify exports away from its most important trading partner, the US. With the latest developments, however, it is fair to say that — both economically and geopolitically — relations have reverted to "business as usual." From what appeared to be a second-best outcome, India has now moved decisively towards a first-best one.

Credit is due not only to Prime Minister Narendra Modi and US President Donald Trump for this renewed rapprochement, but also to the sustained efforts of the economic and diplomatic fraternity on both sides who have worked to steady what had become a fragile bilateral relationship. The agreement restores not just India's trade position, but also the decades-old India-US diplomatic ties that had recently shown signs of strain.

On the trade front, the immediate beneficiaries are India's garment and leather exporters. Many had seen orders for the coming year either slipping away or being renegotiated downward by 10-20 per cent as margins were squeezed to absorb higher tariffs. Similar pressures were faced by exporters of gems and jewellery and sports goods — sectors that are important for employment in the MSME ecosystem. While some firms did manage to access alternative markets, the relief was limited. Nearly 28 per cent of India's textile and garment exports are destined for the US, which is also the largest market for Indian leather and sports goods. Diversifying such a large export share would have been difficult in the short term, even with the India-EU agreement. That agreement can now stand on its own

merit as a long-term pillar of India-EU relations rather than as an emergency alternative.

The India-US deal also serves a broader strategic purpose. It helps restore normalcy to bilateral relations that have steadily deepened since the Civil Nuclear Agreement. That agreement laid the groundwork for the Quad — comprising India, the US, Australia and Japan — which is part of a wider effort to promote stability in the Indo-Pacific, a region central to global trade and diplomacy. In this sense, the renewed economic understanding contributes to a measure of geopolitical stability at a time when global alignments remain unsettled following the end of the Cold War. India will now be central to any new cold war that emerges in which economics will be an integral part, and Delhi's partnership here will depend on its economic as well as military strength.

A third area likely to benefit is India's IT sector. Services exports have been crucial in keeping India's balance of payments under control, and there were concerns that a deterioration in Indo-US relations could adversely affect IT exports — a critical component of services trade. The US remains India's largest IT partner and the principal destination for India's outward FDI. Beyond the EU, India's most significant technology partnerships are also centred on the US. Given the close link between FDI inflows and technology transfer, improved bilateral relations raise the likelihood of sustained investment flows.

There is also a longer-term possibility. With strengthened trade ties with both the US and the EU, India now has an opportunity to emerge as a credible "China-plus-one" alternative — provided it continues to invest in skills and domestic capacity. Combined with India's strengths in software and services, the Subcontinent is likely to remain central to global technology and trade in the years ahead. To view the India-US agreement merely as a trade deal would be an oversimplification. The new geopolitics has a distinct economic tilt, which we now call geo-economics. The two trade deals alone India to be an important player in the unfolding geo-economic game this century.

The writer is visiting professor, Shiv Nadar University

LETTERS TO THE EDITOR

Delhi's pigeons

SILENCE REFLECTS the broader picture? Who is development really for? Ask Delhi's pigeons', IE, February 3). Marginalised groups reside alongside development without voice. Delhi's pigeons are a reminder of the need for strict implementation of environmental norms as the first step in policy implementation. There is a need to emphasise sustainable development as a long-term practice to protect all. Without collaborative actions, we are inviting more frequent catastrophes in future.

Rajesh Raj, New Delhi

Baloch interests

FOR DECADES, ordinary people in Balochistan have paid the price of conflict, neglect, and political blame games. Instead of addressing deep social, economic, and political grievances, responses often focus only on force, which may silence voices temporarily but never hears the roots of unrest ('In Balochistan, violence and no accountability', IE, February 3). When development happens without local participation and security policies ignore human costs, mistrust only grows. Stability cannot come from denial or shifting blame. It requires transparency, political responsibility, and genuine inclusion of the people most affected.

Rachita K, Chandigarh

ICE out

WHEN THE stage turns into a microphone for truth, silence is no longer an option. The recent Grammy Awards showed that music is not just entertainment but a powerful voice for social and political realities ('Grammys speak up, make a political point', IE, February 3). Artists used their moment in the spotlight to speak about immigration, identity, and belonging, reminding the world that behind policies are real human lives. Statements against dehumanising language and stories of migrant roots turned an awards night into a moment of collective reflection.

Priya Dass, Ambala



V RAMGOPAL RAO

THE RECENT data showing a 75 per cent decline in Indian student enrolments in the US should not be read as a temporary disruption or a statistical blip. It is a structural signal. One that reflects deeper shifts in geopolitics, attitudes towards migration, cost structures, and India's own higher education capacity and aspirations. Treating this as a short-term fluctuation would be a serious mistake.

For decades, the US was the default destination for India's best students. Rising visa uncertainties, restrictive immigration rhetoric, high tuition costs, and growing social unease for immigrants have now altered the risk-reward equation. Indian students are responding rationally to this.

This shift is not entirely negative for India, which has a chance to retain a large part of its high-calibre talent. If leveraged well, this can accelerate our transition from a service-led economy to a deep-tech and innovation-driven one. But that will require deliberate capacity building, policy coherence, and institutional reform.

The first and most binding constraint is capacity. Our top institutions remain severely supply constrained. The number of globally competitive seats available in India is a small fraction of the demand. As more students stay back, the pressure on these institutions will intensify. Without rapid expansion of physical infrastructure, labora-

This can accelerate our transition from a service-led economy to a deep-tech and innovation-driven one. But that will require capacity building, policy coherence, and institutional reform

tories, faculty strength, and doctoral programmes, we risk replacing one bottleneck with another.

Equally important is quality and global relevance. Students went abroad for exposure to frontier research, interdisciplinary ecosystems, and industry-linked learning. To become credible alternatives, Indian institutions must offer comparable academic depth and international integration. This means more joint degree programmes, collaborative doctoral supervision, global credit portability, faculty mobility, and moving away from insular curriculum design towards globally benchmarked outcomes.

There is a strong economic dimension to this transition. Indian families spend billions of dollars annually on overseas education. A meaningful share of this can be redirected into strengthening domestic institutions. But this requires a rethink of funding models. We need blended models combining government support, study-now-pay-later fee structures, philanthropic capital, alumni contributions, and industry partnerships. Endowments must become a pillar of institutional resilience. This will require major policy shifts, particularly in the tax treatment of philanthropy.

Industry has a critical role in this new equilibrium. As global capability centres expand rapidly in

Fewer students going to US could be a new beginning

India, there is a unique opportunity to align higher education more closely with advanced industrial needs. Industry-linked doctoral programmes, translational research funding, and shared research infrastructure can play a catalytic role. India needs PhDs who can move fluidly between academia, industry, startups, and policy. Retaining undergraduate talent is only half the story. Building a strong, employable, and globally connected doctoral workforce is where long-term competitiveness will be decided.

There is also a soft power dimension. Students educated in India but trained to global standards become ambassadors of Indian institutions. This strengthens academic reputation, attracts international students, and gradually reverses the asymmetry that has defined global higher education flows. Governance autonomy, academic freedom, and merit-based decision making are non-negotiable if this ambition is to be realised.

The decline in Indian student enrolment in the US is not a crisis to be managed but a transition to be shaped. If we see this as a moment for structural realignment, expanding capacity, enhancing quality, strengthening research, and building credible global pathways at home, it could be the start of a new phase in India's higher education journey.

The writer is vice chancellor for BITS Pilani campuses and former director of IIT Delhi. Views are personal

Shared lunch boxes and belonging in Jamshedpur



ADRIA ROYCHOWDHURY

AMONG THE many soft, hazy memories of childhood is one of that girl in my class who brought banana chips for lunch. I must have been around seven or eight at the time. I negotiated with her to be allowed at least one chip every day. Until then, the only other kind of chips I had tasted were the ubiquitous "Uncle Chippy". There was something unusually delectable about the banana ones. The mild sweetness of ripe bananas, a clean, brittle crunch, and the nutty fragrance of coconut oil. I remember little else about her, except that she was from Kerala and was my first introduction to a cuisine far removed from my Bengali

palate — one I would cherish over the years. Kerala cuisine was only one of the many cultural introductions I encountered in Jamshedpur, the steel city where I spent a significant part of my childhood. I moved there from Kolkata at the age of four, when my father secured a job with one of the Tata-owned companies. He was among the many young men from across India whose professional aspirations took them to this fast-growing industrial town.

Jamshedpur was not even 100 years old then. Although it lay first in Bihar and later in the newly carved out state of Jharkhand, the city came to embody something larger than regional identity — an urban centre relatively unanchored in language, caste, religion, or community, shaped instead by work and shared aspiration. As children,

we were not conscious of this. Yet, as witnesses to our parents' middle-class ambitions in newly liberalising India, we absorbed a pluralism that feels increasingly fragile today.

My friendships reflected that diversity. Tanya, whose family hailed from UP, introduced me to the joys of kadhi-chawal, chaat, and dahi vada. We had little in common ex-

In a country emerging from the trauma of Partition and reorganising itself along linguistic lines, Jamshedpur's most binding allegiance was not to language or faith, but to work

cept that our fathers worked for the same company. With Vunshi, my Kashmiri Parsi friend, I spent long afternoons playing with dolls. At her dining table, I first tasted dishes like much (Kashmiri meatballs), yakhti, and khatte baingan. Years later, when I stumbled upon a Kashmiri restaurant in Delhi's Pampush Enclave, the first bite felt like a return to childhood. There was also a Sikh school friend, whose long braided hair was the object of teenage envy. She taught me how to play a game called *giddi*, and we could coexist easily with respect for others. From her, I learned *gidda*, the Punjabi folk dance we performed at a school concert, giddy with excitement over our new parandis and Patiala suits.

Company-hosted gatherings for employees' families were another defining fea-

ture of life in industrial towns. Festivals — Holi, Diwali, Independence Day, Vishwakarma Puja — were marked by music, food, and large communal celebrations. I remember especially the *litni* parties hosted by one of my father's colleagues.

Jamshedpur's residents were proud of their identities as Bengali, Punjabi, or Kashmiri, but equally proud of their shared identity as Tata employees. In a country emerging from the trauma of Partition and reorganising itself along linguistic lines, Jamshedpur stood apart. Its most binding allegiance was not to language or faith, but to work — and to the idea of building a better future.

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● ENVIRONMENT

To tackle India's waste problem, new rules turn focus to source

Nikhil Ghanekar
New Delhi, February 3

THE UNION Ministry of Environment, Forest and Climate Change notified the new Solid Waste Management (SWM) Rules, 2026, last month. Aimed at overhauling the framework for garbage management, they promote reduction, reuse and at-source processing, rather than relying on large landfills and dumping yards. The rules will come into effect on April 1.

Replaces 2016 rules

Introduced a decade ago, the SWM rules replaced the Municipal Solid Waste Rules of 2000. The 2026 Rules focus on increasing the responsibilities of bulk waste generators, discouraging additions to landfills and poor waste segregation.

India faces a major solid waste management crisis. Every day, around 1.85 lakh tonnes of waste is generated. Of this, 1.79 lakh is collected. 1.14 lakh tonnes is processed or treated, and 39,629 tonnes is landfilled, according to the Central Pollution Control Board's 2023-24 data. To tackle this mounting crisis, the Centre has laid out the following principles:

Waste hierarchy & four-way segregation: The hierarchy consists of prevention of garbage, followed by reduction, reuse, recycling, recovery and disposal as the last resort. The segregation system expands the 'dry-wet-waste' system by adding sanitary waste (including sanitary towels and condoms) and special-care waste (medicines, paint cans and bulbs).

Bulk generators: These are defined as entities meeting any of the following criteria — buildings with a floor area of 20,000 square metres or more; water consumption of 40,000 litres per day or more; electricity generation of 100 kg/day waste or more. These include residential societies, malls, colleges, etc. All gated communities/institutions with more than 500 sq m area and all resident welfare associations, hotels and restaurants will have to ensure segregation of waste at source and hand over recyclable material to authorised entities within a year.

Polluter-pays principle: An environmental compensation can be levied for non-compliance. This principle discourages unsegregated waste disposal at landfills and provides for imposing higher landfill fees.

Tracking system: The rules introduce a centralised online portal for tracking different stakeholders and all stages of the solid waste life cycle itself. Bulk generators, local bodies, waste processing and transporting agencies, waste pickers, and large authorities such as railways and airports must be registered on it.

What households must do

Bulk generators, such as residential societies, will face extended responsibility similar to what exists for manufacturers of electronic items and plastic products. This will apply to incorporate urban local bodies frame-by-laws by March 2027 to incorporate provisions of the new rules. They will be made accountable through a certification-based compliance. They will have to register on the centralised portal to submit mandatory waste accounting, segregated waste, and make efforts to process wet-waste at source through on-site composting or alternatives. However, if they are unable to do so, they can procure certificates from local bodies or associated waste processing facilities to show proof of compliance. Annual returns must be filed by June 30, detailing waste quantity and certificates procured. Residential societies will either have to move towards on-site wet waste composting and segregation, or tie-up with local bodies or processing facilities.

Targeting landfills

India's cities are infamous for mountain-like landfills, which pollute the surrounding environment. The new rules intend to make landfills the last stop for disposal.

All urban local bodies will have to map legacy landfills and dumpsites by October 31, 2026. They will have to prepare plans to reduce the mountains of garbage through bioremediation and biomining. In bioremediation, bacteria and microbes are used to reduce waste and its smell, while usable materials are recovered in biomining.

Why a mass-market ball

The Meert-bus company has faced raw material supply issues since tanneries were shut down in Meerut in 2022 for causing

pollution. At the same time, the company, which sells more than half a million leather balls annually, wanted to get a share of the cricket-academy market.

"If there was no raw material, how do we produce so many balls," Paras Anand, the CEO of SG, said. "The academy consumption of leather balls annually is approximately four million balls in India and this is growing at a rate of 6% to 7%. The economics (of academies) only works if they pay about Rs 250 for a ball. We were not servicing that segment. We didn't want to go down to the Rs 250-level. But if we priced it at about Rs 450 to Rs 470, we had to give a better product," Anand said. The answer: A longer lasting ball that does not lose shape or get discoloured easily.

The patented Super 50 ball — available in both white and red — is guaranteed to last at least 100 overs, as the name suggests. It has received a non-leather vegan certification from PETA India and took two-and-a-half years to develop.

The manufacturing process

The early experiments in 2022 of impregnating polyurethane (PU) fabric — used to make foams, shoe soles etc — from China

● ECONOMY

US farm exports to India surged, even with no deal



HARISH DAMODARAN

US AGRICULTURE Secretary Brooke Rollins has claimed that the India-US trade deal announced Monday will result in "export [of] more American farm products into India's massive market". The deal will also "go a long way" in reducing America's agricultural trade deficit with India, which, according to her, was valued at \$1.3 billion in 2024.

This comes even as US President Donald Trump has said that India will "move forward" to reduce tariffs and non-tariff barriers on American imports, while committing to buy "over \$500 BILION" of US Energy, Technology, Agricultural, Coal, and many other products.

For now, though, it is not clear if India has agreed to grant greater market access to American corn, ethanol and soybean, or relaxed restrictions with regard to imports of genetically modified products and dairy products derived from cows fed on internal organs, blood meal, tissues and other bovine-based formulation ingredients.

Meanwhile, Commerce Minister Piyush Goyal stated at a press conference on Tuesday that "India has protected the interests of [its] sensitive agriculture and dairy sectors in the trade deal with the US."

US exports are booming

But the data on farm trade between the two countries shows US exports to India already surging to record highs and the deficit narrowing — even with no deal signed.

During January-November 2025, the US exported agricultural produce worth \$2.85 billion, a 34.1% jump over the \$2.13 billion for the same months of the previous year. The exports for the whole of 2025 are set to top \$3.1 billion, which would be an all-time high.

On the other hand, US imports of Indian farm produce have risen by only 5.1%, from

● Table 1: US-India agri trade (mn \$)

	US exports to India	US imports from India	US trade balance
2020	1,820	5,300	-3,480
2021	1,853.10	6,421.90	-4,568.80
2022	2,348.50	6,658.80	-4,310.30
2023	2,040.70	5,811.50	-3,770.80
2024	2,378.80	6,211.90	-3,833.10
Jan-Nov 2024	2,127.60	5,624.80	-3,497.20
Jan-Nov 2025	2,853.70	5,914.30	-3,060.60

● Table 2: US agri exports to India (mn \$)

	2024	Jan-Nov 2024	Jan-Nov 2025	Growth
Tree nuts	1,116.10	993.90	1,314.40	32.20%
Ethanol	420.90	394.40	379.80	-3.70%
Soyabean oil	375	0.20	212.50	105.372%
Cotton	209	193.30	377.90	95.50%
TOTAL	2,378.80	2,127.60	2,853.70	34.10%

\$5,62 billion in January-November 2024 to \$5.91 billion in January-November 2025. America's agricultural trade deficit with India has correspondingly reduced from \$3.5 billion to \$3.1 billion. In 2024, the deficit was \$3.8 billion (table 1) and not \$1.3 billion, as mentioned by Secretary Rollins.

US exports to India have been led by tree nuts — mainly almonds and pistachios — which were valued at \$1.1 billion in 2024, while growing by a whopping 32.2% to \$1.3 billion-plus during January-November 2025.

The other two major drivers were cotton and soyabean oil (see table 2).

The US had hugely benefited from India allowing duty-free imports of cotton from August 18 to December 31, 2025. The duty has been restored to 1% from the new calendar year. Crude soyabean oil exports have, likewise, zoomed from virtually zero, following India's reduction of its effective import duty from 27.5% to 16.5% with effect from May 31, 2025. Another significant export item is ethanol. The US is the world's biggest

● Table 3: Key products in India's agriculture exports to the US (mn \$)

	2024	Jan-Nov 2024	Jan-Nov 2025	Growth
Seafood	2,483.80	2,245.90	2,392.40	6.50%
Spices	410.20	369.70	360.80	-2.40%
Rice	391.20	353.30	347.70	-1.60%
Processed fruits and vegetables	227.60	206.10	223.50	8.40%
Baked goods*	247.50	228.80	239	4.50%
Essential oils	212.10	192.30	180.80	-6%
Sugars**	171	159	193	21.40%
Vegetable oils	174.80	161.90	145.90	-9.80%
Food preparations	137.90	127.20	103.80	-18.30%
TOTAL	6,211.90	5,624.80	5,914.30	5.10%

*INCLUDES CEREALS & PASTA; **INCLUDES SWEETENERS & BEVERAGE BASES
SOURCE: US DEPARTMENT OF AGRICULTURE

Tariff factor, lower duties

India's farm exports to the US rose by 5.1% in Jan-Nov 2025, while US exports to India grew 34.1%.

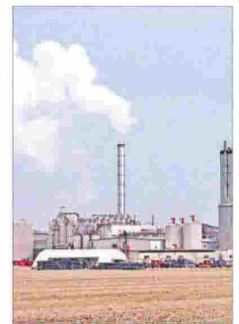
US exports to India also increased thanks to some import duty reductions.

producer and exporter of ethanol, which is primarily produced from corn (maize). India currently permits ethanol imports only for non-fuel industrial purposes, i.e. manufacture of alcohol-based chemicals, beverages or medicines. The US has been pressing hard on India to open up imports of ethanol for blending with petrol and diesel. India has been resisting that, since it would undermine the use of ethanol from domestically grown sugarcane, maize and rice in the government's ambitious biofuel programme.

Indian exports are flagging

India's farm exports to the US increased by 5.1% during January-November 2025.

Much of this growth, however, happened in the first half of the year, when the full 50% duty — 25% reciprocal duty plus a 25% penalty linked to Indian imports of Russian oil — imposed by the Trump administration hadn't taken effect. During July-November 2025, India's agricultural exports to the US were only at \$2,441.6 million, 13.6% down from the \$2,825.9 million for the same period of 2024.



An ethanol plant in the US, the world's biggest ethanol exporter. India permits ethanol imports only for non-fuel industrial purposes. WIKIMEDIA COMMONS

It can be seen from table 3 that most exports to the US from India — barring seafood, processed fruits & vegetables, baked goods and sweeteners — took a hit in 2025. Even in the case of seafood, exports rose by 32.5% in January-June. But during July-November 2025, the value of seafood exports (basically frozen shrimp) was just \$984.5 million, as against \$1,183.4 million in the corresponding five months of 2024.

Simply put, the 50% Trump tariffs have hurt Indian farm exports to the US. The proposed duty cut to 18% — a reciprocal tariff of 18% and no Russian oil penalty — should enable India to recover some lost ground.

From the US side, exports of tree nuts, cotton and soyabean oil to India are already doing well. It remains to be seen how many concessions, both tariff and non-tariff, India is offering on other produce where the US has substantial export interests — corn, soyabean grain, ethanol and dairy products.

● LAW

Rules on frozen embryo donation, now under legal challenge

Amaal Sheikh
New Delhi, February 3

THE DELHI High Court last week issued notice on a PIL that asks whether the law can require viable frozen embryos to be destroyed rather than donated, even when couples consent on both sides.

To oppose what it describes as a "blanket prohibition" on "altruistic, voluntary, consent-based donation" to infertile couples, the plea challenges provisions of the Assisted Reproductive Technology (Regulation) Act, 2021, and its Rules, which permit embryos to be created using donor sperm and donor eggs but prohibit the donation of unused frozen embryos for reproductive use by another couple.

Under this framework, such embryos may be stored for up to 10 years and must be "allowed to perish" or be donated for research. The plea describes this as the "irrational destruction of viable embryos" and argues that it is ethically incongruent to mandate that they perish when willingly recipient couples exist. Hearing the plea, the Division Bench of Chief Justice D K Upadhyaya and Justice Tejas Karia observed that the petitioner was seeking an expansion of the scope of Section 28 of the ART Act, which governs the storage and handling of embryos, and sought a response from the

Union government.

In vitro fertilisation (IVF) specialist Dr Aniruddha Narayan Malpani filed the petition, which questions why the law permits some forms of non-genetic parenthood while blocking others. "You allow certain technology but not another technology," Maneka Guruswamy, representing the petitioner, submitted in the court.

In India, infertility affects an estimated 27 to 30 million couples. IVF is an expensive process that often requires repeated cycles, while adoption involves long waiting periods. The plea states that embryo donation could provide an option for some couples and allow pregnancy and childbirth where other routes are unavailable. It also points to access concerns, noting that couples with resources may seek embryo donation abroad, while others cannot, effectively turning reproductive choice into a matter of means.

What the law permits

The ART Act permits altruistic donation of sperm and eggs under regulated conditions. It also allows donor-assisted IVF, including "double-donor IVF" where an embryo is created from donor sperm and donor oocytes are transferred to a commissioning couple. In such cases, the child has no genetic link to either parent.

No transfer provision

● There is no explicit ban on embryo adoption. However, clinics must preserve unused embryos exclusively for the commissioning couple.

● This storage is limited to 10 years. After this period, embryos must either be "allowed to perish" or donated to research institutions.

What the law does not permit is the donation of surplus frozen embryos. These exist because IVF cycles often create multiple embryos to improve success rates. Not all of these are implanted. Many couples later decide they do not want another pregnancy, but their embryos remain cryopreserved. It is at this stage that the law restricts their use.

There is no explicit ban on "embryo adoption". The restriction primarily flows from multiple provisions read together. Clinics must preserve unused embryos exclusively for the original commissioning couple and are barred from using them for any other person. Transfer of embryos to another couple for reproductive use. Consent forms under the law mirror this structure. Couples are asked to decide what should happen to embryos in events like death or separation. Donation is not an option.

Section 28(2) further limits storage to 10 years. After this period, embryos must either be "allowed to perish" or donated to registered research institutions, subject to consent. The statute provides no framework for the donation or adoption of the embryos to another couple for reproductive use. Consent forms under the law mirror this structure. Couples are asked to decide what should happen to embryos in events like death or separation. Donation is not an option.

The constitutional challenge

A central issue raised in the plea is the

distinction the law draws between fresh donor embryos and frozen embryos. Fresh embryos created using donor sperm and donor eggs may be transferred to a commissioning couple. Frozen embryos, once thawed, are biologically equivalent and routinely used in IVF practice.

Despite this, frozen embryos are treated as non-transferable for reproductive purposes. The petition describes this as a "double standard", since genetic non-linearity is legally accepted when embryos are created fresh, but rejected once embryos are already in storage.

The plea rests its challenge on Articles 14 (right to equality) and 21 (right to protection of life and personal liberty). On equality, it argues that the law creates an "arbitrary and constitutionally untenable distinction" between couples who receive fresh donor embryos and those who seek frozen embryos.

On personal liberty, the petition argues that decisions about whether and how to have a child through ART fall within decisional autonomy.

A recurring theme in the challenge is the law's insistence on the destruction of embryos. The petition argues that compelling embryos to perish while barring their transfer to consenting recipients results in a "legislative absurdity".

● SPORT

Can a long-lasting leatherette ball be a game-changer for cricket academies?

Sandeep Dwivedi & Nihal Koshle
Meerut, February 3

WHEN THE marketing team at Sanspareils Greenlands (SG) was discussing the sales pitch for a new cricket ball, an apt line from an iconic 1980s Surf detergent ad came up. "Aadha kilo Surf pure ek kilo saste powder ke barabar hota hai (half a kilo of Surf is equivalent to one kilo of cheaper detergent)".

SG, the maker of the premium red leather Test ball in India, was then preparing to take a plunge into the five million balls-a-year budget market. The product was the 'Super 50', a leatherette ball aimed largely at the 15,000 cricket academies in the country as well as the corporate cricket circuit — both segments usually buy cheaper, less durable balls priced around Rs 250.

Super 50 promises these academies a longer lasting product that is priced at a slight premium. So, is it a game-changer for cricket academies that have an eye on their bottom-line?

Why a mass-market ball

The Meert-bus company has faced raw material supply issues since tanneries were shut down in Meerut in 2022 for causing

pollution. At the same time, the company, which sells more than half a million leather balls annually, wanted to get a share of the cricket-academy market.

"If there was no raw material, how do we produce so many balls," Paras Anand, the CEO of SG, said. "The academy consumption of leather balls annually is approximately four million balls in India and this is growing at a rate of 6% to 7%. The economics (of academies) only works if they pay about Rs 250 for a ball. We were not servicing that segment. We didn't want to go down to the Rs 250-level. But if we priced it at about Rs 450 to Rs 470, we had to give a better product," Anand said. The answer: A longer lasting ball that does not lose shape or get discoloured easily.

The patented Super 50 ball — available in both white and red — is guaranteed to last at least 100 overs, as the name suggests. It has received a non-leather vegan certification from PETA India and took two-and-a-half years to develop.

The manufacturing process

The early experiments in 2022 of impregnating polyurethane (PU) fabric — used to make foams, shoe soles etc — from China



SG's 'Super 50' cricket ball is aimed at the budget market in India; and (right) unlike leather balls, it is stitched using a machine. KENKA PUBLICATIONS

and Thailand failed because the material would fray on impact. "Phat jaati thi," Anand said. After months of trial and error, the R&D team created a formulation for the outer surface of the ball using a mix of PUs sourced from India. The result was a eureka moment. In November, Super 50 was introduced in the market. Orders have touched 30,000 in the first month.

The process is called thermoforming, which is used to make internal parts of cars. The construction of the ball is similar to the leather ball. Super 50 has a cork-wood core like the leather ball. The stitching is done

using a machine, unlike leather balls which are hand-stitched. "The strength we have given this material is more than leather, the abrasion resistance is again more than leather. That's why it lasts more than leather. Each ball is consistent unlike leather balls that can be different from batch to batch. We have got a patent for Super 50," Anand said.

Rahul Dravid's role

Dravid, the former India captain and Test batting great, has had a long association with SG. His feedback about the Super 50 prompted SG to return to the drawing board in March 2024.

"He said this looks plastic. Then he bounced it and it sounds plastic. I will feel that it will break my hand and my bat. That was million-dollar advice," Anand said. "So, we had to change the formulation (for the outer surface). We had a synthetic core because we wanted to keep the cost low. We replaced it with a cork wood core. The cost went up, but the final product is far superior."

The latest version was tested by coaches at an academy in Bengaluru where Dravid's sons train. "The reaction from the coaches

was that this ball lasts longer. We had to convince coaches that if you were buying 24 balls, now you would need just 12 SG Super 50 balls. The Super 50 line was the sales pitch," Anand said.

The feedback from players

Academy coaches are happy about the long-lasting ball which saves them money. If it gets wet, the ball can be wiped dry which eliminates problems caused by dew.

Batsmen can prepare better for pace because the ball does not lose as much speed as the leather ball after pitching.

But an early assessment from bowlers is that batsmen are able to clear the ropes easily with the ball. Fast bowlers have complained that the Super 50 does not swing enough, while finger spinners have not been able to grip it. "The leggies won't have a problem," Anand said.

The SG CEO believes Super 50 is a disruptor. "At this stage, it is the perfect ball for training. They (academy coaches) had no one particular brand they could bank on. They were buying anything from the market from smaller manufacturers with limited supply. Now, academy coaches in the next 12 months will speak a different language."



Rewrite rules, without discarding equity

By keeping the University Grants Commission (Promotion of Equity in Higher Education Institutions) Regulations 2026 in abeyance, the Supreme Court may have delivered a legally sound response. The Court expressed apprehensions about the way the regulations have been framed, and described them as exclusionary. HELs in the country continue to report incidents of caste-based discrimination faced by students belonging to the Scheduled Castes, Scheduled Tribes, and Other Backward Classes. Concerns have peaked since the suicide of Rohith Vemula in 2016. While the UGC's regulations were a natural response intended to eradicate discrimination on campuses, the apex court held that they could "divide society". It also noted that the regulations lacked safeguards against their potential misuse, as has been the case with many similar laws.

The UGC issued the fresh guidelines earlier this month, as an update to its own 2012 rules. Through the fresh regulations, the Commission envisions protection for SC, ST, and Backward Classes students, provisions for equal opportunity centres, monitoring of complaints, and a resolution mechanism. However, some of the upper caste groups argue that the definition of discrimination, by excluding the general category, identifies only some sections as potential victims, creating a presumption of guilt for the other students. It has also been noted that there is no provision for initiating action against false complaints, which makes students in the general category more vulnerable to such cases. Protests staged against the regulations in some of the campuses in northern India echoed narratives from events that preceded the violent stir sparked by the Central government's decision to implement the Mandal Commission recommendations in 1990. The sentiment is much the same, revealing how polarisation on caste lines still runs deep in society.

The argument that the regulations do not factor in considerations of all categories has legal merit. But that cannot discredit the reality that SC, ST, and BC students are the ones who are almost always subjected to discrimination. In socially hierarchical societies, access to equality is not equal. There is a case for the regulations to frame a more inclusive definition of discrimination. A stronger mechanism to identify and deter false complaints is crucial because it can also ensure that students who are genuinely impacted are not dissuaded from voicing their grievances. With the Court proposing a review of the regulations, the focus must now be on evolving a mechanism which is fair and acceptable to all. Equity and equality have a complex relationship, which needs to be negotiated carefully.

When vigilant public powers State action

The Karnataka government deserves commendation for acting swiftly when citizens raised a legitimate concern about gutka advertisements wrapped around state-run buses. Transport Minister Ramalinga Reddy's directive to remove all direct and surrogate tobacco advertisements from public buses and bus stations is precisely how a responsive government should function. It acknowledges public sentiment, respects the law and, importantly, places public health above commercial considerations. What makes this episode significant is that the trigger did not come from a court order or an opposition outcry, but from ordinary citizens, who refused to look away. The movement began modestly in North Karnataka, where young people removed the gutka advertisements on public buses. It soon spread to other parts of the state, including Bengaluru. The message was clear: government-owned spaces cannot be used to normalise social evils. This was not an isolated incident. Some time ago, a viral video showed a young commuter stopping a man from consuming gutka inside a Metro train. Such acts of public vigilance underline a deeper truth: when enforcement fails, citizens step in to defend shared civic spaces.

Gutka, an addictive smokeless tobacco product, is a mixture of crushed areca nut, tobacco, slaked lime, and flavouring agents. Though banned under food safety laws in Karnataka, manufacturers routinely bypass the prohibition by disguising the product as mouth fresheners. The health consequences are devastating. India has one of the world's highest rates of oral cancer, overwhelmingly linked to smokeless tobacco. The civic damage is equally visible: red-stained walls, buses, and stations bear silent testimony to poor enforcement. This failure is equally evident in the weak implementation of the Cigarettes and Other Tobacco Products Act (COTPA). While fines for public smoking have been increased to Rs 1,000, enforcement remains lax. Bars and clubs routinely permit smoking despite the law clearly stating that it is prohibited wherever food and beverages are served. This casual disregard erodes the credibility of regulation. One wonders if the government is abdicating its responsibility, waiting for public vigilance to plug these gaps as well.

Advertising on buses is a revenue stream for transport corporations, but the social cost far outweighs the earnings. A few lakh rupees earned from a bus wrap cannot justify the long-term public health burden. The government has responded decisively when public interest demanded it. This episode is also a reminder of the power of the common citizen. When people act collectively, governments listen. That, ultimately, is democracy functioning as it should.

Post-review UGC regulations must deter caste discrimination through fair rules and checks on misuse

As the global economy turns increasingly volatile, India must augment State capability towards strategic, manufacturing-led growth

GURUCHARAN GOLLERKERI

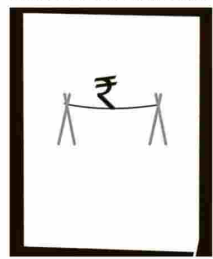
The release of the Economic Survey 2025-26 and the Union Budget 2026-27 offers the opportunity to read diagnosis and prescription together. The challenges in the year ahead are no longer merely to sustain growth, but to align growth with resilience, competitiveness, and strategic autonomy in a world marked by geopolitical rivalry, trade weaponisation, and financial uncertainty.

India enters 2026 with strong macroeconomic fundamentals. Growth remains near 7%, inflation is anchored, public investment at scale, banks and corporate balance sheets are healthy, and fiscal consolidation is credible. Together, they represent tangible gains from infrastructure expansion, logistics improvements, digital public infrastructure, and supply-side reforms that are finally yielding economy-wide efficiency gains. Yet, the Survey makes an uncomfortable but essential point: macroeconomic virtue is no guarantee of rewards. The rupee has remained under pressure, capital flows have been volatile, and trade conditions have worsened. This is a feature of a global system in which trade, finance, and technology are increasingly subordinated to strategic considerations. Tariffs, export controls, and sanctions are now instruments of hostile statecraft. For India, this means that the old development playbook—grow fast, liberalise gradually, integrate smoothly—no longer works. The challenge, therefore, is to grow strategically.

The Budget reinforces India's hard-won fiscal credibility. The fiscal deficit is budgeted at 4.3% of GDP for 2026-27, with a clear medium-term anchor of reducing public debt to around 50% of GDP by 2030. Capital expenditure continues to rise in absolute terms even as revenue expenditure is restrained. This capex emphasis—across roads, railways, ports, logistics, energy, and urban infrastructure—is the defining feature of India's fiscal strategy. However, the Survey's warning on state finances deserves closer attention. Rising revenue deficits, unconditional cash transfers, and populist commitments at the sub-national level risk undermining the general government balance sheet.

As India's government bonds become more globally held and indexed, sovereign risk will be assessed on the basis of consolidated public finances, not

just the Centre's accounts. Fiscal discipline is no longer merely a technocratic virtue; it is now a strategic signal. The Budget's continued support to states for capital investment, alongside incentives for urban infrastructure, municipal bonds, and asset recycling, points in the right direction. But consolidation will remain fragile unless states internalise the medium-term growth costs of substituting investment with consumption. Perhaps the Economic Survey's most sobering insight concerns India's external constraint—the structural current account deficit and the underlying goods trade gap. In a world of volatile capital flows and episodic financial stress, this dependence is risky. History is unam-



biguous: strong and stable currencies belong to economies with deep manufacturing export bases. Services-led growth, while valuable, does not generate the same ecosystem effects—on logistics, skills, supplier networks, and State capacity—that manufacturing does. Nor does it anchor currencies during global stress. The Union Budget's strong push towards manufacturing—spanning microelectronics, semiconductors, chemicals, defence, aerospace, construction equipment, and rare earth magnets—must be read against this backdrop.

The emphasis on customs rationalisation, duty deferrals for trusted manufacturers, export facilitation, and bonded manufacturing zones signals a conscious shift away from tariff-led protection towards cost, scale, and reliability. Yet, a strategic caution is warranted. Industrial policy must not degenerate into a patchwork of sectoral favours. High tariffs on upstream inputs may shelter a few producers but end up taxing a much larger base of downstream exporters. The real test will be whether the country can lower the cost of capital, energy, and logistics while disciplining industrial support through export performance and competition.

The Survey is clear-eyed: manufacturing matters not only for jobs, but for macroeconomic and strategic stability. In a world where supply chains are weaponised and security of supply is

uncertain, domestic manufacturing capability enhances bargaining power and resilience. The Budget reinforces this logic through targeted incentives, infrastructure guarantees, freight corridors, port connectivity, and energy security measures, including support for nuclear power, critical minerals processing, battery storage, and carbon capture. However, manufacturing success will ultimately depend less on schemes and more on execution: regulatory predictability, contract enforcement, skilled labour, and reliable utilities.

Can capacity meet ambition?

One of the Survey's most consequential arguments is the call to reimagine the Indian State as an entrepreneur: one capable of acting under uncertainty, learning by doing, and correcting course without paralysis. This is not a call for State capitalism or bureaucratic control, but for strategic governance. There are encouraging signs—mission-mode initiatives in semiconductors and green hydrogen, digital public infrastructure, deregulation compacts with states, and trust-based compliance in customs and taxation, many of which the Budget extends and operationalises. The move towards risk-based regulation, automated processes, and the decriminalisation of minor economic offences reflects a maturing regulatory philosophy. Yet State capacity remains the binding constraint. Civil service capability, regulatory coherence, and Centre-state coordination will determine whether India converts ambition into advantage.

Both the Survey and the Budget place renewed emphasis on human capital—education, skilling, healthcare, and care services. The Budget's focus on caregivers, allied health professionals, education-to-employment pathways, and services-sector expansion reflects a pragmatic recognition: India's growth must be employment-intensive to remain socially and politically sustainable. The demographic dividend is not automatic. Without quality jobs, rising aspirations can quickly turn into disaffection. Manufacturing, construction, logistics, tourism, healthcare, and the care economy offer high employment multipliers, but only if skills, mobility, and urban governance keep pace. Here lies the deeper political economy challenge.

In an era of global uncertainty, the temptation for quick redistributive fixes will grow. The harder, more durable path is to prioritise productivity, employability, and elevated craftsmanship—what the Survey evocatively frames as choosing *shravay over preya*—requiring resolve to master institutions, strategy, and statecraft.

(The writer is Director, School of Social Sciences, Ramaiah University of Applied Sciences)

RIGHT IN THE MIDDLE

As bravado cracked, love stepped in

A frozen lake in Stalino led to a lifelong partnership

NAVARATNA LAXMAN

Way back in 1957, I was at the metallurgical town of Stalino in the erstwhile Soviet Union as a trainee of the Bhilai Steel Plant, along with 14 fellow engineers. It was a time when friendship between India and the Soviet Union was at its zenith. During our training, we had the privilege of having Swetha as our interpreter throughout the course. The tragic loss of her parents in a freak accident just three months ago in Leningrad had in no way marred the buoyant zest for life and achievement of this charming young woman.

After working hours, she would teach us popular Russian dances so that we could enjoy the musical evenings specially organised for us with generous frequency at the beautiful park near our hostel.

No wonder my roommate, Deb Mukherji, fell head over heels in love with her. An easy-mixing, sportive chap, Deb never missed an opportunity to impress her—sometimes the smart young lady was well aware of.

When the Russian winter arrived, white snowflakes danced down in profusion with celestial splendour, covering the entire landscape with a glittering, milky blanket. Wrapped in our woollens, we never missed an opportunity to seek and soak in its dreamy ambience.

One memorable evening, Swetha had organised a winter dance session in the park, where a magnificent boating lake lay frozen, transformed into a gigantic slab of ice. Explaining the hazards of accidentally stepping onto the frozen lake, she urged us to keep away from its edge while dancing.

That was when our hero Deb found an opportunity to display his bravado. He boasted that he was not scared of walking on the frozen lake and challenged Swetha to a bet: the loser would grant whatever the winner asked for. The ever-sportive Swetha readily accepted. As we watched eagerly, Deb started

walking, confidently balancing himself over the swaying mass of ice. Even before he had covered 20 metres, we were shocked to see him falling head-first into the water. A huge splash spanning the length of the lake appeared. More cracks spread rapidly, forming a gigantic spider web. Trapped amid the fissures, Deb began shouting for help.

As we stood helplessly, Swetha sprang into action. Unmindful of the grave risk, she hopped over the maze of fissures like a cheetah and reached him. Deb clung to her desperately, like a drowning man, as she deftly manoeuvred him out of safety.

As the panic gradually gave way to relief and cheer, we urged Swetha—the winner—to spell out her demand. With a mischievous twinkle, she asked the still-shaken hero to loudly announce what he had been trying to express to her all the while. Grabbing the Goddess, our Romeo knelt before her and proposed, much to our collective delight, for we were already aware of their mutual feelings.

The winner's choice left both as 'winners'. They were married soon thereafter and settled down happily in Bihari.

LETTERS TO THE EDITOR

Menstrual dignity is a question of equality, not welfare

Appropos 'Judicial realism for menstrual rights' (Feb 3), menstrual dignity is a fundamental question of equality, not a matter of sympathy or welfare. When public institutions fail to address menstrual needs seriously, they send a clear message to girls that their bodies are an inconvenience rather than a reality deserving respect. This neglect affects not only health but also education, confidence, and participation in public life. Treating

menstrual hygiene as an optional facility instead of essential infrastructure reflects societal discomfort with women's bodies. Silence, stigma, and ignorance create invisible barriers that push girls out of classrooms and opportunities. Equality cannot exist when basic needs are ignored due to administrative limitations or gradual progress.

Aditya Kamble, Kalaburagi

A lesson from Kerala

The Kerala State Government deserves applause for announcing free education up to degree level (in Arts and Science) in its budget. Safety insurance for students up to Class 12 and free bus passes are also announced among other benefits. Other states should follow, as educa-

tion needs top priority. Laxman Goriakatte, Mysuru

Tech alone won't do

Appropos 'B'luu ahead in tech, strict laws can make it cleaner: Düsseldorf mayor' (Feb 3), the Düsseldorf mayor's remarks underline a simple truth: technology alone cannot en-

sure clean cities; weak enforcement of basic civic laws on waste management, traffic, and public transport holds it back. Deboshmita Trivedy, Bengaluru

Our readers are welcome to email letters to letters@deccanherald.co.in (only letters emailed—not handwritten—will be accepted). All letters must carry the sender's postal address and phone number.

SPEAK OUT

Read history: On George Soros's bidding, Rahul Gandhi wants to divide India into pieces like Bangladesh and Pakistan. Nishikant Dubey, BJP MP



Conspiracy theories: because truth is just too boring.

Jerry Seinfeld

TO BE PRECISE

HURRAY! INDIA BEAT THE US 18-0!



IN PERSPECTIVE

What Epstein Files really reveal

Beyond individual failures, the scandal exposes an erosion of institutions, signalling warnings for the world

BRIGADIER ANIL RAMAN (RETI)

The circulation of documents related to Jeffrey Epstein has brought renewed attention to an episode in recent American public life. Public disclosure has often focused on personalities and conjecture, but the more significant lesson lies in what this episode reveals about institutional restraint, elite accountability, and the risks that arise when governance norms weaken in a mature democracy.

The significance of the Epstein case is not about establishing guilt by association; that responsibility rests with courts and prosecutors. Its importance lies in the insight it provides into elite networks that operate with limited oversight and exercise disproportionate influence. For years, Epstein moved freely among finance, politics, philanthropy, and media. This reflected a broader systemic pattern in which access and reputation tended to substitute for scrutiny.

From a governance and national security perspective, personal compromise extends beyond the private domain. Security literature recognises sexual misconduct, financial opacity, and reputational risk as sources of institutional vulnerability. Coercion need not be explicit to have effect; the possibility of exposure alone can encourage restraint or silence. When such vulnerabilities affect those involved in public policymaking, the implications become systemic.

The released material contains references to numerous public figures across politics, finance, media, and philanthropy, ranging from incidental mentions to documented contact. While these references do not establish wrongdoing, they indicate the breadth of the network surrounding Epstein and the limited oversight characterising influential social circles.

A notable contrast can be observed in how different American administrations addressed the issue. Under Joe Biden, the executive accepted the Department of Justice's position to keep critical documents sealed until the conclusion of Ghislaine Maxwell's criminal proceedings. This approach carried political implications, as early disclosure could have adversely affected Donald Trump due to his past association with Epstein. Nevertheless, the administration prioritised judicial process and evidentiary integrity over immediate political considerations.

Later developments departed from this approach. A bipartisan effort led by Ro Khanna and Tim Massie sought to advance congressional oversight and compel disclosure, guided by institutional considerations rather than partisanship. These initiatives encountered resistance within the executive

branch, where senior officials, including Pam Bondi, delayed release. The material eventually entered the public domain through leaks rather than formal constitutional procedures. While this route of disclosure addressed public interest, it also reflected institutional strain, with legislative oversight proving less effective and executive discretion remaining largely unrestrained.

It is also important to consider figures whose significance arises from structural power rather than specific allegations. Howard Lutnick's influence derives from his position at the intersection of state authority, financial capital, and regulatory power. The Epstein material illustrates how opaque elite networks rely on insulation and informal access. From a strategic perspective, this points to institutional vulnerability rather than individual failure.

Another relevant dimension is the concentration of informational power in private hands. Individuals such as Elon Musk, who control major social media platforms, shape how information circulates in democratic societies. Decisions relating to amplification or suppression of narratives can carry political consequences, even in the absence of malicious intent.

India can learn

For India, the relevance of these developments lies in institutional learning rather than moral comparison. As India's elite class expands and integrates more closely with global networks, similar pressures are likely to arise. Wealth concentration, close interaction between business and politics, and the growing influence of private information platforms are not unique to the United States. Reliance on personal integrity alone is insufficient to safeguard public interest. Strong disclosure norms, enforceable conflict-of-interest rules, and a culture of restraint remain essential for institutional credibility.

The enduring lesson of the Epstein files concerns governance rather than scandal. Democracies depend not only on elections but also on institutions capable of constraining power, particularly when restraint is challenging. The distinction between adherence to process and reliance on discretion illustrates the consequences of weakened constraints. When evidence replaces restraint, vulnerability becomes embedded within the system.

The Epstein affair did not create these conditions in the US, but it exposed them. For observers and policymakers elsewhere, including in India, its value lies in demonstrating how institutional erosion can proceed gradually, and how difficult it becomes to restore accountability once transparency becomes contingent rather than rule-bound. Over time, such erosion produces enduring consequences, underscoring the importance of sustained vigilance and institutional reform in preserving democratic integrity.

(The writer is a research fellow at the Takshashila Institution)

Striking the balance between growth and green priorities

GAYATHRI D NAIK

Recent developments in the policy spaces and judicial decisions on environment-related matters raise concerns about our approach to environmental protection and development. In Karnataka, the government recently recalled its decision to acquire agricultural land for the proposed Aerocity project. At the same time, it has chosen to press ahead with the ambitious North-South Underground Vehicular Tunnel Project in Bengaluru, despite sustained protests over its impact on ecosystems and biodiversity, particularly in Lalbagh.

On the judicial front, while the Supreme Court revisited its earlier judgment on *ex post facto* environmental clearances, another Bench of the same court extended environmental responsibility to corporate social responsibility.

Together these developments invite reflection on a critical question: where

does the environment truly fit within policy frameworks and judicial decisions? Is there a coherent attempt to strike a balance between environmental concerns and developmental needs, and if so, where is that balance being defined?

These questions assume significance in the two contexts. The first is legal—the constitutional right to a clean environment under Article 21, now expanded to include protection from adverse climate change. The second is environmental justice—the unequal and increasing impact of climate change across social and economic groups.

The right to a clean environment—covering air, water, sanitation, and freedom from adverse climate impacts—has been recognised as intrinsic to the right to life under Article 21. This recognition is largely the result of an activist judiciary that has read socio-economic rights, originally enshrined in the Directive Principles of State Policy, into the domain of fundamental rights. Judicial interventions have strength-

ened environmental protection through directions to establish institutions, statutory bodies, and monitoring mechanisms, including continuing mandamus and court-appointed committees, particularly in forest governance. The adoption of international environmental law principles into domestic jurisprudence has further reinforced this framework.

However, recent judgments from this otherwise proactive judiciary raise concerns about India's approach to environmental protection. In *CREDAI vs Vanashakti*, the Supreme Court recalled its earlier ruling against *ex post facto* environmental clearances and restored the executive directions permitting their regularisation. This decision represents a setback for environmental jurisprudence.

The contrast with other recent rulings is stark. In *Ranjitsinh vs Union of India*, the Court reaffirmed the right against adverse climate change as a fundamental right, building on earlier decisions under the then

CJ D Y Chandrachud. In Dec 2025, the SC extended environmental responsibility to the corporate sector by linking it to CSR.

Extending environmental responsibility to the corporate sector is an important step, as it expands the constitutional duty to protect the environment from citizens to legal entities. However, this approach risks being rendered ineffective if environmental violations are legitimised through *ex post facto* clearances. Such regularisation disproportionately benefits large corporate projects and undermines forest rights, land rights and the environmental rights of affected communities. Corporate environmental responsibility cannot be meaningful when compliance is optional and violations are regularised after the fact.

The question of where the environment fits within development policy becomes more urgent in light of accelerating climate change. Climate change is no longer a future threat; it is a reality. Its impacts are visible across regions in diverse ways, as recognised

by the Supreme Court in *Ranjitsinh*.

Beyond spatial diversity, climate change carries a strong environmental justice dimension. Poorer and marginalised communities—the landless, the homeless, women and transgender persons—bear a disproportionate share of climate impacts despite contributing least to environmental degradation. These unequal burdens deepen existing social and economic divides. This reality raises a critical concern: when the right to a clean environment is constitutionally guaranteed, who truly benefits from it? Without conscious policy-making, the right may become a privilege solely of those with economic and social capital. Addressing this inequality requires a reorientation of environmental governance towards inclusion and fairness.

Development is inevitable in a growing nation, and the environment has long been used as a resource supporting that growth. But use must not lead to exploitation. A balance between development and envi-

ronmental protection is necessary.

Urban congestion and pollution demand urgent solutions, yet infrastructure projects such as tunnel roads in green and ecologically sensitive spaces cannot provide solutions. Addressing root causes of urban congestion—through improved public transport and a transition to cleaner energy—offers more sustainable alternatives.

Developmental policies must therefore adopt a framework of just sustainability, one that integrates environmental protection with social and economic justice. Environmental measures will remain ineffective if underlying inequalities are ignored, especially since vulnerable communities are the least equipped to adapt to environmental changes or finance the transition to cleaner energy technologies without State support.

(The writer is an assistant professor and co-director, Centre for Environmental Law Education, Research and Advocacy, NLSIU, Bengaluru)

From markets to spending to debt, usually reliable indicators that forecast where the economy is headed are proving deeply fallible

PATRICIA COHEN

The general bewilderment that bedevils the economic mandarins these days was captured by a recent World Bank note: "Global Growth Defies Expectations."

Forecasts that turn out to be wrong—or defy expectations—are as routine as a heartbeat.

But now something is up. Familiar guideposts to how businesses, consumers, investors and workers have historically responded to economic slings and arrows have turned out to be less reliable. This has made interpreting the cascade of data trickier than ever. It is as if cars, instead of slowing down at a flashing yellow light as expected, started speeding up.

Consider people's spending habits. Normally when consumers are gloomy about the economy, they tend to spend less, wary of what lies ahead.

And in the United States, consumers' outlook has been depressed. In every category, from rising prices to the job market, a survey showed that consumer sentiment has dropped to a 12-year low. Yet Americans have not stopped shopping. Consumer spending has risen steadily.

The stock market, too, has generally been on a tear despite pell-mell disturbances, including a worldwide trade war, whiplash-inducing policy changes, threats to central bank independence, military conflicts and rising geopolitical tensions, titanic debt, and a possible financial bubble related to artificial intelligence.

"It's just been remarkable that we haven't seen more big swings going on," Kenneth Rogoff, author of *Our Dollar, Your Problem*, said of the market's calm.

Many businesses have also shrugged off uncertainty.

"Textbooks would say uncertainty is bad for economic growth, but there's not much evidence that it's had a significant impact on the US economy so far," said Neil Shearing, group chief economist at Capital Economics. "Business investment is the first place you would expect it to show up, but that's been strong."

In some ways, scrambled expectations should not be that surprising. Even in quotidian times, economists tend to exaggerate the scientific precision of their field, acting as if economies are ruled by inexorable forces instead of the uncoordinated activities of mercurial humans with varied goals and drives.

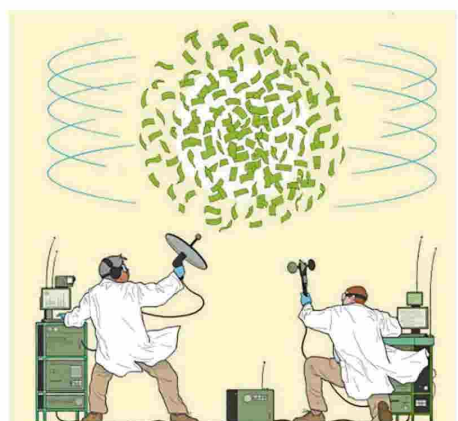
The Covid-19 pandemic delivered a major shock to the global economic system. And now the unpredictable volatility has been further supercharged with the transformation of the world's economy and geopolitical order that President Donald Trump has pushed forward.

The cooperative system of trade based on rules is giving way to great power aggression and mercantilism. With so much change happening so fast, historical patterns are cracking.

Usually reliable indicators that signal a recession is starting have also gone kerflooey. A sudden and marked rise in unemployment, for instance, has historically been remarkably successful in predicting recessions.

Yet this linkage has broken. A measure called the Sahm Rule, after Claudia Sahm, a former Federal Reserve econ-

The global economy's warning signals are broken



Record debt in the world's richest nations threatens global growth

For decades crushing debt has spread misery in the world's poor and lower-income nations. But the menace of unsustainable borrowing that now hangs over the global economy emanates from some of the richest countries. Record or near-record debt in the United States, Britain, France, Italy and Japan threatens to hamstring growth and sow financial instability around the globe.

At home, it means countries must make interest payments with money that otherwise could have paid for health care, roads, public housing, technological advances or education. The hunger for more and more loans has also pushed up borrowing costs, gobbling up a bigger share of taxpayer money. It can also push up costs on business, consumer and car loans, as well as mortgages and credit cards, and drive up inflation.

And perhaps most worrisome, overhanging debt—pumped up even when an economy is relatively sound and jobless rates are low, like the United States—gives governments less room to respond when things sour. "You want to be able to spend big and spend fast when you need to," said Kenneth Rogoff, a Harvard University economics professor.

What happens if there's a financial crisis, a pandemic or a war? What if

there's a sudden need for more social services spending and jobless relief because of changes caused by artificial intelligence or climate-related disasters? Borrowing a lot of money quickly becomes more difficult—and expensive—when the national debt is already sky-high. At the World Economic Forum in Davos last week, President Donald Trump commanded centre stage, but on the sidelines, finance ministers fretted over their ability to fund a growing list of must-haves, from beefed-up militaries to upgraded electricity grids.

Government borrowing when an economy is strong, and when interest rates are low, can support growth, and in times of distress can help bolster spending. The cycle of supercharged borrowing began with the 2008 financial crisis and recession, when governments rushed to provide assistance to struggling households and tax revenues fell. Relief programs during the Covid-19 pandemic, as economies shut down and healthcare costs rocketed, kicked debt levels up another notch as interest rates were rising and outpacing growth. But debt levels did not decline. And now, in six of the wealthy Group of 7 nations, the national debt equals or exceeds the country's annual economic output, according to the IMF. NYT

omist, predicted a recession in 2024 that never materialised.

Another recession signal—the difference between returns on long-term and short-term bonds, known as the yield curve—has been a washout. Normally, long-term government bonds offer higher rates than short-term bonds because investors don't want to tie up their money for a long time when the economy is good.

So when the normal yield curve turns upside down, or becomes inverted, and rates on short-term bonds are higher than on long-term ones, it has traditionally been a sign that the economy is about to stumble into recession.

But this indicator, too, was off base, most notably in 2022 and 2023. The traditional connection between the US economy's performance and the value of the dollar has also been snapped. Uncertainty tends to increase the dollar's value compared with other currencies as investors seek a safe haven in risky times. But the dollar has sunk to its lowest level in years.

These are weird times. Still, putting aside instances of "irrational exuberance" like the possible overinvestment surrounding AI, there are reasonable explanations for most false signals.

Analysts backed down from their predictions that Trump's tariff blitz last spring would cause higher prices, rising unemployment and a possible recession. Tariff levels continued to flip-flop unpredictably, and many businesses stockpiled goods in advance while others temporarily absorbed higher costs.

As for vigorous consumer spending, it is actually dominated by a thin sliver of high-income households. Moody's Analytics estimated that the top 10% of households accounted for nearly half of all consumer spending.

People who are worried about their financial prospects are shopping but at discount stores.

And what they are spending money on has shifted. Recent credit card data from Bank of America showed that people were shopping more at grocery stores at lunchtime and less at restaurants and eateries, suggesting that rising prices are a concern.

The unusually weak dollar can be explained by Trump's heavy tariffs combined with fears that he may interfere with the Federal Reserve's independence and fuel inflation.

Barry Eichengreen, a professor of economics and political science at the University of California, Berkeley, said economists had always tended to rely too much on conventions.

"The economy is an incredibly complicated beast, and we're in a period of structural change," Eichengreen said, "so it's not surprising that simple rules of thumb increasingly fail."

The New York Times

The narrative war in West Bengal

ADITYA MUKHERJEE

With the West Bengal Assembly elections barely a couple of months away, the contest has sharpened into a familiar yet deeply layered battle between Mamata Banerjee's TMC and an aggressive BJP determined to breach what has long remained one of its most difficult political frontiers. At stake is not merely the continuation of a government but the ideological direction of a state where identity, history, and political memory carry unusual weight.

Mamata Banerjee enters the election as a seasoned campaigner who has repeatedly demonstrated an ability to defy predictions of her political decline. Over the past decade and a half, she has embedded her party deeply into the social and administrative fabric of Bengal. Welfare schemes targeted at women, rural households, students and the urban poor have created an ecosystem of dependence and loyalty that is not easily dismantled. For large sections of the electorate, especially in rural Bengal, elections are increasingly judged less on abstract governance metrics and more on the continuity of tangible benefits. This structural advantage gives the TMC a head start that no opposition force can afford to underestimate.

Yet this election is not taking place in a vacuum. The BJP has dramatically raised the pitch by foregrounding the issue of illegal infiltration from Bangladesh, seeking to turn border security into a central electoral concern. Citing official figures of thousands of infiltrators being pushed back by the Border Security Force in recent months, the BJP argues that demographic imbalance and administrative complacency have become defining features of Trinamool rule. The party's leadership believes this narrative has the potential to resonate beyond border districts and strike a chord with voters anxious about jobs, land, and cultural identity.

Whether this argument will travel far beyond politically relevant constituencies remains uncertain. Bengal's electorate has historically shown a strong resistance to narratives that appear externally imposed or overly nationalistic in tone. For many voters, infiltration remains a distant abstraction rather than an everyday lived concern. Moreover, there is a widespread perception that border management is primarily a central responsibility.

Making the BJP's attempt to attribute the problem solely to the state government less persuasive to undecided voters, the party's challenge, therefore, lies in translating a security discourse into a credible governance alternative

at the local level.

The situation in Bangladesh, marked by political volatility and reports of insecurity among Hindu minorities, adds another layer of complexity. While this development has undoubtedly generated anxiety in certain pockets of Bengal, particularly among refugee-origin communities, its broader electoral impact is ambiguous. Sympathy and concern do not automatically convert into votes, especially when economic stability, welfare delivery, and local leadership remain dominant electoral considerations. The TMC has been quick to counter the BJP's narrative by portraying itself as a protector of social harmony and accusing its rival of stoking fear for political gain.

Crucially, Mamata Banerjee continues to position herself as the custodian of Bengali identity. Her emphasis on language, culture, and regional pride is not merely rhetorical but deeply strategic. In past elections, this appeal has successfully consolidated minority voters while retaining a significant share of secular and regionalist Hindu voters who are uncomfortable with overt communal polarisation. The support of Muslim voters for the Trinamool Congress remains largely intact and may even have strengthened amid recent debates on citizenship, voter verification and infiltration. This consolidation limits the BJP's ability to expand its support base and makes the road to power in West Bengal much steeper.

For the BJP, the task is further complicated by organisational limitations and leadership perception within the state. While the party has expanded its footprint since 2019 and commands a sizeable vote share, it still struggles to project a chief ministerial face who can match Mamata Banerjee's street-level connect and emotional appeal. Central leaders may draw large crowds, but Bengal elections have consistently shown that local credibility matters more than national stature.

That said, anti-incumbency is not entirely absent. Allegations of corruption, local strong-arm tactics, and fatigue with prolonged rule have created pockets of resentment, particularly in urban and semi-urban areas. The BJP is likely to capitalise on these sentiments and could improve its seat tally, especially if it succeeds in consolidating Hindu votes in select regions. However, converting incremental gains into a decisive victory remains a formidable challenge.

At this juncture, the balance of probabilities still favours Mamata Banerjee retaining power, though perhaps with a reduced margin.

(The writer is a Delhi-based journalist)

OUR PAGES OF HISTORY

50 YEARS AGO: FEBRUARY 1976

Bill to extend Lok Sabha term

New Delhi, February 3
The Lok Sabha today gave leave by 144 votes to 25 to Union Law Minister H. R. Gokhale to introduce legislation to extend its duration by one year. In his statement of objects and reasons, Mr. Gokhale pointed out that the duration of the present House of the People would in normal course expire on March 18 this year. "Having regard to the proclamation of emergency now in operation, it is considered necessary to extend the duration of the present House of the People by one year," he said.

25 YEARS AGO: FEBRUARY 2001

Cops bust Dandupalya gang

Bangalore, Feb 3 (DHS)
The kingpin and a woman member of the notorious Dandupalya gang, which had terrorised Bangalore and other parts of the State by committing murder of 23 elderly persons and lone women in the last two decades, have been arrested by the Bangalore City police. The kingpin, Dadda Hanuma (36), his wife Laxmi (30), also a member of the gang, were arrested along with three other members, by the special team of police officials of the West Division in Echanur village in Tipur taluk of Tumkur district.

Calmness can counter unhealthy competition

OASIS | MEERA SESHADRI

I confess, I'm a self-styled fitness fiend, for whom several stretches of daily sprints are almost sacrosanct. During this specific sport of mine, often I see a strange sight. While some co-sprinters/strollers/slimsly applaud me by sticking their thumbs skywards, there are the slow-paced walkers, suddenly getting into spurts of racing mode, struggling to outstrip me. But, sooner or later, they slacken their speed when their stamina saps off. Then, moments after, as I move closer, with mammoth efforts, they yet again, maliciously embark on their mission to outpace me. (This mean act is particularly common among men, I find).

To be honest, I too had succumbed to this silly 'second to none' attitude and had tried surpassing them with swifter strides. But later, I began understanding the undeniable fact: I was getting unduly unsettled by this unhealthy spirit. Evidently, the supposedly exhilarating activity of 'physical exercise' had eventually turned into an exhausting expedition, extinguishing the very essence of 'it'. I was so overwhelmed by the odious competition; I had become oblivious to the sheer joy offered by the nature around. Yes,

after this new awakening I once again began admiring abundant flowers, alluring multi-hued follies, assorted bird chirps, aurally soothing rustles of tree branches, etc. From being a self-critic, admonishing myself for my senseless attitude, I began being a self-celebrator—savouring to sincerely better myself in sundry ways. Strangely, by that, I suddenly started sensing surplus peace surging within. And, with my peace horizon going higher, I found hundreds of things, hinking up my happiness quotient!

Truly, once we are cocooned in a cosy

and content zone, we become blissfully oblivious to toxic contenders. Even if we do take note, we just commiserate with them. Since, you surely know, those who are desperate to surge ahead of you—sometimes, even adopting unscrupulous strategies—are the same ones who are struggling behind you. Just as the person who wants to pull you down are those who are below you. Finally, while flipping through a famed book, I had found these fabulous lines—"The finest way to fluster your foes is by forgiving them!" As nothing agitates them as much as your attitude of absolutely "not getting agitated" about anything they do/say.





The Free Press Journal
Founder Editor: S Sadanand

US deal shows India's strength

Commerce and Industry Minister Piyush Goyal's description of the India-US trade deal as historic and forward-looking sets the tone for how New Delhi wants the agreement to be understood. The deal places India's national interest at the centre and strengthens the country's position in the global economy. This articulation frames the evolving trade understanding not as a concession extracted under pressure, but as the outcome of negotiations conducted with growing confidence. India had negotiated from a position of strength despite complex talks marked by challenges, such as high reciprocal tariffs. The government maintains that India succeeded in protecting its core interests while ensuring fair and balanced market access. This claim carries weight in a global trading environment increasingly shaped by uncertainty, protectionist impulses, and shifting alliances.

US President Donald Trump's announcement that tariffs on Indian exports would be reduced to 18 per cent while American goods would be allowed into India at a zero tariff, naturally drew widespread attention. India has, however, been careful not to formally endorse these claims, choosing instead to wait for a negotiated and signed agreement. Prime Minister Narendra Modi's response—thanking Trump for the announcement while expressing hope that bilateral ties would reach unprecedented heights—reflected this calibrated approach. What is significant is that India has not appeared unsettled by tariff pressures. Rather than reacting defensively, New Delhi has continued to diversify its trade engagements, pursuing bilateral and regional agreements to widen market access and sustain export growth. The recently concluded India-European Union trade agreement, which sharply reduces tariffs across a wide range of goods, underlines this strategy and signals India's intent to reduce reliance on any single trading partner.

The government has also highlighted the expected domestic gains from the India-US trade deal. It is projected to create fresh opportunities for farmers, fishermen, MSMEs, women entrepreneurs, and the youth across rural and urban India. Official assurances that agricultural interests have been fully safeguarded and that farmers' livelihoods remain protected are particularly important, given the political sensitivity surrounding trade and agriculture. For Indian industry, the prospect of lower tariffs has been welcomed as a potential boost to exporters and a factor that could ease pressure on the rupee and equity markets. At the same time, prudence remains essential. Key details—ranging from the agreement's coverage and timelines to safeguards and enforceability, especially in sensitive sectors—are yet to be made public. Until a joint statement and a detailed negotiated text emerge, the announcement should be viewed as a positive signal rather than a completed deal. Taken together, the messaging reflects a broader, more assured posture that seeks to leverage economic growth into strategic advantage while keeping national interest firmly in focus.

What is significant is that India has not appeared unsettled by tariff pressures.

Questions of air safety rise again

Once bitten, twice shy. Air India has acted prudently in grounding the Boeing 787 Dreamliner that flew from Bengaluru to London after the pilot reportedly noticed a malfunction in the fuel control switch following a safe landing. The airline's decision is not merely a routine technical precaution; it reflects a wider and deepening anxiety over the safety of this aircraft type, shared by pilots and passengers alike. The concern is understandable. A similar Boeing 787-8 aircraft crashed in June 2025 within minutes of take-off, killing 260 people onboard. Though the precise details of the latest technical complaint have not been made public, the similarity is disturbing enough to warrant immediate and transparent scrutiny. Air India has said it informed the aviation regulator and that the pilot's concerns are being examined on a 'priority basis'.

The grounding comes against the backdrop of an ongoing investigation into last year's fatal crash. The Aircraft Accident Investigation Bureau (AAIB) is probing the incident, with a final report expected only in a few months. A preliminary report released last July revealed that the aircraft's engines shut down after the fuel control switches moved from the 'run' to the 'cut-off' position shortly after take-off. Crucially, it did not establish how or why this happened. After the preliminary findings were made public, the US aviation regulator maintained that fuel control switches in Boeing aircraft were safe. India's Directorate General of Civil Aviation (DGCA), however, ordered inspections of cockpit fuel switches in all the Boeing 787 and 737 aircraft in the country. Air India, subsequently, said that its checks found no fault with the locking mechanism of the switches—a position it reiterated this week.

Yet, doubts refuse to fade. A whistleblower, in a submission to a US Senate committee, claimed that the crashed aircraft had experienced peculiar incidents earlier, including a cockpit fire that required rewiring. If true, this points to the possibility of a deeper systemic fault rather than an isolated error. In such a scenario, it is not unreasonable to fear that vested interests—whether of the airline or the manufacturer—may be tempted to downplay inconvenient details. However, public safety cannot be collateral damage. Investigations do take time, but the lack of clarity in a case involving potential design or systemic flaws is hard to justify. In the present instance, it should not take long to determine what exactly triggered the reported malfunction that alerted the pilot. Public confidence in air travel is fragile. Transparency, speed, and accountability are essential to restoring it. The enquiry report must be released at the earliest, and corrective measures taken without hesitation. If the fault is latent or systemic, the drastic step of grounding the entire fleet cannot be ruled out. Safety must always trump convenience.



Fuzzy Logic

ROHIT CHANDAVARKAR

The unfortunate and tragic death of Maharashtra Deputy Chief Minister Ajit Pawar has saddened the entire state and sent a shock wave in the political sphere all over.

This incident will have long-term effects on politics in Maharashtra, but even in the short term, it has caused major upheaval within Ajit Pawar's Nationalist Congress Party (NCP), which is part of the ruling BJP-led NDA alliance at the centre as well as the state level. A lot of talk is about whether the two factions of the NCP, one led by former Sharad Pawar and the other which used to be led by Ajit Pawar, will now unite in common interest. There was a major buzz in the political circles about the meetings that happened between the two sides to decide how they would fight the local self-government polls together as one force.

However, things became confusing for the party workers and activists in both factions of the NCP, with the leaders of the Ajit Pawar faction denying there were any talks of a merger between the two groups, while the Sharad Pawar group kept saying in the media that many meetings have happened since the month of December 2025 to decide how both political outfits

could reunite and become a joint force. This gives clear indications that after the sudden death of Ajit Pawar, certain leaders of his party do not want the factions to unite.

There is no denying the fact that on December 11, 2025, NCP leaders Ajit Pawar, Praful Patel, and Sunil Tatkare met NCP founder Sharad Pawar on the eve of his birthday in New Delhi and buzz in the party is that they discussed how the two NCP factions could come together as a joint force. This is very evident and obvious because both the factions actually got into a seat-sharing deal for the municipal polls which happened on January 15, 2025, and they fought jointly in Pune as well as the Pimpri-Chinchwad municipal corporations. This itself proves that they did have meetings previously to join forces to fight the forthcoming polls.

However, with Ajit Pawar's demise, everything has changed. Previously, when there were meetings between the leadership of both factions of the NCP, there was a general agreement that the new unified NCP would be led totally by Ajit Pawar, and party patriarch Sharad Pawar would slowly retire from active politics. Insiders reveal how the talks happened about how Praful Patel, Sunil Tatkare, and Sharad Pawar's daughter,



Happier Times: Ajit Pawar with wife Sunetra. His sudden demise has rocked Maharashtra politics. Whether the NCP will unite is a burning question now.

Supriya Sule, would work together in New Delhi at the parliamentary level and how Ajit Pawar, along with leaders like Chhagan Bhujbal and Jayant Patil, would work in Maharashtra together.

Now with Ajit Pawar out of the picture, everything has changed. If there is a unification of the two groups of the NCP, the single political entity would clearly be led only by the octogenarian himself. There is no other leader who can replace Ajit Pawar as the top leader of the unified NCP. This prospect has disturbed many inside that NCP, and they are highly uncomfortable with the idea of the veteran leader

taking over the NCP once again and leading them at the central as well as state levels. That's the reason many of them are now denying that there was any discussion about going forward for a unification or merger of the two NCP factions and want to avoid any such unification as far as possible.

The reason behind the sudden rush inside the NCP to nominate Ajit Pawar's wife, Sunetra Pawar, as his political heir and quickly get her sworn in as the Deputy Chief Minister of Maharashtra is exactly the same as mentioned above. There was a feeling of insecurity among the leadership of the NCP

that should two factions unite, it will give an opportunity to Sharad Pawar and Supriya Sule to take over the leadership of the united NCP. To counter that, the leadership appointed Sunetra Pawar as the political heir to Ajit Pawar. The BJP has been quick to take advantage of the situation and has taken over the all-important finance ministry in a transition that happened after Ajit Pawar's demise.

Now there is a new twist in the tale. The entry of a top industrialist as a mediator has changed many things. Sources inside the NCP now say that talks between the two factions of the NCP over the unification process may resume with the mediation of this industrialist, and insiders say the BJP's central leadership is eager to have even Sharad Pawar's NCP join the NDA alliance in the centre, as he has some Lok Sabha MPs who can add support base for the BJP in central politics. Whether the unification of the NCP happens or not is an unanswered question as of now, but one can say that it will remain a burning topic in the talks and discussions in coming weeks.

Rohit Chandavarkar is a senior journalist who has worked for 31 years with various leading newspaper brands and television channels in Mumbai and Pune.



Spectrum

MADAN SABNAVIS

How to look at AI in India in a world turning digital fast?

The challenge before Indian youth is that they are still lacking the skill sets, and while the numbers are large, their employability is limited

One of the primary issues discussed at the 2026 World Economic Forum Annual Meeting in Davos was AI and its impact. AI is an inevitability, and while one can be slow to adopt the same, it must be accepted over time. This is more so as a start has been made in almost every industry. There are definite gains to be made by adopting AI, but concerns remain for both companies and government.

A survey carried out by the WEF among economists revealed some interesting results. Around 54% of those surveyed agreed that AI will lead to displacement of existing jobs, indicating acceptance of this outcome. Around 45% believed that AI will increase profit margins of companies using more AI, which means efficiency gains are to be had. 37% felt that there would be increased access to goods and services, and 30% can also be suggested. The same tools can track the company as part of the credit monitoring process and throw up signals on delinquency based on predefined indicators. Therefore, there is an end-to-end solution being provided. Further, fraud detection also becomes easier with the use

of AI and hence can add a lot of value for the industry. In the case of the IT sector, there are already several changes taking place with the entire coding process and programming being outsourced to AI. Further, solutions offered by these companies to clients are already using AI to speed up projects with higher levels of efficiency. In retail, the entire customer relation module is being programmed through AI to ensure better delivery of products. In fact, having all data on customers frequenting a store helps to ascertain tastes and preferences which help in stocking goods. In healthcare, the supply chain management is being provided by AI. Therefore, this is something which is inevitable in any business, and there are clear advantages of using the same.

AI is used progressively by companies for planning business in the future, and strategies are based on inputs provided through AI tools. It becomes easier to secure the environment, bring in global perspectives and assemble data on various aspects of business, including what the competition is doing when budgeting. There is, of course, the cost of using AI, as technology is not cheap and the consumption of

power has also increased commensurately. WEF reckons that by 2035, global data centre electricity use could exceed 1,200 terawatt-hours, nearly triple the 2024 levels. There is a need to align AI growth with energy system capacity and sustainability goals. But companies reckon that over time these costs would come down and finally add to the bottom line. Leaving aside these costs, how does this stack up for a country like India?

India is a labour-surplus economy, with a very large pool of youth. The challenge is that the skill sets are still lacking, and while the numbers are large, their employability is limited. This is one reason as to why the largest employers today are logistics and construction, where few skills are required. Therefore, hiring employees with the requisite skills will be a challenge.

Further, there is concern about job losses. Companies using AI progressively will need to address the issue of handling existing staff, which needs to be reskilled, if possible, or let go. This is a major challenge given that the age barrier often comes in the way of reskilling. Therefore, job losses are bound to mount with progressive use of AI. While it is true that new

jobs will be created as AI becomes a part of the curriculum of various courses at the university level, the existing staff would face the threat nonetheless. The second major issue which also comes out in the survey is that of inequality. While large firms will be able to invest and leverage the use of AI, the same will not be possible for the MSMEs, given their limited financial strength. This will further exacerbate the wedge between the two, and there is the danger of being out-competed in the industry.

On the issue of inequality, it is accepted that those with requisite skills will find tasks quite easily, which will also go with much higher remuneration than the conventional roles. It is already seen that the IT sector offers the highest remuneration to engineers compared with any other industry.

The same will happen when it comes to the use of AI, as all industries will require these skill sets to design their framework for their operations, which can stretch from manufacturing to customer service.

The author is Chief Economist, Bank of Baroda and author of 'Corporate Quirks: The Darker Side of the Sun'. Views are personal.

LETTERS TO THE EDITOR

Dear reader, We are eager to know your opinions, comments and suggestions. Write to letters@fpj.com with the title of the letter in the subject line. Using snail mail? Send your letters to The Free Press Journal, Free Press House, 215 Free Press Marg, Nariman Point, Mumbai 400021.

Seat belt turns fatal

Seat belts are meant to save lives. However, in the recent Borivali crash, it was the seat belt that turned fatal. This is a matter of grave concern and needs to be investigated for remedial action and safety concerns so that such events can be avoided in the future. Seat belts are a mandatory requirement for front seat travellers, but the safety mechanism of this tool is never monitored as per safety standards, and accidents prove fatal in times of fire when the 'belts' fail to open for travellers to escape.

S.N. Kabra, Mumbai

T20 WC

With the T20 WC about to kick off in a week's time, one is reminded of Indian players' iconic performances in 2007 and 2024. Yuvraj Singh hitting six sixes off Stuart Broad in a single over in the 2007 WC is still etched in everyone's memory. In the WC 2024 final, Virat Kohli scored a sumptuous 76 after re-

scuing India from a precarious 34 for 3 against South Africa. With India pocketing the T20 title only against New Zealand, the defending champions are in top form.

S. Sankaranarayanan, Chennai

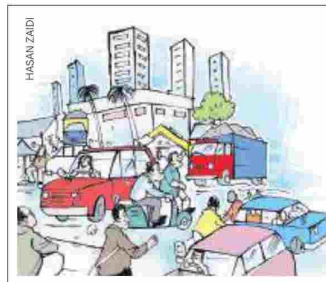
Visionary budget

While FM Nirmala Sitharaman has unveiled a budget focused on long-term growth and structural reforms, its opposition is inevitable. The world has no shortage of critics, and every budget will have its detractors. However, when a sincere effort is made to strengthen the economy and plan for the future, it deserves recognition. Instead of habitual cynicism, we should acknowledge positive intent and outcomes. Kudos to Nirmala Sitharaman for presenting a truly visionary budget.

A.P. Thiruvadi, Chennai

Alcaraz's feat

A career slam is an extraordinary achievement, let alone that Alcaraz has done it at just 22. Greats



like Sampras, Becker, Lendl, Edberg, and so many others couldn't do it. Mastering all surfaces and conditions is an immense feat. An ice-cold Alcaraz remained laser-focused on the job in hand, as he calmly held his first serve and put the Serbian Novak Djokovic at ease. Despite going down one set 6-2, Carlos Alcaraz won three sets in a row to win the 2026 Australian Open.

C.K. Subramaniam, Chennai

FPJ Marg in a mess

The reconstruction of Free Press Journal Marg at Nariman Point has left office-goers struggling with chaos, poor crowd management, traffic jams, double parking, footpaths being occupied by hawkers, shifting entry and exit points, and missing signages, making daily travel stressful. Moreover, after 6.00 pm, dumpers and 4x4s occupy the stretch, making it impossible for vehicular traffic to run smoothly.

Biju Cherian, Mumbai

Crimes in TN

Most people arrested for committing heinous crimes, including murders, rapes, dacoity, chain-snatching, and digital frauds, in Tamil Nadu are migrant workers from other states, particularly Bihar, UP, Rajasthan, and the Northeastern states. It is alleged that the migrant workers transport drugs, trade in them, and commit crimes under the influence of drugs. It is time the TN gov't took stock of migrant

workers. It must be made mandatory for the employers to ensure such workers register themselves at police stations before taking them on their rolls.

Tharicus S. Fernando, Chennai

The budget

The recent budget speech echoes the timeless spirit of Chak Del India's iconic 'sattar minute' dialogue by Shah Rukh Khan. Just as Kabir Khan urged his team

that these 70 minutes are irreplaceable, the budget lays out a visionary roadmap for India's next phase. It inspires us to grab every opportunity in education, innovation, and growth, proving that no one can snatch our moment of triumph.

T.S. Karthik, Chennai

Last man standing

In a sporting world obsessed with youth, Novak Djokovic, at 38, is an outlier by tennis standards. With his two greatest rivals—Roger Federer and Rafael Nadal—having left the field, Djokovic is the last old man still going on and pushing himself in his relentless pursuit of winning his 25th Grand Slam. At 38, his epic victory over Daniil Medvedev in the Australian Open semi-final suggested and raised hopes that he had come very close to achieving it. But agonisingly it wasn't to be, as Alcaraz stymied it.

Ranganathan Sivakumar, Chennai



THE GOAN EVERYDAY

When your work speaks for itself, don't interrupt.
Henry J. Kaiser

Action on Tirumalla welcome, financial oversight crucial

The decision by the State Registrar of Cooperative Societies to revoke the No Objection Certificate (NOC) granted to Tirumalla Tirupati Multistate Co-operative Credit Society Ltd. marks a crucial step in highlighting discrepancies in financial institutions operating within the State, particularly cooperative societies, given their dubious track record. This is a significant initiative in safeguarding public interest in financial dealings.

The Office of the Registrar of Co-operative Societies, Goa, has cited serious lapses and non-compliance with statutory norms, raising concerns about regulatory oversight, transparency, and consumer protection. It maintained that enough opportunities were given to the management to come clean on compliance and submit audited financial statements. The Registrar maintained that the credit society did not cooperate with the statutory inspection and verification processes over the past years, and also failed to respond to notices seeking appearance before the Registrar's office.

It may be recalled that the society with a multi-state cooperative society status was granted permission through letters dated July 31, 2014, and June 28, 2018, and was authorised to expand its operations and establish 13 branches across Goa. Multi-state societies come under the purview of the Central Registrar of Co-operative Societies, with the State Registrar delegated the authority to oversee accounts and conduct verifications and statutory inspections.

It is obvious, through the communication of the State Registrar, that the society failed to meet the required compliance, leading to suspicion about the credibility and its functioning. Goa has had a nightmarish experience with cooperative societies and allied banks. Financial irregularities have played havoc, sending families and common investors into huge losses and financial distress. Chief Minister Pramod Sawant, while stating that some credit societies have "turned into a system of loot," had assured stringent curbs and tighter digital oversight.

Leading the pack with financial impropriety were major banks like State Cooperative Bank, Madgaum Urban Cooperative Bank and Mapusa Urban Cooperative Bank. The Visionary Urban Cooperative Society, which was dominant in Salcete, saw a scam running over Rs 39 crore. The Ashtagandha Urban Cooperative Credit Society (Pima) reported a financial fraud of Rs 11.28 crore. There were others like the Sada Urban Co-op Credit Society fraud, the UCO Bank fake gold loan scam, etc.

Audit lapses or not allowing scrutiny of books and financial records raise doubts, and in this regard, the State Registrar's action is commendable. People get attracted to credit societies because they offer high returns. Gullible Goans have shown tendencies to take risks for higher interest rates. As a regulator, such action is needed from the Registrar to alert the investor to exercise caution.

This development highlights the importance of exercising due diligence when engaging with financial institutions. Depositors must verify the regulatory status of the entities they trust with their money. The revocation of the NOC for Tirumalla Tirupati Co-operative Society is a reminder that regulatory vigilance is a must to check the integrity of financial systems from time to time. There must be timely interventions, so that fraudsters don't get the liberty to pack their bags and disappear with the "loot". It remains to be seen how the State Registrar takes this forward and communicates the urgency of action to the Central Registrar. The primary focus should be to insulate common citizens from financial losses.

OPEN SPACE >>

AI surveillance cannot replace traffic police

Fourteen junctions in South Goa will reportedly come under Artificial Intelligence (AI) based traffic surveillance in the first phase of the state's ambitious road safety enforcement drive. AI cameras are designed to detect and automatically record traffic violations, such as speeding, signal jumping, wrong parking, overloading, for license plate recognition, traffic monitoring, etc. AI cameras work 24/7, ensuring round-the-clock monitoring of traffic violations. Traffic cops would no longer need to be present at every intersection. AI-based cameras integrated with local databases can track licence plates, vehicle registration, pollution control certificates, and more importantly help authorities enforce traffic rules more effectively. However, traffic cops will still play a crucial role in maintaining road safety and order. While these cameras can detect violations, it cannot apply judgment in complex scenarios, such as determining whether an emergency vehicle like an ambulance or a fire brigade was involved in a violation. During peak hours human officers will still be necessary to manage traffic flow. In essence, AI cameras will flag potential violations, but cops will remain an integral part of investigation, and final adjudication in case of an accident.

ADELMO FERNANDES, Vasco

Faith under the rule of law

The Constitution insists that religion must operate within a legal order that places the right to life at its highest point



ADV MOSES PINTO

>The writer is a Doctoral Researcher working under the Alliance of European Universities and has presented his research works at various Academic Conferences.

The news emerging from Gogol Housing Board in Margao following the tragic loss of a human life near a place of worship has left South Goa subdued and unsettled. A family has been deprived of a loved one, and a community has been burdened with grief. In such moments, the first response must always be empathy. No political, religious or ideological consideration can ever outweigh the value of a single human life. The law of the land has always recognised that truth, and the Constitution has always been built upon it.

It has been reported that the incident was linked to an internal dispute connected with the administration of a religious institution. That factual details matter. It shows that what unfolded was not a conflict between communities but a breakdown of order within a space meant for peace and reflection. A place of worship is expected to provide spiritual refuge, not to become the setting for confrontation. When such a tragedy occurs in or around a sacred space, it raises not only a criminal law issue but also a constitutional one.

Religious freedom ends where public order begins

The Constitution of India grants every citizen the freedom of conscience and the right to profess, practise and propagate religion. This freedom is guaranteed under Article 25. Yet the same Article contains an important and deliberate qualification. Religious freedom is protected only so long as it remains consistent with public order, morality and health. This is not a minor limitation. It is the constitutional boundary that ensures faith remains a source of peace rather than a cause of harm.

Articles 26 to 28 reinforce this structure. Religious denominations may manage their own affairs, but only within the framework of secular law. No religion may demand public funds for its promotion, and no religion may be imposed through State institutions. Together, these provisions establish a clear constitutional balance. Belief is protected. Worship is respected. But coercion, intimidation and violence are never permitted to hide behind religious identity.



If internal disputes arise within religious institutions, they must be resolved through lawful means



In the present context, this balance becomes especially significant. When violence occurs near a place of worship, the State is not interfering with religion by enforcing the law. The State is in fact fulfilling its constitutional duty to protect life and preserve public order.

Limits of scripture

Every faith tradition possesses sacred texts, historical narratives and spiritual ideals that command deep reverence among its followers. Yet in a constitutional democracy, no scripture, however sacred, can be treated as a source of legal authority to cause physical harm. Religious teachings may inspire, guide and comfort, but they cannot replace the law of the land.

The Constitution was designed precisely to manage this delicate relationship between faith and civil authority. It does not deny the importance of religion. It simply insists that religion must operate within a legal order that places the right to life at its highest point. Where bodily injury or death is caused, no doctrinal argument can neutralise criminal responsibility. This principle is essential in a plural society such as Goa. Communities of many faiths have lived together for generations because the law has remained above religious disputes. When that hierarchy is disturbed, when spiritual disagreement turns into physical force, the Constitution must be reasserted without hesitation.

Comparative lessons

History across the world shows that no faith has been entirely free from internal extremism. It is for this reason that constitutional limits exist. In Sikhism, the kirpan is recognised as a religious symbol, and the Constitution itself acknowledges this. Yet it has never been suggested that the symbolic right to carry a kirpan amounts to a right to injure another person. When internal factional tensions have spilled into violence around Sikh religious sites, the law has intervened not against Sikhism, but against the unlawful use of force.

Within Christianity, centuries of theological conflict and power struggles once produced violent outcomes. Modern constitutional democracies do not treat such episodes as continuing authority. Churches are protected. Violence is not.

These comparisons are not made to criticise any faith. They are made to highlight a constitutional truth. The Republic does not judge beliefs. It judges conduct. When conduct crosses into violence, the same law applies to all, without distinction.

Public order duty

The tragedy in Margao must therefore be understood as a test of constitutional maturity. Sympathy for the victim must be accompanied by clear understanding of how religious freedom functions within the law. Public order is not opposed to religion. It is what allows people of different faiths to worship side by side without fear.

The Constitution does not permit any religious space to become a territory beyond the reach of civil authority. If internal disputes arise within religious institutions, they must be resolved through lawful means. When those disputes turn violent, the response must be firm, neutral and guided by legal principle.

This is not an erosion of faith. It is its protection. A religion that is allowed to be associated with intimidation or bloodshed risks losing its moral credibility. A State that hesitates to enforce the law in such settings risks weakening the Republic itself.

Religious freedom is a cherished right, but it is not a licence to harm. The right to worship exists alongside the right of every person to live in safety and dignity. Where these two values appear to conflict, the Constitution has already resolved the question. Life and public order must prevail.

In remembering the life that has been lost, society is called upon not to retreat into suspicion or division, but to reaffirm the rule of law. That is the only path by which faith can remain a source of unity rather than a cause of sorrow.

THE INBOX >>

Govt must act against those adulterating food

Based on a complaint, the National Agricultural Cooperative Marketing Federation of India Ltd (NAFED) inspected a godown in Sagar (Madhya Pradesh). They placed a handful of mustard seeds in a bowl of water. Voila! The seeds dissolved within a minute. Examination of the stock revealed that 40 per cent of the 'mustard seeds' were clay granules. One fails to understand whether it was a grain warehouse or a soil research testing laboratory. On Jan 17, five officials were booked for cheating, criminal conspiracy and violations under the Food Safety and Standards Act. The crime could have gone undetected had a buyer who had bought the seeds at an auction of the NAFED not grumbled about the dubious quality of the produce. Even mustard seeds have not been spared by vested interests. The govt, NAFED, Food Safety and Standards Authority of India (FSSAI) and Food and Drugs Administration (FDA) need to take action against those who adulterate food, drinks, medicines and other consumable products and also those who use harmful/banned ripening agents for fruits. Since consumers are directly affected they need to muster courage to report such incidents to the relevant authorities.

SRIDHAR D'YER, Caranzalem

Why target beef when it's not on your plate?

I fail to understand why Hindutva groups are targeting beef, a favourite dish of the Christian and Muslim communities in Goa. These groups act like unauthorized police, harassing beef eaters, lovers, and vendors, as if they have no other work. If beef is not your food, why interfere

Youth activists beacons of hope for Goa's future

Last Sunday (February 1), I attended a gathering organized by young activists Shohail Furtado and Daniyal in Benaulim, with Chief Justice Ferdinando Rebello in attendance. This was one of the recent gatherings targeting mostly youth. Both are social media influencers who are using social media to encourage youth participation in activism in Goa. The meeting discussed the 10-point charter submitted by retired Allahabad High Court Chief Justice Ferdinando Rebello, focusing on issues like illegal construction, migrant population growth, and unfair recruitment practices affecting Goans. Discussions also covered tackling an illegal construction case, vulnerable migrants being bribed for votes, and Goans being forced to migrate due to lack of local job opportunities. The activists are doing a wonderful job and can be seen as a beacon of hope for Goa's future.

ALWYN FERNANDES, Benaulim

with those who consume it? Goans are well aware of the constant harassment faced by beef vendors and consumers. Hindutva groups are even attacking beef exports, driven by their mission to stop beef in Goa. According to data available, India is the largest beef exporter in the world, yet troublemakers try to impose their will. You cannot tell a lion or tiger to eat grass; otherwise, they will turn on you. Let us respect each other's choices and live in harmony.

RONNIE D'SOUZA, Chandor

'Enough is Enough' movement will witness govt deceit

The 'Enough is Enough' movement adopted a people's 10-point charter to prevent further ecological and environmental degradation of the state. I appreciate retired Chief Justice of Allahabad High Court along with his team making a representation to the Chief Minister of Goa and presenting this charter. However as an observer of how this BJP government has been handling such types of opposition to the de-

struction of Goa; Goans must not expect this Goa BJP government to do anything on the issue. We have seen with the anti-coal movement, the activists also were invited by the CM Pramod Sawant to make a representation and genuine demands and we know now that the Goa government has actually done the exact opposite of the demands. In Colva, we have found controversial illegal housing projects particularly by North Indians having direct backing from senior Goan ministers and I allege that money flows to these ministers. Goans should not be complacent with any false assurances from the Goa BJP government. The movement must be a continuous pressure movement until all the 10 points of the people's charter are achieved.

ARWIN MESQUITA, Colva

EPS-95 pensioners being 'hoodwinked'

Almost every day there is a 'breaking news' announcement on a social media platform with a photograph of Finance Minister or Prime Minister announcing a big relief for EPS-95 pensioners of a minimum pension of Rs 7,500/-, plus dearness allowance, commencing January 2026. Earlier, it was the year 2025, with all approvals of the Central govt. and Supreme court. Surprisingly, nothing of this sort has materialised so far and there is also no mention whatsoever in this year's budget. 11 years have passed and pensioners are still subsisting on a pittance of a pension of Rs 1,000. It is time the govt steps in now with a public announcement about the sanctioned hike and date of implementation. This will help to put an end to such misleading announcements which, besides raising false hopes, is also keeping lakhs of pensioners in suspense.

AF NAZARETH, Alto Porvorim



Send your letters to us at editor@thegoan.net. Letters must be 150-200 words and mention the writer's name and location

Reduction in US tariffs is big relief for Indian economy

Finally, the saga of Trump tariffs has ended on a happy note—at least from India's perspective. With US President Donald Trump announcing an agreement with India that reduces tariffs on Indian goods from 50 per cent to 18 per cent, the long-standing bilateral trade tensions are likely to subside. He had imposed two tariffs on India: a 25 per cent reciprocal tariff, and later a 25 per cent import duty on account of India's purchase of Russian crude oil. Trade had spilled over into the political and strategic arena, much to the detriment of the best interests of the world's biggest democracies. Trump and his officials made remarks about India that they should not have. They got closer to Paki-

stan, that said last month that it had inked a pact with a firm connected to World Liberty Financial, the main crypto business of Trump's family. The objective is to explore the use of World Liberty's USD1 stable coin for cross-border payments. The Trump administration also tampered the de-facto rule of Pakistan-Army chief, Field Marshal Asim Munir. He was allowed to indulge in loose talk from American soil, which was very hurtful to Prime Minister Narendra Modi. Trump repeatedly claimed that he had brokered peace between India and Pakistan during the four-day skirmish last May.

Trump should not have said and done the things he did vis-à-vis In-

dia in his second term as President. But, they say, all is well that ends well. With Indian goods to pay an 18 per cent tariff, they suddenly become much more competitive in comparison with the merchandise from other countries. China faces a 37 per cent tariff, Brazil 50 per cent, South Africa 30 per cent, Myanmar 40 per cent, and Laos 40 per cent. We also face slightly better compared to our neighbours, with Bangladesh and Vietnam facing 20 per cent tariff, and Malaysia, Cambodia, Thailand, and Pakistan paying 19 per cent. There is also a serendipitous result: India gave up its reluctance to augment trade with the world and went into overdrive to finalise free trade agreements, the

recent one being with the European Union. The India-EU agreement is not just another trade deal; it is a statement of intent. It signals that India is willing to engage seriously with large, demanding markets, accept high standards, and open its economy in a calibrated manner. The EU, with its vast consumer base and technological prowess, offers India access to high-value markets, advanced manufacturing ecosystems, and cutting-edge green technologies.

In return, Europe gains a reliable partner in Asia at a time when geopolitical uncertainties are reshaping global supply chains. More importantly, the push towards FTAs reflects a growing realisation in New

Delhi that economic growth, job creation, and strategic influence are deeply intertwined. Trade is no longer viewed merely as an economic activity but as a tool of statecraft. By embedding itself in a dense network of trade agreements, India reduces its exposure to unilateral coercion, enhances its bargaining power, and anchors itself more firmly in the global economic order. If Delhi sustains this momentum—by concluding more FTAs, improving domestic competitiveness, and aligning regulations with global standards, the country could emerge stronger and more resilient from an episode that initially appeared deeply damaging. In India, it takes a crisis to force overdue reform.

LETTERS

Let us join hands to tackle cancer

World Cancer Day is observed every year on February 4 to raise awareness about the devastating impact of cancer and to encourage collective action against this deadly disease. According to the World Health Organisation (WHO), it accounts for nearly 10 million deaths annually. In many regions, including in India, lack of modern medical facilities, limited access to early detection and low public awareness worsen the situation. The World Cancer Day urges governments, health organisations and individuals to promote preventive measures, support patients and invest in healthcare infrastructure and research. This year's theme, "United by Unique", reminds us that while every patient's cancer journey is different, our collective action—supporting patients, funding research, and advocating for affordable treatment—is essential. Early detection is our strongest tool. Let us stand united to ensure that no one faces the burden of cancer alone.

Jubel D'Cruz, Mumbai

Quality health ensures longevity

Your editorial "Interesting insights emerge on human lifespan" aptly calls for adding life to years and not the way round. Undoubtedly, life expectancy has risen due to advances in medical science and breakthroughs in disease management. Today's challenge lies elsewhere—sedentary lifestyles, excessive junk food consumption, rising obesity, and lifestyle-related ailments affecting the heart and other vital organs. Emerging trends like cancer, dementia and Parkinsonism are perturbing trends. Longevity, therefore, must now be matched with quality health and responsible living.

K V Raghuram, Wayanad

Need to focus on preventive health

"The 'Interesting insights emerge on human lifespan' editorial (THI, Feb 3) rightly highlights how public health improvements have extended life expectancy in India. But as we cross 70 years on average, the focus must shift to quality of life in older age. Longevity without adequate geriatric care, social support, and financial security can strain families and systems. We need more investment in preventive health, age-friendly infrastructure, and pension coverage, especially in rural areas. Genetic research is valuable, but practical steps—clean water, nutrition, and accessible clinics—still make the biggest difference.

S M Jeeva, Chennai-32

Protect all vulnerable groups

"This refers to the editorial 'Interesting insights emerge on human lifespan'. It reminds us that longevity is shaped not just by genes but by living conditions that often hide genetic potential. For India, this has practical implications. While genetic research deserves support, policy attention must stay firmly on basics that still vary widely across regions. Clean air, safe roads, infection control, and early-life nutrition can reduce avoidable deaths that distort lifespan outcomes. Adding years to life is meaningful only if public systems ensure those years are healthier and more productive, especially for vulnerable groups.

M Barathi, Bengaluru-560076

Healthy longevity: Onus on govt

A propos "Interesting insights emerge on human lifespan" (THI, February 3). The editorial highlights an important global study showing that genetics may account for over 50 per cent of human lifespan once extrinsic factors like accidents and infections are properly accounted for. The findings underscore the need to focus on controllable extrinsic risks. While genes play a larger role than thought, public health measures—improved sanitation, vaccination drives, road safety, and access to timely medical care—can still add meaningful years, especially in rural and lower-income communities. Policymakers should continue investing in these areas alongside emerging genetic research to maximise healthy longevity.

A Mylsami, Coimbatore-402

Old-age homes and eroding humane values

"This pertains to 'Interesting insights emerge on human lifespan' (THI Feb 3). Paradoxically, even as human longevity improves, new and unfamiliar diseases continue to haunt and claim lives. Added years of life carry meaning only if accompanied by empathy, compassion, and a fellow feeling. Mushrooming of old-age homes and neglected parents is a sobering reminder that longevity without humane values reduces life to self-centred existence, marked by unfulfilled desires rather than shared fulfillment.

K R Parvathy, Mysuru

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Dr D SREENIVASULU

THE rapidity of transformation of human civilization increased manifold ever since inventions were made in transportation modes. Even in India, beginning with the colonial period and after independence, continuous efforts are made to improve the transportation networks in the country connecting the length and breadth of the subcontinent.

Presently, governments are developing road networks, highways, bullet trains, national and international flights. Because of their ease and swiftness, the preceding modes of transport overpowered waterways, which used to play a key role in the economy by providing transportation to goods and services, and people across regions. An outcome of this transformation, coupled with rapid urbanisation, encroachment of water bodies and pollution is the neglect of the several water canals in India which became victims of modernisation. It is the responsibility of the government to promote the waterways through the revival of the canals. One such canal whose plight calls for immediate attention and action by the government is 'Buckingham Canal'.

Designed by Western engineers, this 19th-century navigation canal passes parallel through the Coromandel coast and connects Andhra Pradesh and Tamil Nadu. Its construction was taken up in several phases. This is a private

waterway that was planned and executed based on the design-build-operate, project delivery system. This was the predecessor of the present day much-acclaimed Build-Own-Operate-Transfer Model).

The construction of the canal began in 1806. Initially, the 16.5 km stretch of the canal from Madras Port to Ennore was built by the Basil Cochrane company. In remembrance of this contribution, this canal was called the 'Cochrane Canal' in 1806. Later, the British government took interest in extending this canal by stretching it northwards to Madras. By connecting Kakinda Port via Vijayawada, the canal enabled continuous activity between Madras and Kakinda port. For a while, it was also called Lord Clive's canal. When the Great Famine hit this region during 1876-78, the British government provided relief for the people through the extension works of this canal. This canal was renamed as Buckingham Canal, after the Duke of Buckingham and Chandos, who was governor of Madras presidency at that time.

The 796-km long water navigation canal extending parallel to the Coromandel Coast, one kilometre to the east, extended till Villupuram in Tamil Nadu. It also connects with Pulicat Lake and at Chennai, it intersects through the city's three major rivers—Kosasthalaiyar, Cooum and Adyar. All these aspects make this canal a marvellous engineering creation and multipurpose project.

This canal was initially used for transportation of commodities, people and later for fishing. Settlements cropped up on the banks for this canal. Many communities formed their livelihood by depending on this canal.

In his work 'History of the Buckingham Canal Project' (1898), A S Russell writes that the construction of the canal



This historic canal, which used to be bustling with activity, is now ravaged with multiple problems like emitting untreated wastes by the industries and urban populations, encroachment of the canal land, siltation, and damage caused by natural disasters like floods. The mega prawn farms situated at the banks of this waterway dump their diseased and dead stock directly into the canal. Cyclones, against which this canal acted as a buffer zone, have damaged the canal and only a few attempts have been made towards the reconstruction and maintenance of the canal

has placed erstwhile Madras Presidency "in cheap and easy communication with no less than five districts, and with the large and important towns of Cocanada, Bezvada, Masulipatam, Ongole and Nellore".

This canal earlier was "a dreary waste of sand, but much of this barren and dry country has been greatly developed and improved owing to the remarkably cheap means of communication afforded by the canal; cultivation has been brought into existence or extended, owing to the facilities given by the canal for the drainage of low-lying land; numerous casuarina and other plantations have been formed along its entire length; a great increase in the wealth and prosperity of the population has taken place".

Beyond bringing prosperity for the people in the region, this canal has the potential to protect people against natural disasters like floods and tsunamis. The canal has mitigated the effects of the 2004 Tsunami by acting as a buffer zone for 310-km long coastal regions

from Peddaganj in Prakasam district to Chennai, saving the lives of hundreds of fishermen and coastal villages.

Scientists believe the canal has the potential to act as a barrier to allow tidal waves to merge into the ocean in ten minutes.

This historic canal, which used to be bustling with activity, is now ravaged with multiple problems like emitting untreated wastes by the industries and urban populations, encroachment of the canal land, siltation, and damage caused by natural disasters like floods. The mega prawn farms situated at the banks of this waterway dump their diseased and dead stock directly into the canal.

Cyclones, against which this canal acted as a buffer zone, have damaged the canal and only a few attempts have been made towards the reconstruction and maintenance of the canal. The advent of faster modes of transportation contributed to the deterioration of the canal. In some areas, the canal is filled with filth and debris, while at

some places, it completely disappears and will be visible after some distance. The need of the hour is the immediate restoration of this age-old canal. Whenever a huge hurricane or flood hits any region, the government releases millions of rupees in the form of relief. But if steps were taken to develop infrastructure to mitigate these disasters, loss of people and property could be easily mitigated. This canal offers an opportunity in that direction, and to provide for the livelihoods of many communities living across the canal. The restoration of the canal with medium- and long-term plans should be the priority of the governments of Andhra Pradesh and Tamil Nadu, along with the Union government.

It is a matter of great relief and hope that the Inland Waterways Authority of India (IWA) has announced its intention for the revival of the Buckingham canal by declaring it as National Waterways 4 (NW-4). Established in 1986, IWA aims at the development,

maintenance and restoration of Inland Water transportation on national waterways. Revival of Buckingham Canal is placed under NW-4, which covers waterways from Kakinda to Kalapet in Pondicherry in three phases. But the rejuvenation plans under NW-4 are jeopardized due to the shifting of survey works in Phase-1 to Phase-2 and Phase-3. Despite the ambitious plan, the implementation plans are going at a snail's pace. Governments have a responsibility to change the order of priority and expedite the work on this national canal waterway in the first place. The role of the State Water Resources Department is crucial for this.

Reviving Buckingham canal requires a concrete and swift plan of action, which involves dredging, removal of numerous bridges that were built on the route of the canal, recovering the encroached lands, and reconstruction of the walls wherever required. It is also necessary to check on the pollutants and untreated wastes that are being released into the canal throughout its stretch. Rejuvenation of the multipurpose canal would ease the environment-friendly transportation of commodities and people between states, reduce traffic woes, irrigation, provide for the livelihood for millions of people, fishing, and boating. It can also open the opportunity for developing more cordial relationships between Andhra Pradesh and Tamil Nadu, which can share the benefits of this project by recognising dual responsibility for the states to protect this national heritage. A relentless resolve by the governments can ensure that the otherwise 'forgotten' Buckingham canal will start bustling with activity, like in the good old days.

(The writer is a retired IAS Officer)

The two faces of equity: Navigating the UGC Regulation 2026

DR BHASKAR NATH BISWAL

THE Indian higher education landscape is currently witnessing a tectonic shift with the notification of the University Grants Commission (Promotion of Equity in Higher Education Institutions) Regulations, 2026. This landmark framework, notified last month, replaces the 2012 guidelines, marking a transition from advisory norms to a strictly enforceable legal mandate. The genesis of these regulations lies in a painful history of systemic failure and tragedy.

Following the heart-wrenching suicides of scholars like Rohith Vemula and Payal Tadi, their mothers petitioned the Supreme Court, seeking a robust mechanism to end the pervasive culture of caste-based exclusion. In response and under judicial pressure to address a staggering 118 per cent rise in discrimination complaints over the last five years, the UGC has introduced a framework designed to hold institutional leadership directly accountable for the social climate of their campuses.

At its core, the 2026 Regulation aims to institutionalise empathy through structural reform. One of its most significant merits is the expansion of the protective umbrella to explicitly include Other Backward Classes (OBs), alongside Scheduled Castes (SCs) and Scheduled Tribes (STs). By

mandating the establishment of Equal Opportunity Centres (EOCs) in every university and college, the UGC is attempting to create a 'standard operating procedure' for social justice. These centres are not merely symbolic; they are backed by Equity Committees and 'equity squads' proactive units tasked with monitoring 'vulnerable spots' on campus to prevent discrimination in real-time. Furthermore, the regulation introduces a revolutionary time-bound grievance redressal system.

The requirement for an Equity Committee to meet within 24 hours of a complaint and submit a full report within 15 days is a direct attempt to combat the 'delay and deny' tactics that have historically silenced victims. For the first time, institutional heads are liable and non-compliance carries the heavy threat of losing UGC funding or even derecognition.

However, the very stringency that makes the regulation promising has also exposed significant demerits that threaten to undermine its legitimacy. The most contentious issue is the 'un-directional' definition of victimhood. Regulation 3(c) defines caste-based discrimination exclusively as acts committed against members of SC, ST, and OBC categories. Critics argue that this phrasing creates a legal vacuum where students from the 'General Category' are effectively deemed incapable of being victims of bias. This



perceived exclusion has turned a tool for social harmony into a lightning rod for division.

Additionally, the broad and somewhat vague definition of 'indirect discrimination' has raised concerns among faculty that routine academic evaluations or disciplinary actions could be misconstrued as bias, potentially leading to a 'race to the bottom' where merit is sacrificed to avoid litigation. The removal of a previous draft's clause that penalised 'false or malicious complaints' is another glaring demerit, as it leaves the system vulnerable to weaponization for settling personal scores or campus politics.

This perceived lack of balance has sparked widespread resistance, particularly among student groups from

unreserved categories. The pushback, often coalescing under digital movements like #UGCRollback, is rooted in the fear of 'reverse discrimination'. Students argue that the current structure of Equity Committees, which mandates representation from reserved categories but remains silent on the inclusion of general category members, lacks the appearance of neutrality required for natural justice.

There is a palpable anxiety that campuses are being transformed into zones of surveillance. The deployment of 'equity squads' is seen by many as an intrusive overreach that could chill everyday social interactions, replacing organic peer bonding with a culture of suspicion. Resistance is not necessarily against the principle of equity but against a design that many

feel presumes guilt based on identity rather than evidence.

As we look toward the future of Higher Education Institutions (HEIs), it is clear that the UGC Regulation 2026 is a necessary but imperfect instrument. The intent to purge campuses of the ancient poison of casteism is noble and constitutionally mandated.

However, for any regulation to be effective, it must be perceived as fair by all stakeholders it governs. To ensure the long-term success of these guidelines, the UGC should consider critical amendments. Reintroducing a safeguard against demonstrably false and malicious complaints would go a long way in building trust. Furthermore, the definition of discrimination should be made 'caste-neutral' in its language, ensuring that any student, regardless of their background, has a pathway to redress if they face identity-based harassment. Equity should be a bridge that connects the campus community, not a wall that segregates it into silos of permanent grievance and fortified privilege. Only by balancing accountability with due process can we create a truly inclusive academic environment that honors both social justice and individual merit.

(The writer is a former college principal and founder of Supporting Shoulders)

BENGALURU ONLINE

Paperless property registration through Kaveri 2.0 now...

BENGALURU: Property buyers in Karnataka will no longer need to stand in long queues at sub-registrar offices for registration work. The Department of Registration and Stamps has launched a major reform by introducing a fully paperless property registration system. With the upgraded Kaveri 2.0 software platform, all registration procedures will now be carried out digitally, eliminating the need for physical documents. Instead, they will be provided with a login ID and password through which all property-related records can be accessed securely online.

Kaveri 2.0 is an advanced online property registration platform developed by the Karnataka government. It is an improved version of the earlier Kaveri software and is integrated with multiple government portals such as Bhoomi, E-Swathu, Khajane-2 and Sakala. The system enables citizens to complete the entire registration process within 10 minutes in a transparent and hassle-free manner without the involvement of middlemen. While digital e-stamping was already in use, the entire registration process has now been converted into a digital format. After successful registration, citizens will no longer need to produce physical documents. Instead, they will be provided with a login ID and password through which all property-related records can be accessed securely online.

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



Opinion

WEDNESDAY, FEBRUARY 4, 2026



● **MUTUAL PROSPERITY**
Prime Minister Narendra Modi

When two large economies and the world's largest democracies work together, it benefits our people and unlocks immense opportunities for mutually beneficial cooperation

A breakthrough moment

The trade deal with the US lifts the shadow over India's exports, even as the fine print demands caution

IT'S A DEAL. The breakthrough in India-US trade talks—which has yielded a reciprocal 1.8% tariff on Indian exports to the US and scrapped the punitive 25% levy linked to purchases of Russian oil—is significant. The new tariff is sharply lower than the 50% rate that had been in force since August last year, marginally below duties faced by exporters from Vietnam, Bangladesh, and Indonesia, and well under the 37% imposed on Chinese goods. Analysts estimate the effective tariff will now be about 14.6%, down from 33.6% earlier. For India, whose largest trading partner absorbs nearly a fifth of its exports, the gain is substantial. Exports to the US were valued at \$85.5 billion in FY25. The deal gives Indian exporters a clear edge over many competitors. President Donald Trump has said India has committed to buy \$500 billion worth of US goods and more—a claim that still needs clarification. Even so, India is likely to increase purchases of products already under discussion, including oil, defence equipment, data-centre hardware, technology, and aircraft. That need not translate into a ballooning trade deficit. In the near term, higher exports to the US should ease pressure on India's merchandise trade deficit and the rupee, while adding an estimated 20-30 basis points to growth.

India's trade negotiators deserve credit for their patience and perseverance. Navigating talks with a US administration known for its hard bargaining and shifting demands could not have been easy. It is also possible that Washington softened its stance in the wake of the recently concluded India-European Union trade deal, which opened India's market to European products such as automobiles. While the US may be the more powerful partner, it is equally keen to secure access to India's vast consumer market. Still, even as the agreement is welcomed, complacency would be misplaced. The unpredictability of US trade policy—evident in the frequently changing terms of its deals with other countries—offers a cautionary lesson. India must continue to pursue free trade agreements that serve its interests, while exporters should persist with efforts to diversify markets, as they have done since August last year.

Several questions remain unresolved. Chief among them is the precise quid pro quo: what, exactly, is India offering in return for lower tariffs? One possibility is a further reduction in purchases of Russian crude, long-standing demand of President Trump. Petroleum Minister Hardeep Puri said last week that Russian oil imports are expected to decline further, with refiners keen to raise supplies from Canada and the US. That suggests the government is open to diversifying energy sourcing after weighing the implications for ties with Russia. While not all US imports into India will attract zero duties—despite Trump's assertions—the exemptions are likely to be limited to a short negative list.

It is improbable that India will fully open its farm sector to US products—Commerce Minister Piyush Goyal said on Tuesday that India's dairy and agri sectors will be protected at any cost. However, New Delhi could move towards closer alignment with international sanitary and phytosanitary standards to facilitate selective agri imports. Technical and regulatory barriers may also be eased in certain areas, including a possible reworking of quality control orders. Long-standing demands by US e-commerce firms, such as allowing platforms like Amazon to hold inventory, could also find traction. After a turbulent 2025, the outlook for 2026 appears distinctly brighter.

The day after the deal is the true starting point

FRESH OFF THE conclusion of its long-pending free trade agreement (FTA) with the European Union (EU) on January 27, New Delhi received a second, strategic boost on Tuesday when the US recalibrated trade terms in what observers hailed as "the biggest victory for India-US relations in nearly a year".

Negotiations with the EU marked the end of a brick wall to deliver what was dubbed the "mother of all deals." The agreement with the US reversed a year of high-tariff friction. By any measure, this dual-track success is consequential. Yet, history offers a reminder—the day after the deal is often far more complex than the celebration preceding it. The post-deal world is increasingly shaped by dynamic protectionism, where trade is restricted not by tariffs but by non-tariff barriers and the strategic use of courts, parliaments, and sub-national politics to slow or reshape commitments.

Yet, when these hurdles are cleared, governments are willing to discard the free trade playbook in favour of raw political leverage. The US provides a blunt illustration. Last month, it declared a 25% tariff on advanced computing chips and automobiles. South Korea argues its FTA protections apply; the US counters that "national security" under Section 232 overrides any trade deal. The Korean trade minister has reportedly been shuttling between Washington offices ever since.

The deals made by other Asian partners also serve as a warning that preferential access is never "free." Japan and Vietnam offer cautionary contrasts. Tokyo's July 2023 agreement, trading a 15% tariff cap for a \$350-billion investment commitment in US energy, AI, and semiconductor sectors, has ignited domestic backlash over capital flight and the loss of economic autonomy. Vietnam, meanwhile, faces 40% US tariffs on suspected transhipped goods, forcing a costly overhaul of customs and origin-tracking systems to prove exports are genuinely "Made in Vietnam." Washington's decision to lower tariffs on Indian goods to 1.8% has narrowed Vietnam's competitive edge, proving that in modern trade diplomacy, preferential access is provisional, closely policed, and constantly contested.

The EU FTA's full legal enforcement is contingent on the European Parliament and all 27 member states ratifying it. In this provisional phase, EU trade policy enters a fragile middle ground where must navigate Brussels' nominally politically-charged bureaucracy. The EU-Mercosur FTA, signed on January 17, and political contest began almost immediately. Within weeks, the European Parliament narrowly voted to refer the deal to the European Court of Justice after intense lobbying and farmer protests framed as "cars for cows," opposing cheaper beef and poultry in return for expanded EU automobile exports. While provisional application may proceed, ratification is on hold pending judicial review, leaving Mercosur trapped in a political logjam disguised as a legal process. The 2016 EU-Canada Comprehensive Economic and Trade Agreement offers a cautionary parallel. It was nearly derailed by the regional Parliament of Wallonia, Belgium, over farm and labour issues. While the EU as a whole may welcome greater access to India's labour-intensive exports, regional politics will complicate ratification.

The EU-China Comprehensive Agreement on Investment (CAI) offers the sharpest warning. After seven years and 35 rounds of negotiations, the CAI was concluded in late 2020, only to slide quietly into political limbo. Sanctions, parliamentary resistance, and shifting geopolitics have turned it into what many now describe as a "zombie agreement," technically alive but functionally inert.

The post-deal phase is often one of administrative trench warfare, endless committee meetings, clarifications, and vigilance to ensure commitments survive domestic politics. Success will depend on how India manages the issues set aside in the rush to conclude, like navigating the EU's Carbon Border Adjustment Mechanism which can prove to be a double tax that erodes the FTA's benefits.

Ultimately, the convergence of EU and US agreements reflects a growing confidence in India's economic credibility and strategic centrality at a moment of global realignment. The real test now lies in following through with discipline, navigating regulatory frictions, defending market access, and converting diplomatic momentum into durable commercial outcomes. In the trade, the day after the deal is the true starting point.



ANUJ GUPTA
India MD, BowerGroupAsia

THE OFFICIAL CONFIRMATION of the US and India having finalised a bilateral trade deal comes within a week of India pulling off a free trade agreement (FTA) with the European Union (EU). The timing of the announcement of the US deal, therefore, is significant. It might also be the "Brussels effect" brushing off on Washington!

What does the conclusion of the deal finally bring home?

India's biggest relief will come from the US tariff cuts. Reciprocal tariffs of 2.5% on Indian exports will be rolled back to 1.8%, bringing them on a par with those on most exports from South-east Asia and East Asia. The additional 2.5% tariffs on India for buying Russian oil is also expected to be rescinded, bringing further relief for exports to the US market.

India, in return, is expected to purchase large amounts of US exports, especially energy, tech and agricultural products. President Trump's post on Truth Social suggests such purchases will be of around \$500 billion. In addition, as demanded by the US for long, India will significantly reduce its purchase of Russian oil, increase crude purchases from Venezuela, and lower its own trade barriers on domestic sectors of US export interest.

The key interest in the deal now will be in checking its content, especially what India concedes in terms of market access, and what it obtained in return. This will be especially important given the spate of FTAs India has signed recently. There will be great interest in comparing the relative concessions that India has offered in its various FTAs.

While waiting for the details, it is important to take a step back and look

INDIA-US TRADE-OFFS

TRADE AGREEMENT WITH THE US SHOULDN'T INVITE STRATEGIC COMPLACENCY FOR INDIA

It's not the end of the story

AMITENDU PALIT

Senior Research Fellow and Research Lead (trade and economics), Institute of South Asian Studies, National University of Singapore



at how the deal evolved. It is almost exactly a year ago in February 2025, when Prime Minister Modi visited Washington. He was one of the earliest global leaders to meet President Trump in person after the latter's second entry into the Oval Office. The joint statement released on the occasion of the visit indicated a mutual intention to negotiate the first tranche of a mutually beneficial bilateral trade agreement by the fall of 2025. The multi-sector agreement, as the joint statement further suggested, would work on increasing bilateral trade in goods and services by cutting down tariff and non-tariff barriers and deepening supply chain integration. The trade agreement was expected to fulfil the goal of Mission 500—aiming to double bilateral trade to \$500 billion in 2030. The statement also appreciated the mutual efforts made till then to increase bilateral trade. These included India's lowering of tariffs on bourbon, motorcycles and tech products, and the US's measures for enhancing Indian exports of mangoes and pomegranates.

India's benefits/costs from the trade deal will eventually enter into the US should be evaluated on the basis of

conditions that existed last February.

In February 2025, the US had not pronounced reciprocal countrywide tariffs. These were announced in April and kicked in from August. Most of the countries that were imposed with reciprocal tariffs were able to cut deals with the US. In almost all cases, the initial reciprocal tariffs were reduced. India was a notable exception. Not only did India not reach a deal with the US, but it also got slapped with additional 25% secondary Russian tariffs.

With 50% tariffs facing a large chunk of its exports, especially the labour-intensive ones, India's negotiating room was significantly cramped. The core objective of negotiations shifted to complying with US demands, which had to be fulfilled for withdrawing the digital sector. With the goalpost having shifted while the game was on, India's hopes of getting concessions from the US, over and above the situation that existed in February 2025, were effectively demolished.

Obviously, this was not just for India but for many of its competitor economies from South and Southeast Asia. In India's case, however, two factors made the pill more bitter. The first was

India is vulnerable to more unilateral tariff actions from the US due to its membership of the BRICS and trade with Iran

India getting reciprocal tariffs in April even while it was negotiating a deal with the US from before. The second were the additional Russian tariffs.

There were signals of US demands being met by India over the last few months. This included a long-term deal signed by Indian state-owned oil marketing companies for buying more than 2 million metric tonnes of liquefied petroleum gas in 2026. Another significant step was the Indian parliament amending the Civil Liability for Nuclear Damage Act by removing supplier liability and bringing in an upper threshold for operator liabilities. These measures ensure greater energy trade between India and the US along with establishing enabling conditions for more US energy investments in India. Considering that India has already reduced its purchase of Russian oil, it has been effectively complying with US demands for quite some time.

The details of the deal will reveal what more India will concede and what might it obtain in return. But the conclusion of the deal should not bring in strategic complacency. India is vulnerable to more unilateral tariff actions from the US due to its membership of the BRICS and trade with Iran. Furthermore, the recent example of Korea being threatened with additional tariffs for being late in fulfilling the conditions of the trade deal it signed with the US, should be taken note of. Reaching a deal with the US might not mean the end of the story at all. Rather it should be looked at, at best, as a temporary pause. India should continue its efforts to diversify and de-risk by seeking FTAs with other countries.

Views are personal

A question mark on concessions



ABHIJIT DAS

The writer is an international trade expert

Reduced reciprocal tariffs should provide cheer to Indian exporters, but the deal will remain predictable only as long as Trump doesn't slap additional illegal tariffs

THE ANNOUNCEMENT BY President Donald Trump that the US will reduce the reciprocal tariffs on India from 25% to 1.8%, and its confirmation by Prime Minister Narendra Modi, marks a significant step forward in India-US bilateral partnership. Compared to most of its competitors who continue to face slightly higher reciprocal tariffs, the trade deal will reduce the disadvantage being suffered by India's exports of textiles, leather, gems and jewellery, technology, agricultural products, and other products, and third, India agreeing to stop buying Russian oil and instead buy more energy from the US and potentially Venezuela. India has not confirmed these concessions. While we await the final text of the India-US trade deal to get the details, what should be some of the main points to look out for?

First, which agriculture products would be subject to India's zero-duty tariff regime for the US? In case India has agreed to provide import quotas for certain US agriculture products, what is the size of the quota that has been agreed to as compared to India's domestic consumption and has a floor price for the in-quota imports been negotiated? These questions are relevant for understanding how India's concessions might have long-term impacts on the livelihoods of millions of its farmers, especially those engaged in the dairy sector or growing apples, cotton, maize, soybeans, etc. In this context, US Agriculture Secretary Brooke Rollins's statement that the trade deal will improve access to American farm products to "India's massive market" is a welcome sign.

Second, how has the demand of the US to facilitate imports of genetically modified (GM) products been addressed in the agreement? Will India be required to put in place a more predictable regulatory regime for approving approvals for GM products, or will India retain the right to make decisions on this issue on a case-by-case basis?

Third, in respect of trade in digital products, has India committed to allow imports of dairy, meat, and poultry products from the US if they are accompanied with the sanitary/health certificates from the relevant American authorities? This concession implies that the US certification would prevail over India's domestic health and sanitary requirements—a key concession contained in Malaysia-US trade deal.

Fourth, it is crucial to understand whether the India-US deal promotes the US objective of evergreening patents, thereby eroding India's generic pharmaceutical industry through commitments

related to how India determines eligibility for the grant of patents and conditions for granting marketing approval for pharmaceuticals. Concessions on these two issues could have adverse implications on access to affordable healthcare for the common person in the street.

Fifth, it would be important to examine whether India's commitments would hamper its ability to raise revenue from the digital sector, and also curtail its ability to promote digitalisation in the digital sector. To illustrate, would the deal require India to change its long-standing position at the World Trade Organization (WTO) and agree to a permanent moratorium on imposing customs duties on electronic transmissions? Further, would India be permanently prohibited from imposing digital services tax, along the lines of the erstwhile equalisation levy on digital transactions?

Sixth, some of the recent bilateral trade deals of the US include provisions that seek to align trade and foreign policy options of the partner countries in line with US interests.

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not jeopardise the essential interests of the US? Has India agreed to cooperate with the US with a view to restricting transactions of its nationals with third-country individuals and entities which have been sanctioned by the US? And if the US imposes customs duty or import restrictions on a good or service of a third country, has India committed to regulate the importation of that good or service into its territory through similar measures with equivalent restrictions on its exports?

It should be noted that the 1.8% reciprocal tariffs would continue to violate multiple commitments of the US at the WTO. India has now joined the group of countries whose deals with the US are gradually eroding the most-favoured nation non-discriminatory principle of the WTO. This will have long-term systemic implications for future multilateral trade negotiations, especially by creating room for power play instead of a rules-based system.

In conclusion, the US reducing the reciprocal tariffs on India, along with the withdrawal of the 25% penalty for purchasing Russian oil, should provide considerable relief to Indian exporters. Based on the text of the India-US trade deal, answers to the questions raised above would help us obtain a better understanding of the concessions granted by India in return for the US lowering its reciprocal tariffs against India to 1.8%. However, predictability associated with the deal would remain only as long as Trump does not impose additional illegal tariffs on India in future for any of its actions that he might perceive to be against US interests.

Views are personal

LETTERS TO THE EDITOR

Where's the fine print?

The India-US trade deal marks an important diplomatic moment after a year of strained negotiations. While the optics of a thaw in ties and public bonhomie between Prime Minister Narendra Modi and President Donald Trump are unmistakable, the substance of the agreement warrants careful scrutiny. An 1.8% tariff, though lower than earlier punitive levies, is still significant and raises questions about

how competitive Indian exports will remain in the US market. More concerning is the claim that India will reduce its tariffs and non-tariff barriers to zero and commit to purchasing over \$500 billion worth of American goods, including energy. Such commitments could constrain India's policy autonomy and complicate its long-standing position on energy security and diversified sourcing. The lack of clarity on the fine print under scores the need for transparency.

Parliament and the public deserve a clearer picture before celebrating what is being projected as a "win-win" deal. —Sanjay Chopra, Mohali

STT hike a blow
Apropos of "Taxing the risk" (FE, February 3), the sharp rise in the securities transaction tax (STT) affects the equity market and kills the initiative of both retail as well as overseas investors. At this juncture, when foreign investors are directing

their Indian equity investment to other destinations, the STT hike could drastically reduce their equity participation. Instead, the government could earmark a sizeable spending on inclusive investor education, which could help them invest in the derivatives market and strengthen existing high-frequency players. —NR Nagarajan, Sivakasi

● Write to us at letters@expressindia.com

STT Hike Shouldn't Bury Price Discovery

Measures to curb runaway trading activity

Markets are internalising the hike in securities transaction tax (STT) rates on futures and options intended to reduce the frequency of trading. At their current levels, high-frequency trading will be affected by higher transaction costs. This will have an impact on F&O volumes and, by extension, lower the exposure of retail traders in the segment. To the extent that this effects a clutch of FIIs — arbitrage funds, algo traders and proprietary desks, etc. — there will be some impact on capital flows. Hike in STT rates in F&O is part of a series of measures to curb runaway trading activity that are yielding results, and GoI is pulling on more regulatory levers to improve market resilience. Any and all success in this endeavour will have to be measured against rise in speculation in other market segments.

It's unlikely that the measures initiated to curb inflated options trading will affect price discovery. Better balance between cash and derivatives segments should ensure market depth while deterring speculation. This becomes critical due to the activity of retail traders who are pitted against vastly superior institutional desks. The average individual doesn't have access to formidable tools available to institutions that run successful derivatives trading operations. The uneven context could cause behavioural changes among the generation of Indian investors that's widening the country's cult of equity. This justifies government intervention through tax to dissipate from in derivatives, in line with India's conservative approach to regulating financial markets.

The immediate market reaction will make way for a more reasoned risk reward trade-off. The longer-term impact will depend on the size of contraction in derivatives volumes the enhanced STT engineers. Budget 2026 may not have delivered anticipated triggers to increase FII inflows. But GoI has been prompt in its policy reactions to heightened global uncertainty, with tax cuts to prop domestic consumption and trade deals to push exports. These should serve as market signals.

Rare Earths Provide A Rare Opportunity

The budget announcement on dedicated rare earth corridors in 14 states — Tamil Nadu, Kerala, Odisha and Andhra Pradesh — to promote mining, processing, research and manufacturing of rare earth elements (REE) and critical minerals ticks all the right boxes: it reduces dependence on China, drives economic growth through clean industrial manufacturing, decarbonises the economy and creates jobs. Alongside this new initiative, recovery and recycling of REE and critical minerals from e-waste, mine tailings and industrial waste can also boost supply. Estimates suggest that e-waste alone could generate 1,300 t of REE. Last year's ₹1,500 cr scheme to build capacity to extract and produce critical minerals from waste streams was a start, but it remains insufficient.

The regulatory framework must be fit for purpose — e-waste management rules should classify critical minerals as high-value materials. Extended Producer Responsibility (EPR) rules must incentivise recycling and recovery. The informal recycling sector must be formalised through capacity building, technology transfer, know-how and financial support with incentives for transition.

A mechanism to match supply with demand, including a national stockpile, is crucial to accelerate domestic consumption, while mandates for using recycled critical minerals will strengthen the ecosystem. This approach will boost supply, support clean industrial manufacturing, enhance self-reliance and competitiveness, generate jobs, improve resource efficiency, and reduce the economy's waste and emissions footprint. Most importantly, it will create secure, well-supported jobs with benefits, providing workers the social safety nets essential for a modern, resilient economy — turning resources into opportunity.



THINK ABOUT IT

Yes, yes, less tariffs is worth tareef, but focus on what we make

Quantitatively Eased, But Quality's the Deal

Everyone's busy clapping like trained seals because the United Nations States of Europe and Mar-a-Lago have lowered tariffs, finally putting Indian exporters 'on a par' with the likes of Vietnam and Bangladesh... But hang on. We're not seafaring, but these dropping duties — and, in Trump's case, they could go up again like a bout of gas after an unhealthy meal — are all the quantitative stuff of a discount sale. What about the qualitative stuff? Can India actually rival Sri Lanka in, say, quality crockery? Not only does the Dantokwa produce less expensive luxury dinnerware than, say, Japan's Noritake, but many pounds of porcelain would find the Sri Lankan brand to be superior in quality. Let's be honest, being on a par with another country in tariffs is like wielding a cricket bat on a level playing field: wickets or runs on the scoreboard depend on player's prowess and ability. With tariffs lowered now, Brand India should be shouting from the minarets: 'We don't just make cheap, cheap shirts! We make shirts that survive three generations and give Armani a complex.' And back up the claim. Consumers in Berlin or Boston don't say 'Ah, 5% duty reduction! I must buy this Indian-assembled Bluetooth speaker now!' They'll buy it if it doesn't crackle when Billie Eilish hits the high notes. So, yes, tariffs matter. But quality's the real export.

With everyone signing up with everyone else, Donald Trump relents on India trade deal

Silent Treatment Pays Off



Seema Sirohi

While India and the US have finally agreed to a trade deal, removing the biggest hurdle in bilateral relations. The punishing 50% tariff on India — including the additional 25% tariff placed in August to persuade India to stop purchasing Russian oil — is expected to come down to 18%. This is a welcome development — provided no wrinkles appear as they have in other trade deals. With that caveat in mind, the relief is unmistakable after months of uncertainty and rancour.

The good news came without a nomination for certain peace prizes. Or Delhi showing up with a briefcase filled with goodies. Or going officially ballistic. (Surrogates were let loose to do that.) Strategic patience was key as was silence in the face of provocation. US ambassador Sergio Goro proved to be a catalyst. He seemed to understand that a reset with India was necessary, if not sufficient, condition for rebuilding relations.

The Monday Trump-Modi phone call, apparently initiated by the White House, produced an outcome that friends of both countries had been waiting for. The US agreed to reduce reciprocal tariffs on India from 25% to 18% 'effective immediately', and India has apparently agreed to bring down its tariff and non-tariff barriers to zero. In addition, India has agreed to spend more than \$500 bn on US goods, according to 'Trump' social media post.

The US looked increasingly lonely. The writing on the wall was clear: allies/partners were moving on.



Sooner or Later

While he didn't mention the punitive 25% oil tariff, Trump did say that Modi had agreed to stop buying Russian oil and buy much more from the US, and potentially Venezuela. Modi said nothing on the subject in his message and, instead, described Trump's leadership as vital for global peace, stability and prosperity. It was high praise given the pain going on.

The 18% rate puts India in a slightly better position vis-à-vis other South Asian countries (Bangladesh at 20%, Pakistan at 18%) and those in Southeast Asia (China at 4%, Malaysia and Indonesia at 10%, and Vietnam at 20%). While that's welcome, it's unclear whether the 18% is the final figure, or whether it'll come on top of existing tariffs on certain products — meaning 18% 'stacked' or 'stacked'?

Tariff-stacking means multiple tariffs, such as anti-dumping duties, sectoral tariff, and Sections 301 and 232 tariffs on certain products. It also provides other Acts, being levied on the same product. It can be onerous. India's competitors for the US market are all

under stacked tariffs. Unstacked tariffs would mean 18% is the final effective figure for India. Only Europe, Japan, South Korea and Taiwan have been given the luxury of unstacked tariffs.

There's also some ambiguity around when the 25% oil tariff will go. Goro said on Indian TV channels that a few technical details remained to be sorted out, meaning nirvana won't be immediate. But he stressed the oil tariff would remain in due course. A White House official said the oil tariff 'will be dropped' as part of India's agreement to end oil purchases from Russia.

Use of future tense is significant. The understanding appears to be that moving forward, India won't buy Russian oil. Data has to reflect the tapering before the sword dangling overhead is removed. As baseball legend Yogi Berra famously said: It ain't over till it's over. Also, the 'deal-maker' prez will keep leverage alive, possibly change his mind, and remain focused on his rate of success. Best to wait for the executive order and notice in the Federal Register to see the dates, times and applicable tariff codes.

According to Trump, Modi 'committed to BUY AMERICAN', including energy, coal, agricultural products and tech worth more than \$300 bn. How and what would add up to that?

figure is unclear. Fortunately, there's no timeframe, even if the maths is dramatically in America's favour. — India must buy more US goods, pay 18% tariff on exports, and give up Russian oil. A White House official told me the tariffs were levied 'by design to rectify the trade deficit in our favour'. In 2024, the US had a trade deficit of \$457 bn with India.

Finally, what changed Trump's mind after a year of acrimony? How did a dead economy come alive to make a trade deal? A few possible reasons: ▶ In the trade deal rush, where everyone was signing up with everyone else, the US looked increasingly lonely. The writing on the wall was clear: allies/partners were moving on. India signed several trade deals over the past few months, most recently with the EU. ▶ Trump understood that GoI wouldn't do what others had done to earn his goodwill. The message from Delhi: India can wait. It was a Mark Carney move without the Davis speech.

It's unclear whether 18% is the final figure, or if it'll come on top of existing tariffs on certain products. So, will 18% be 'stacked' or 'unstacked'?

▶ Trump was losing goodwill in India just as fast as he had earned it. America's 'first' was starting to backfire and feeling more like 'America Alone'.

▶ China was clearly the beneficiary a trigger for Trump's hesitancy to come up with an effective strategy to deal with a political earthquake, especially a manufactured and needless one. But survival is not enough, if the two countries want to work on the big picture — a dangerously fragmented world in need of repair and order.

The writer is chief economist, Vedanta

Pus Promotion, Not Protection



Dhiral Nayyar

Whatever else Trump tariffs — now ostensibly down to 18% — may have succeeded in, they have failed to slow the Chinese export juggernaut. For the year gone by China put up yet another record trade surplus of \$1.2 tn. It has found alternate markets, mostly in Europe, or alternate routes to markets in the US.

India isn't spared. Its trade deficit with China has hit a record \$116 bn. Countries that count China as their largest trading partner account for most of the world map. This is a challenge for the world, and particularly for India. What should India do?

Breakthrough trade deals with the US and EU have opened two doors of huge opportunity. These are the two biggest consumer markets where India has traditionally run trade surpluses. But to truly capitalise, focus on reasons behind China's dominance in manufacturing.

▶ 3S plan Once upon a time, it was cheap labour. Now it's a combination

of scale, subsidies and skills. China's ambition has always been to capture world markets, not simply its own or those in the region. That has made scale and economies it brings non-negotiable.

▶ Industrial policy Beijing provides free or subsidised land and power, two of the most critical inputs to manufacturing. It also provides other support, including R&D and sector-specific financial incentives. Many of these do not comply with either letter or spirit of the WTO-centred international trading regime. But that's been on life support post-Trump.

▶ Skilled workforce Tim Cook said his company was invested in China not because subsidies were cheap but because it was skilled. No other country had the number of tooling engineers that China did, he pointed out. Now, that skilled workforce is being rapidly replaced by robotics, which is cementing China's efficiency and cost advantage.

Cheap and abundant labour is in India's favour. But, philosophically, India's law and its political economy are geared towards protection of labour, rather than promotion of employment. The recent reforms were a good first step in reducing some rules and bureaucracy. But genuine liberalisation is needed before labour becomes a decisive



We can pull it off

advantage for India. Otherwise, India's industrial growth will continue to be defined by capital intensity. That may be okay for growth. But it's inadequate for jobs.

What about its '3S plan'? To achieve scale, a big majority are micro, not even small. These firms can never be competitive globally. But scale is somehow feared in India. It shouldn't be, as long as business is subject to competition. In manufacturing, that should be import competition.

Unfortunately, industrial policy in India has usually been about tariffs,

again, a device for protection. In the last 10 yrs, the average-weighted tariffs have doubled. But share of manufacturing in GDP is mostly stagnant. The one sector that has been an export is electronics. One reason behind its success has been the nature of industrial policy — PLI and subsidies — which focus on scale and promotion of exports.

Finally, on India's societal preference favours white-collar jobs. But these will never be enough. GoI must consider not just upskilling the population but also creating a career ladder approval for skills. Skills qualifications can be made equivalent to granted university degrees, if it helps.

India wants to be a player on the world stage, but its manufacturing must become global.

The writer is chief economist, Vedanta

AI Mega AI Shot of Star Bucks



Subimal Bhattacharjee

SpaceX's acquisition of xAI's on Monday forming a \$1.25 bn behemoth ahead of SpaceX IPO expected later this year marks more than corporate manoeuvring. It's a blueprint for tech-led business. By merging rocket launches with AI, Elon Musk is placing an audacious wager: the next frontier for computing lies not in Silicon Valley server farms but among the stars.

The logic is straightforward, yet revolutionary. AI development devours electricity and cooling infrastructure at staggering rates. Terrestrial data centres struggle with both constraints. Space offers an elegant solution: abundant solar energy and natural cooling. Musk claims orbital computing will become cost competitive within 3 yrs — a timeline that seemed fantastical until SpaceX requested authorisation for 10k satellites. With 9,000 Starlink satellites already operational and 10m customers, the infrastructure foundation exists.

This merger addresses xAI's immediate crisis while serving SpaceX's long-term ambitions. Burgeoning AI monthly competing against OpenAI and Google, xAI needed a financial

anchor. SpaceX gains a perpetual customer for satellite launches, transforming its rocket business into the backbone of AI infrastructure. The synergy is undeniable, but so is the concentration of power.

The combined entity now controls rocket launches, satellite internet, social media (X) and frontier AI development. This vertical integration could accelerate innovation or create concerning bottlenecks in critical infrastructure. When a single corporation spans orbit, algorithms and public discourse platforms, implications extend beyond business into geopolitics and digital sovereignty.

For India, this merger arrives at a pivotal moment. Starlink's 2026 launch promises connectivity to underserved regions, with gateway planned across Mumbai, Delhi and Bengaluru. Yet, India's cautious approach —



Houston, we surely don't have a problem

emphasising security clearances and data localisation — reflects deeper anxieties about tech dependence. India's space ambitions, however, collide directly with this new reality. Iro's representation from government to private sector catalyst represents a trillion-dollar bet on indigenous capabilities. The SpaceX xAI combo offers both collaboration opportunities and competitive threats.

Should India embrace partnership, risking dependency or double down on self-reliance, potentially falling behind in the orbital computing race? The strategic calculus is complicated. India has deliberately cultivated homegrown expertise in both space tech and AI to avoid reliance on foreign infrastructure. This merger consolidates America's dominance precisely as India seeks to establish itself as a third pole between US and Chinese technological spheres.

Also, this year's budget granting a tax holiday until 2047 for foreign cloud providers using Indian data centres could generate less enthusiasm if tech giants shift focus towards space platform. India's Web 3.0 momentum could become a strategically significant as submarine cables or semiconductors — critical infra that shapes geopolitical leverage for decades. Should India embrace partnership or double down on self-reliance, the choice is not just a corporate one, but a civilizational one. JioSpaceFiber's partnership with Luxembourg-based satellite operator SES and Bharti's investment in OneWeb, contrasted with a vertically integrated giant controlling everything from launch vehi-

cles to AI models. The challenge is daunting. But, historically, competitive pressure has catalysed India's most impressive innovations. Cost-effective engineering and a robust AI ecosystem provide a foundation for carving out distinctive niches.

The merger also establishes new benchmarks for tech sector integration. The IPO, potentially exceeding \$1.25 tn, will be historic, offering public investors access to both space tech and AI development through a single vehicle. This could reshape how markets value and fund moonshot technologies.

Whether orbital data centres become reality or remain expensive experiments, the SpaceX xAI merger has transformed expectations about technological integration and infrastructure. For India, the path forward requires threading a needle: leveraging this development to accelerate domestic capabilities without sacrificing strategic autonomy.

This balancing act — embracing global innovation while building self-reliance — will determine India's position in the next chapter. As computing infra migrates skyward, nations that secure orbital positions early may enjoy advantages as significant as those who dominated terrestrial integration and positioning systems. India cannot afford to be a mere customer in this future. It must be an architect, and an early one.

The writer is a commentator on tech and digital policy issues



THE SPEAKING TREE

A Quiet Conquest

SHIBANI BALKAR

A Japanese Samurai once said, 'If I am insulted and feel anger, the anger has already defeated me.' With this, he submits to Mushin, the powerful Japanese proclamation of a mind without desire. When we let our minds transform into playgrounds for an unending flurry of emotions, we place the sword in another's hand, giving the world power to wound us. Mushin denotes the state where emotion may arise, yet there is no imprint of a scar, no ripple remains, and nothing disturbs the inner axis around which the mind is formed.

Gita describes Shitprajna as the state of unshakable clarity and inner equilibrium. Shitprajna does not suppress emotion but remains fully present, unmoved by praise or blame, pleasure or pain, gain or loss; a position where awareness holds emotion but is not held by it. Shitprajna is born from self-realisation, discernment and surrender of ego. It arises when we see clearly the impermanence of praise and blame, rise and fall. Mushin sees stillness through presence. Shitprajna sees it through understanding.

Emotional intelligence unites Zen's discipline of unburdened presence with Gita's mastery of serene discernment. Ultimately, the deepest mastery whether Mushin or Shitprajna, is that of realising that the battlefield is never outside; it is always within, and a win over mind is winning the greatest of wars. When nothing insures the battlefield, nothing outside threatens.

PEAS IN A PODCAST

Why Economic Models Fail

Chicago Booth's Stigler Center's podcast Capitalist's is devoted to analysing capitalism, how it functions in contemporary society and how it is shaped. In Nobel Economics Models Reveals Why Economic Models Keep Failing, US hosts economist Luigi Zingales and journalist Bethany McLean talk to Richard H. Thaler, a Chicago Booth professor and Nobel Prize-winning economist, about his new book, The Winner's Curse: Behavioral Economics After the Anomalies. Then and Now, coauthored with Alex Imas.

In the discussion, Thaler reflects on three decades of research showing how real human behaviour often systematically departs from the rational, self-interested agents assumed in traditional models. He connects enduring behavioural 'anomalies' — such as overconfidence and limited self-control — to contemporary problems, including financial crises and social media addiction.

Thaler traces how behavioural economics moved from the margins to the mainstream, discusses practical policy implications, and candidly rejects the idea of a single grand theory of human irrationality. The result is a thoughtful, engaging episode that underscores why economics must grapple seriously with how people actually behave — not how models wish they would.

Chat Room

Stagnation Stop To Viksit Station

Appropos Another Kind of Achhe Ka Tarun, Ishaan and Ananya Sinha (Feb 3). Budget 2026 signals a looming growth recession through a shift from expansion to austerity. Four factors highlight the risks: (1) Slowing Capex: Capex growth will fall to 8.8% from previous double-digits, risking an infrastructure and employment bottleneck. (2) Consumption slump: Lack of tax relief and cuts to rural schemes like MGNREGS will erode the purchasing power of the masses. (3) Aggressive consolidation: Targeting a 4.4% fiscal deficit during a slowdown is contractionary draining essential market liquidity. (4) Export neglect: Minimal incentives for a struggling export sector, amid global instability, threaten industrial output. Collectively, these indicate a cooling economy leading toward stagnation. P.D. Senkanarayan, Palakkad



CONTRAPUNTO

Age is an issue of mind over matter. If you don't mind, it doesn't matter

- MARK TWAIN

Load The Ships

Deal's done, and India's exports to US now have a tariff advantage. Big year for Make-in-India ahead

Has 'Mother of All Deals' delivered a baby? Trump's sudden announcement of a trade deal with India, "effective immediately", has led to speculation that last week's India-EU FTA may have urged him to make haste. Recall that his finance minister Scott Bessent's reaction to FTA - "Europeans signed a trade deal with India...funding the war against themselves" - was totally sour grapes. But with the deal done, all bitterness of the past six months, including Trump's "dead economy" remark about India, should be forgotten.

As our columnist Somnath Mukherjee hinted yesterday, the deal might not be as abrupt as it seems. Sunday's Budget had conveyed GOI's confidence in the economy, based on some big and impending development. The importance of this deal is evident from the market reaction. The EU FTA lifted Sensex by 300 points, and rupee by about 0.2%. After the US deal, Sensex is up 2000-plus points, and rupee more than 1%. Understandable, given that Trump's tariffs had jeopardised billions of dollars worth of Indian exports. Our shipments decreased by about a fifth between May and Nov last year.

Tariffs were hurting India in other ways too. Prolonged uncertainty discouraged investors. India's place in China+1 supply chains looked doubtful. Rupee depreciated rapidly. But now, with tariff down from 50% to 18%, India's export competitiveness is restored. China still has the advantage of scale, but it's saddled with 31% tariff. In labour-intensive industries like jewellery and textiles, India has a slight advantage over the likes of Bangladesh and Vietnam. Broadly then, the deal should lift investment, manufacturing and employment in India this year.

Unlike EU, Trump isn't tied in red tape, so the deal can move ahead swiftly. The downside is that his dealings are vague and whimsical. So, his claim - seconded by his agriculture minister Brooke Rollins - about India buying billions of dollars worth of agri products is likely exaggerated. Whether India will pivot fully from Russian to American and Venezuelan oil is also moot. What isn't moot is that India and US have now re-engaged constructively in a partnership that goes way beyond trade.

Living Long & Healthy

Research on how genes influence lifespans may be the next big frontier to solving anti-ageing puzzle

Longevity and anti-ageing R&D may be in for a pivot, now that there's a new answer to the question how much do genes determine how long we live. Scientists now say that genes have a much bigger influence - as much as 50% - in influencing lifespans than earlier studies suggested (between 20-25%). To be clear, scientists aren't saying earlier estimates got it wrong. No, what they note is that earlier studies did not account for how causes of death have changed over the century. Earlier studies never 'partitioned' cause of death into what the scientists of the new study call extrinsic factors (like infections, disease, accidents etc) and intrinsic factors (such as genetics, ageing and age-related conditions like dementia). With medical advances, vaccinations, improved diet, healthcare and better environment, the extent or proportion of impact of 'extrinsic factors' on mortality has reduced.

Thus, the impact of genes, as the major "intrinsic factor", on lifespans is much much greater. Does this imply that we scientists to identify genes that influence longevity, they'd have cracked the code to living longer healthier lives?

For sure, the new study will inspire deeper genetics research specifically to identify how genes impact lifespans. What we need to remember though is what science laureate Venki Ramakrishnan had said: average life expectancy is vastly improved, but "extending maximum life span is a much tougher problem." Most research so far shows that human lifespan is fixed, that biological ageing can't be abolished. That said, genetics research on longevity might one day reveal DNA machinations that can cheat death. It's a greenfield venture for the billions invested in hundreds of longevity/anti-ageing startups, now that there's scientific evidence of how much genetics plays a role in how long we live.

Importantly, co-author Ben Shenhar adds that the influence of lifestyle and environment likely becomes more important as we age. So, mindless eating, drinking, smoking, not sleeping and pollution will all matter - 50% of lifespan is still influenced by lifestyle: diet, exercise, environment and healthcare. Till the genetic code is cracked, lifestyle codes remain in the mantra for healthier longer lives.

Seat cheat

Two games of musical chairs and a third of moneymaking chairs

Jug Suraiya



A post on social media caught the attention of Messrs Hehra and Pheri (Wheeling is our Dealing).

The post described two variations of musical chairs. In the first, nine chairs are given to 10 children, who are told that the winner would be the one who could find a chair after all the chairless others had been eliminated.

In the second version, 10 children are again provided nine chairs. And if one of them remains without a chair, all of them will be losers. So the children hug each other so that more than one can sit on the reducing number of chairs, ensuring that no one loses.

The first version represents a culture where winning means making others lose, causing disunity. The second version teaches that for one to succeed all must succeed, and promotes unity.

Very excited, Hehra contacted his cousin brother (cousin) who is a big gormit (govt official) and got a non-returnable grant to hold musical chairs in 100 cities all over the country to promote national unity.

The winner in each city would receive a cash award of ₹1cr. The contract for making the chairs used in the games, at ₹3,000 per chair, would be awarded to Pheri who happened to own a chair factory.

Chairs for 1,000 participants at 100 venues were made and the games began. At each venue, when the first two participants hugged each other and tried to sit on one chair, the chair promptly collapsed, as it was built to do.

All the 900 chairs in the 100 venues collapsed, leaving all 1,000 participants chairless, so that there were no winners, which also meant that there were no losers, because a winner always presupposes a loser.

So the cash award of ₹1cr for each of the 100 games was declared null and void, and was retained by Hehra and Pheri for the work of organising the games to promote national unity, a laudable goal, justifying the ₹100cr in cash awards, plus the ₹2, 70, 000 for the 900 chairs, pocketed by the organisers.

And fun and games were had by all in this re-run of Kissa Kursi Ka.



Big Deal's Small Print & Big Shift

How GOI has safeguarded key farm products & dairy is crucial. Aside from gains for Indian exporters & stock markets, that America's India tariff (18%) is much lower than its China tariff (31%) is a signal to MNCs looking to move out of China

Aishwarya Srivastava



That India's trade deal with US seems sealed since the FTA with EU is great news. But trade deals are not won by headlines - they are judged by text, timelines, and enforceability. So, a full assessment will have to wait for the full text. But some broad conclusions can be drawn.

What we know

On Monday, Trump announced on Truth Social that US had reached a trade deal with India after a call with Modi. He said India agreed to stop buying Russian oil, in return for US immediately cutting tariffs on Indian goods from 50% to 18%. Trump also claimed India would reduce tariffs and non-tariff barriers on all US products to zero and buy over \$500bn worth of US energy, technology, agricultural goods, coal, and other products, while shifting oil purchases towards US and Venezuela.

But claims that India will eliminate all tariffs and non-tariff barriers seem unlikely, given India's long-standing protection of sensitive sectors such as agriculture and dairy as well as regulated imports. The pledge to buy over \$500bn of US goods also lacks credibility, as India currently imports under \$50bn annually from US, unless the \$500bn figure is spread over many years.

New tariffs

Countries typically trade under standard tariffs, known as Most Favoured Nation (MFN) rates, but Trump imposed additional "reciprocal tariffs" without US congressional approval. As a result, tariffs on Indian goods kept changing - 10% from April to early Aug 2025, then 25% in mid-Aug, and jumping to 50% from late-Aug/early Sept after US accused India of supporting Russia by buying its oil.

Under the new deal, these tariffs will now come down to 18%. At this rate, US has offered India a lower reduction compared with some trade partners. The lowest rates were set at 10% for UK and 15% for EU and Japan, while slightly higher rates of 19-20% were agreed with Indonesia, Malaysia, Bangladesh, and Vietnam.

US tariff cuts will help roughly 55% of India exports to US (by value, Nov 2025 data). For the remaining

exports, existing treatment continues: tariff of 50% will still apply to products like steel, aluminium, copper, some auto components will remain at 25% along global tariffs, and tariff for pharma, aircraft and parts, and select mechanical and electronic components will remain unchanged, as for other countries.

Gains for India

Assuming the final terms protect India's sensitive sectors, the deal could deliver meaningful gains. Along with the nine trade agreements signed in recent



years, it reduces external risks and could add about 0.5 percentage points to nominal GDP growth. Lower US tariffs would help revive labour-intensive exports such as textiles, marine products, and gems and jewellery, which suffered after shipments to US fell about 21% between May and Nov 2025.

Since US accounts for nearly 20% of India's goods exports, tariff cuts could quickly bring back orders, support jobs, and boost export growth. Higher export earnings and capital inflows may also strengthen the rupee. With US tariffs at 18% on India, compared with 31% on China, the deal strengthens the China+1 manufacturing case and, together with recent reforms, could attract more foreign investment while easing the adverse narrative against India's IT exports and professional mobility.

Why the deal took time

India-US trade talks began in Feb 2025 but were repeatedly delayed as US demands went far beyond tariffs and market access. Even without a formal deal, India has already made several concessions under sustained US pressure. Over the past year, India sharply increased US crude oil imports, withdrew digital transaction tax, eased parts of its nuclear liability framework, and allowed Musk's Starlink to operate.

This budget further improved access for US firms by removing duties on civil and defence aviation components and MRO inputs, and by granting zero customs duty on nuclear power equipment and project imports until 2035, providing long-term certainty to US capital- and tech-intensive exports.

Details awaited

The real outcome of the deal will depend on whether it protects India's long-standing sensitivities. Key details to watch include whether India avoided concessions on sensitive agricultural products such as corn, soybeans, and ethanol, maintained restrictions on genetically modified imports, and resisted TRIPS-plus commitments that could undermine access to affordable medicines.

It also must be seen if India would be able to preserve policy space on digital trade - by not agreeing to unrestricted cross-border data flows, a permanent moratorium on customs duties on electronic transmissions, or new binding obligations on govt procurement.

Scrutiny is needed to ensure the deal doesn't contain clauses pressuring India to align its broader foreign or economic policies with US geopolitical preferences. The deal does not end the ordeal with US. The latter could still threaten new tariffs on fresh goods, such as India's ties with Brics. Also, by agreeing under US pressure to stop buying oil from Venezuela (in 2019), Iran, and now Russia, India risks giving up control over its energy security and foreign policy.

It's a big deal but let's read the small print.

The writer is an economist with GTRI

Boeing & AI, Give Us Some Plane Truths Please

Months after the horrific Ahmedabad crash, the fuel control switch issue has shown up in another AI Boeing. It's essential that the pilot's report be treated, this time, not with suspicion but rigorous follow-up

Amit Singh



FORMER Chief of Safety, Air Asia & Chief of Training, Indigo

Aviation runs on an unwritten covenant. Each passenger boarding an aircraft hands over something priceless: trust. They trust the mania in the airline, and the regulator meant to stand as the public's independent guardian. This is the glue allowing millions to fly without fear.

That is why Air India's recent precautionary grounding of a Boeing 787, after a pilot reported a possible fuel control switch issue, matters beyond one aircraft. The event may be minor. But it reveals how aviation responds when something "rare" steps forward.

The public cannot see risk. Passengers sit unaware of technical details. Pilots can face confusing symptoms first, expected to interpret and land safely while uncertain of the cause. In that gap, duty of care is non-negotiable. The industry must replace "extremely unlikely" with a disciplined habit of asking, "What if?" This is not paranoia. It is humility, the kind safety demands. History shows events judged "virtually impossible" appear when conditions align unexpectedly.

The Boeing 737 MAX crisis offered a painful lesson: when design assumptions, training, and real cockpit workload mismatch, people die. The tragedy was not only mechanical but institutional, about how warnings are weighed and how "low probability" quiet uncomfortable questions.

Boeing's history shows that airlines and pilots have faced surprises, even when assured of their improbability. The lesson is not that aviation is unsafe, but that certainty is often the first thing safety must distrust.

In India, these questions cut deeper, living in the shadow of the 2025 Air India Dreamliner crash near Ahmedabad. Investigators found that both engine fuel cutoff switches had moved inexplicably. The public heard a chilling message: a critical outcome occurred,

but the "why" was unclear. In such a context, any switch-related concern draws attention. People want assurance that learning outpaces risk.

This is where the moral dimension matters. The public "owns" the regulations in a democracy. We delegate authority to regulators so safety oversight is not left to market forces. That delegation is a solemn trust. Regulators must ask the hard questions, demand the evidence, and resist unseen pressures.

If regulators rely too heavily on manufacturer assurances, oversight becomes a loop of mutual comfort, not independent challenge. That is not an accusation against individuals, but a warning about systemic drift - how systems slide towards convenience while appearing compliant on paper. Compliance is not the same as safety. The duty of care must be stated plainly.

Airlines must treat pilot reports as a gift. The first response should be gratitude and rigorous follow-through, not suspicious denial. Aviation exists to move people safely. The fleet and building a culture where speaking up is rewarded.

Manufacturers must treat field data as their most valuable feedback. When patterns don't fit the story, that reward transparency, urgency, and clear mitigation. A safety bulletin should read like a moral document designed to protect people, not a legal one to protect reputation.

Regulators must remain fiercely independent. Their job is not to manage headlines but to interrupt risk before risk interrupts lives. If uncertainty exists, they must insist on clarity - quickly.

This brings us to the tension between purpose and profit. Peter Drucker warned that profit is necessary for survival, but not the purpose; chasing it as the highest goal is dangerous. Aviation exists to move people safely. Profit should support that mission, not quietly reshape it. When upgrades become negotiable or safety

messaging becomes reputation management, the covenant cracks.

Adam Smith's reminder that sellers are not driven by benevolence was realistic. It is exactly why public oversight exists. Markets do not automatically protect the weakest passenger who cannot inspect the aircraft or audit the data. Which leads to the question citizens ask after an accident: Where is moral responsibility?

After tragedies, the public often hears a fog of careful phrases: "reviews," "process," "working closely." These words are legally safe but emotionally barren. Grieving families want to see that human life has pierced the corporate armour. They want leaders who say: We want to understand the weight. We will not hide behind probability. We will change what must be changed.

Moral responsibility does not mean declaring guilt before an investigation ends. It means declaring values while it proceeds: openness, urgency, and the willingness to be uncomfortable in public.

The way forward is demanding. We must build humane systems for fallible humans, systems that reward transparency, public consultation, and treat every anomaly report as precious data. Pilots cannot decode mysteries at 35,000 feet. Passengers cannot be the last to know a risk existed. Regulators cannot drift into facilitators of convenience.

Aviation's covenant of trust is not self-renewing. It is renewed, or weakened, by everyday choices: what gets disclosed, how quickly fixes are made, what gets prioritised when money and schedule push back. In the end, safety is not a certificate on a wall. It is a daily moral duty. The only measure that matters when confronted with uncertainty: did we choose humility, transparency, and human life - or did we choose comfort?



Calvin & Hobbes



Eight Verses For Training The Mind

The XIV Dalai Lama

In seeking a meaningful life rooted in love and wisdom, few guides are more helpful than the training of the mind. Among the most revered in Tibetan tradition is the *Eight Verses For Training the Mind*, composed by the 11th-century master Langri Tenga. These verses are practical teachings that show us how to transform daily life into a path of compassion and insight.

First verse sets the foundation / By thinking of all sentient beings as more precious than a wish-fulfilling jewel, for accomplishing the highest aim, I will always hold them dear. If our deepest aspiration is to awaken, then all beings are our greatest allies. Through them, we learn patience, kindness, and humility.

Second verse encourages humility / Whenever I meet with others, I will see myself as the lowest among all, and from the depths of my heart, I will hold others

as supreme. This is not about self-deprecation but about softening the ego. By lowering our sense of self-importance, we open ourselves to genuine connection and compassion.

Third verse turns the mirror inward / In all my actions, I will examine my mind. The moment a disturbing emotion arises, I will confront and avert it firmly. Training the mind requires vigilance. Anger, jealousy and pride may arise - but by observing them without judgement, we learn not to be controlled by them.

Fourth verse asks us to view difficult people as treasures / Whenever I meet a person of bad nature, overwhelmed by negativity and suffering, I will cherish them as a rare treasure. It is easy to love those who are kind to us. But the true test of compassion lies in our response to those who test our patience.

Their suffering is often hidden behind anger. To meet them with compassion is to live the Dharma.

Fifth verse offers a radical response to harm / When others, out of envy, treat me wrongly with abuse and scorn, I will accept defeat and offer the victory to them. This is not passivity. It is the strength to let go of ego. When we abandon the need to win or be praised, we create space for peace.

Sixth verse addresses betrayal / When someone I have helped deeply hurts me, I will regard them as my supreme teacher. Betrayal is painful, but it also reveals our attachments and expectations. If we can learn rather than close our hearts, we grow in resilience and understanding.

Seventh verse expresses the heart of bodhicitta / In short, both directly and indirectly, I will offer help and happiness to all, and secretly take upon myself their

suffering. This verse points to the practice of tonglen - taking in others' pain and sending out joy.

Eighth and final verse turns to wisdom / I may see all things as illusions, and, without attachment, gain freedom from bondage. The world appears solid and fixed, but in truth, all things are impermanent and interdependent. Understanding this frees us from grasping and allows us to act with compassion and clarity. Together, these verses offer a complete training - from cultivation of compassion to the realisation of wisdom. They do not ask us to withdraw from life but to engage it with an open heart. Every challenge becomes a step on the path. Every person is a potential teacher. I recite these verses daily. They remind me that the true work of the spiritual path is to transform the mind - from confusion to clarity, selfishness to love.

As told to Rajni Mehrotra

Sacred space

I have learned over the years that when one's mind is made up, this diminishes fear; knowing what must be done does away with fear.

Rosa Parks



second opinion

It's a deal

India must continue with reforms

Patience appears to have paid off. After speaking to Prime Minister Narendra Modi late on Monday (India time), United States (US) President Donald Trump announced that, effective immediately, both sides had agreed to a trade deal under which the US will reduce the reciprocal tariff from 25 per cent to 18 per cent. In fact, the relief is much bigger, which was also reflected in the stock market — the benchmark BSE Sensex gained 2.5 per cent on Tuesday. Aside from the so-called reciprocal tariff of 25 per cent, the US had imposed an additional 25 per cent tariff on India for importing crude oil from Russia, placing Indian exporters at a significant disadvantage. Now with an 18 per cent tariff, though still high in the historical context, India now has a tariff advantage of 1-2 percentage points over countries such as Vietnam and Bangladesh.

Although it is a big relief that both sides have agreed to a deal, it was not immediately clear what made Mr Trump change his mind. The government said that the interests of sensitive sectors had been protected, though the joint statement was awaited at the time of going to press. To be fair, the Indian side was constantly working with the US administration to arrive at a deal. In his social media post on Monday, Mr Trump said that India had agreed to buy more American goods, in addition to \$500 billion of US energy, technology, coal, and other items. He also noted that India had agreed to stop buying oil from Russia, which would help end the Ukraine War. Further, India would move forward to reduce tariff and non-tariff barriers on imports from the US to zero. Even though more clarity is needed on this, several points are worth making here. As India faced much higher tariffs in the US, the government and exporters aggressively pushed for diversification into other markets. The government also showed more openness in dealing with other trade partners, which helped conclude trade negotiations with the European Union (EU), for example.

A renewed reform push was also visible on the domestic front. It is important that the process continues and the scope of reforms is expanded. India needs to prepare to become more relevant in European markets and take full advantage of the India-EU free-trade agreement, along with the trade deal with the US. The deal with the US, aside from helping India regain market share, particularly in labour-intensive sectors, will also provide relief on the capital account. The uncertainty on trade was affecting capital flows. Foreign portfolio investors (FPIs), for example, sold stocks worth about \$19 billion in 2025, and the selling pressure is continuing this year. FPI selling had put significant pressure on the rupee. Since India now has an agreement with the US, the expectation is that flows will now reverse. It should also help attract foreign direct investment. India would again be considered by large global corporations looking to diversify away from China.

Although India's economic outlook has improved significantly after the US deal, policy managers must keep in mind that the current American administration is inherently impulsive and the broader global uncertainty — both economic and geopolitical — will persist. The imposition of reciprocal tariffs on trading partners, for instance, had no sound economic basis. Even in areas other than trade and economic policy, it is now clear that the US has a much narrower worldview. Thus, while India must capitalise on the trade deal, it should continue to diversify exports, improve domestic capabilities, and build policy buffers.

Discom distress

Finance Commission's recommendations must be debated

Power subsidies are a major source of weakness in state-government finances, resulting in off-Budget borrowings. The governance structure of state-owned power-distribution companies, or discoms, is the root cause of repeated cycles of losses, debt accumulation, and bailouts. In this regard, the Sixteenth Finance Commission has recommended transferring accumulated working-capital and other non-asset-backed loans to a special-purpose vehicle to clean up balance sheets. This will make privatising discoms easier. To incentivise states, the Commission has proposed that the repayment or prepayment of this warehoused debt be made eligible for support under the Union government's Special Assistance Scheme for Capital Investment, but only after privatisation. The Commission, however, has acknowledged that effective governance reform within public ownership is possible, citing Gujarat and Haryana as exceptional cases where state-owned utilities have delivered sustained financial and operational performance.

After a decade of losses, the state discoms reported profits of about ₹2,700 crore in 2024-25, a turnaround from the losses of over ₹25,000 crore the previous year. Aggregate technical and commercial losses have fallen to around 15 per cent, and the gap between the average cost of supply and average realised revenue has narrowed to just six paise per unit. Outstanding dues to power generators have fallen significantly following the enforcement of rules on late payment of surcharges. At first glance, the sector appears to have turned the corner. But this profitability is best understood as cyclical and policy-induced, not structural. Much of the recent improvement has come from administrative measures, including automatic fuel cost pass-through, accelerated smart metering, and central schemes such as the Revamped Distribution Sector Scheme. Power tariffs continue to be shaped by political considerations rather than economic costs. Free or heavily subsidised power for agriculture and households remains widespread.

In many states, regulators delay tariff orders for years, forcing utilities to charge outdated prices that bear little relation to costs. Even in 2024-25, fewer than half the states issued tariff orders on time. The financial burden of these losses does not disappear; it is merely transferred to state budgets through explicit subsidies, or to future taxpayers through debt and guarantees. In fact, power subsidies booked by discoms rose sharply from ₹1.29 trillion in 2018-19 to ₹2.62 trillion in 2023-24, with states directly absorbing losses through grants amounting to ₹43,600 crore in 2022-23. The financial stress is also concentrated. Eight states account for 83 per cent of the accumulated losses of the state-owned discoms, amounting to ₹5.86 trillion of the accumulated losses of about ₹7.08 trillion in 2023-24. The Reserve Bank of India, in its recent assessment of state finances, has warned that off-Budget risks threaten medium-term fiscal sustainability. However, since the conditions in the sector have not improved despite a number of bailout programmes, the recommendation made by the Finance Commission is worth debating.



And now comes the hard part

The 'mother of all trade deals', the Indo-US thaw, and a sensible Budget signal the beginning of the implementation phase

From evidence over the last few days, it would seem that a week as long as a time in economics as in politics. It started with the announcement of the "mother of all trade deals" between India and the European Union, followed two days later by one of the finest Economic Surveys ever presented in India, followed by a sensible Union Budget that focuses on building long-term strengths while shunning populism altogether, and capped by Donald Trump's dramatic social media post announcing the India-United States (US) trade deal where tariffs on our exports will be cut to 18 per cent in return for zero tariffs on US goods.

One may wonder whether the overly cautious Economic Survey and the Union Budget have been overtaken by events, especially the "grandmother of all deals" with the US. That would be a mistake, for the Survey's key pieces of advice, which have been taken seriously in the Budget, remain as valid as before. We cannot jump from caution to euphoria in seven days, which is our national tendency.

But deal or no deal, India's economic work cut out in a world in which not only geo-political nature, but multilateral trade and supply chains are also going to be rejigged, making protection of India's interests more challenging. Our potential for failure is more internal than external, as we have a calcified system that is not only resistant to change, but often opposed to it.

Consider just the trade deals. Assuming we have to make them work, and our own tariffs and non-tariff barriers are going down to zero in many areas, the task of preparing our businesses to compete effectively for export and domestic market share is daunting. Both the government and bureaucracy, including the Customs administration, need to work to make this happen.

We could still end up being vassals to the big global companies, as licensing and import-driven domestic growth become easier for many companies as India cuts tariffs — as has happened with cheap Chinese imports. This is where the Survey's observations on driving domestic innovation and making businesses competitive are paramount. The Survey noted that

"the Indian private sector, historically risk-averse and comfortable with technology licensing or import, has failed to step up as the primary engine of R&D. The global technology landscape is bifurcating... and India cannot afford to be a client state."

The stock markets and the rupee may, in a knee-jerk reaction, revive for a few days, but the underlying risks and stumbling blocks remain. The Survey warned why India's macroeconomic stability is not good enough to attract large flows of investment. Portfolio investors have been voting with their feet, and other evidence suggests that many wealthy Indians are moving to destinations like Dubai. There is clearly a lot we must do to set our house right.

The Reform Express may sound like an Espresso to us, who are used to slow speeds of change, but in a dramatically shifting external environment it is a bullock-cart that ambles along. We must get the core message of the Survey right. The survey calls for an "all-of-society" approach to get real on the reforms.

At least four development signals a political shift in Washington, which appeared unfavourable to India. The first was the adoption of a nakedly mercantilist approach to a relationship not traditionally framed in such terms, catching India off guard before it recalibrated. Reciprocal tariffs of 25 per cent were widely seen as excessive and interpreted as a deliberate attempt to force Indian concessions.

Second, the US imposed an additional 25 per cent in punitive tariffs imposed on India for purchasing Russian oil — an especially severe move, given that India had no direct stake in the Russia-Ukraine war, yet became a convenient intermediary through which pressure on Moscow was intensified. Third, US policies in India's neighbourhood began to diverge from past patterns, particularly in Washington's engagement with Pakistan. To be fair, while there appeared to be an uptick in US-Pakistan ties, this did not translate into concrete harm to Indian interests. Broadly, the shift seemed driven by American economic considerations and regional strategic positioning. Finally, the trade standoff created space for the cultivation of anti-Indian sentiment in the US, which at times fed into the broader conservative and nativist currents gaining ground domestically.

Against this backdrop, the announcement of the trade deal and the ambitious promise of \$500 billion in bilateral trade, even in the absence of a clear timeline, mark a significant turning point. For both countries, the agreement could galvanise the relationship's other aspects that had been placed on the back burner. The long-delayed Quad meeting, for instance, now carries

BEYOND IDEOLOGY
R JAGANNATHAN

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Closing the loop on turbulence

The Donald Trump administration is often viewed as a presidency that elevated global anxiety, leaving countries on edge, particularly over tariffs, threats, and most unsettlingly, uncertainty. India, however, largely succeeded in blunting the sharper edges of America's tariff weaponisation. It avoided retaliation, maintained resilient economic growth, and adopted a deliberately restrained, if frustratingly reticent, approach to the provocations emanating from Washington. In hindsight, this strategy proved useful. Despite the asymmetric economic relations between the United States (US) and India, the anticipation around striking a trade deal appeared more acute in Washington than in New Delhi. That said, the prolonged absence of a trade deal was not without costs. It carried clear economic disadvantages for India, particularly in sectors heavily dependent on exports to the US.

Beyond sentiment, the trade deal carries undeniable economic significance, underpinned by the interaction between the world's largest economy and a buoyant fourth-largest one. The revised tariff rate of 18 per cent could spur significant economic activity between the two countries and re-energise sectors such as textiles, auto components, gems and jewellery, and other key areas of bilateral trade. However, the political significance of the US-India trade deal is even more consequential bilaterally, regionally, and globally.

At a bilateral level, the deal closes the loop on a rather sordid phase in India-US relations, during which Mr Trump's intransigence spilled over into both political and economic domains. Symbolically, the agreement marks a political turnaround, which is particularly welcome from New Delhi's perspective, given Washington's sudden regional and global reorientation. While India and the US were negotiating

the trade deal, global developments moved rapidly, often creating the impression that the Trump administration had other priorities.

At least four development signals a political shift in Washington, which appeared unfavourable to India. The first was the adoption of a nakedly mercantilist approach to a relationship not traditionally framed in such terms, catching India off guard before it recalibrated. Reciprocal tariffs of 25 per cent were widely seen as excessive and interpreted as a deliberate attempt to force Indian concessions.

Second, the US imposed an additional 25 per cent in punitive tariffs imposed on India for purchasing Russian oil — an especially severe move, given that India had no direct stake in the Russia-Ukraine war, yet became a convenient intermediary through which pressure on Moscow was intensified. Third, US policies in India's neighbourhood began to diverge from past patterns, particularly in Washington's engagement with Pakistan. To be fair, while there appeared to be an uptick in US-Pakistan ties, this did not translate into concrete harm to Indian interests. Broadly, the shift seemed driven by American economic considerations and regional strategic positioning. Finally, the trade standoff created space for the cultivation of anti-Indian sentiment in the US, which at times fed into the broader conservative and nativist currents gaining ground domestically.

Against this backdrop, the announcement of the trade deal and the ambitious promise of \$500 billion in bilateral trade, even in the absence of a clear timeline, mark a significant turning point. For both countries, the agreement could galvanise the relationship's other aspects that had been placed on the back burner. The long-delayed Quad meeting, for instance, now carries

renewed political legitimacy, something that would have been harder to sustain in the absence of a trade breakthrough. The Quad meeting, under India's chairmanship, would also mark a significant milestone to the Indo-Pacific strategy and regional balancing. The Trump administration's strategy documents — the National Security Strategy and the National Defense Strategy — already seemed anchored in a commitment to the Indo-Pacific, although with a caveat that regional partners will have a greater sharing of the burden. Although a lot could depend on how India wants to shape its Indo-Pacific strategy, the support from Washington could provide strong scaffolding.

Staying the course in India-US relations appears to have paid dividends. Three distinct strands emerge from this episode. First, India and the US have entered a new phase in their relations, one in which entrenched asymmetry is gradually giving way to greater parity. Second, the tariff episode prompted India to reassess trust and pursue a strategy of soft balancing through increased economic and labour reforms, as well as diversified external partnerships. Finally, while the trade deal represents a historic opportunity for India, it also brings challenges, the foremost among them is managing complex great-power relations, particularly with Russia and China. Much will depend on how Washington's own bilateral relations with these powers evolve.

Perhaps the most significant shared challenge for India and the US will be reversing the negative perceptions that took hold during the trade standoff. If the current momentum is sustained, this episode may eventually be remembered as a brief detour rather than a defining rupture in bilateral ties. For India, however, the enduring test will be its ability to manage independent relationships without external spillovers — as the Russia-Ukraine conflict has starkly demonstrated.

The authors are, respectively, vice-president and fellow (Americas), Observer Research Foundation

When he was hired by Tata Elxsi, the company was selling Elxsi computers and later, after Elxsi lost ground and exited the business, moved on to use Silicon Graphics workstations. Tata Elxsi would partner with several other rising (and now defunct) computer companies of Silicon Valley before it found its calling — in the design and technology integration business, providing high-end services to a handful of industries that require specialised design work, using computer-aided design and computer-aided manufacturing. One of the more interesting parts of the book gives a glimpse into the way the Tatas

looked at the emerging field of IT in the 1970s and 1980s. F C Kohli had started TCS. TCS also had a partnership with Burroughs Corporation, which was a big name in mainframes. Ratan Tata had

the bureaucracy must know what is expected of them if government is to become an enabler rather than a disabler of business. The tax and enforcement arms must be spent on sincerely.

Second, monitoring and support. When change comes at gale speed, there will be winners and losers. Unless the losers are identified early and helped to make the necessary transition, they will become speed-breakers. Even winners need help, for early success means they must be enabled to scale up.

Third, asking before deciding. The government must ask questions of business and the wealthy, so that it can formulate the right policies and support systems for growth and innovation. For example, why did the tax cuts of 2019 and other tax reforms not ignite an avalanche of investments by India Inc? Why isn't business investing in research & development, and especially those businesses that have huge hoards of cash, from information technology (IT) services companies to those run by the Ambanis, Adanis, Tatas, Birlas, Mahindras, and others? Why are so many millionaires moving to new tax and living jurisdictions? Is it because of the perception that there is too much victimisation by tax or enforcement officials, or is it just the everyday pain of dealing with an extractive state apparatus?

Fourth, states and local bodies. State governments, and especially those headed by non-National Democratic Alliance parties, must be part of the new reform consensus. The conversation can begin at the national level, but must move to the state and sub-state actors involved in governance. The BJP ruled states are not necessarily doing much better just because they operate under a "double-engine" illusion. If the Opposition has its grouses, why are BJP-ruled states not hung-ho about reforms? Why are they not letting their urban areas grow by investing in water, roads, and sewage infrastructure? If urban governance is going to be key to growth, why are our cities so badly governed?

Fifth, there must be multiple conversations with our micro, small and medium enterprises (MSMEs), especially at the state and local body levels, to make sure their lives are free from over-regulation. The creation of an "entrepreneurial state", as the Survey recommends, means we cannot have debilitating and extractive officials operating in the system when MSMEs are key to not only jobs, but also the successful growth of competitive supply chains that can then feed the big boys.

Sixth, we must never forget agriculture, the most unformed area in India. After the Modi government was forced to withdraw the three farm reform laws in 2021, it has focused on trying to work around the issue by encouraging the creation of farmer producer organisations (FPOs), giving specific support to fisheries and animal husbandry, and promoting high-value agri-products like coconut, cocoa, and cashew (this Budget). But it has engaged with small, medium and large farmers, too, and wean them off the idea that minimum support prices (MSPs) are the cure for all the farm sector's ills. MSPs are needed, but they are not the solution. The government should not wait till the next time farmers congregate at the borders of Delhi to start talking.

If headwinds have to be turned to tailwinds, as the Survey suggests, these are the kinds of politico-economic conversations and dialogues with stakeholders that must be instituted before actual reforms are implemented. It can't be done by Budgets or trade deals alone. The real work begins after these things get done.

The author is a senior journalist

Tata Elxsi: Inside the turnaround



PROSENJIT DATTA

Despite the sub-title, this volume is not entirely about Tata Elxsi. Half the book, or perhaps a bit more, is about the author, his childhood, his studies in IT Kharagpur, his early career — in HCL (then Hindustan Computers Ltd) and OMC Computers — before he joins Tata Elxsi after being interviewed by the legendary F C Kohli. (Kohli also gets a full chapter — mostly anecdotes of his interactions with the author.)

This is not to say that the author's life story overshadows the Tata Elxsi story. The book covers in good detail the years during which the author was associated

with the company. He was with Tata Elxsi for just under a decade — having joined as general manager, marketing and then becoming the managing director, before he left to head Cisco India. Those years also saw the turnaround and stabilisation of Tata Elxsi, which stopped being a loss-maker and found the areas to focus on.

S Devarajan also researched the founding of Elxsi in the United States, by Joe Rizzi and Thampy Thomas and their co-founders. This was necessary because Elxsi no longer exists — it was sold to Gene Amdahl, a renowned computer architect, in 1985. Later, Elxsi got out of the computer business, though Tata Elxsi retained its name. Ratan Tata wanted to drop the Elxsi name from the company and the author discussed different alternatives with his top team. But then, his chief financial officer pointed out what a name change would entail — the company would need to send a letter to shareholders to get the majority to give their assent to the name change in an extra-

ordinary general meeting. These were days before emails and the costs would be prohibitive for the organisation, which was not out of the woods yet financially.

Mr Devarajan also talked to his successor who heads the company now to get updates (carried in the book) on the current status of the company. And that is good — many former leaders often forget or try to reduce the contributions of their predecessors and successors and amplify their own contributions. While Mr Devarajan doesn't shy away from taking credit for the turnaround, he is careful not to make it a one-man story and his colleagues who helped him on every bit of the journey.

What makes the book work is Mr Devarajan's narrative style. He manages a fine balance of talking about himself, his decisions at Tata Elxsi, and leading the turnaround without being either self-deprecating or self-laudatory. Instead, he chooses a matter-of-fact

tone and lets the achievements speak for themselves.

Tata Elxsi is not a huge IT company in terms of size — it clocked ₹3,729 crore as revenues for 2025. However, it is a strong player in India and several other countries in design and technology services in automobiles, healthcare, broadcast and transportation. But the story is interesting because the company, especially in its early years, was a witness to the rise and fall of numerous computer trends as well as iconic companies in Silicon Valley.

Mr Devarajan was hired in a campus interview at IIT Kharagpur by HCL. He learnt from the legendary Arjun Malhotra, co-founder of the group. For those who are not acquainted with HCL's history, it was a pioneer in designing and selling micro- and then mini-computers in India and one of the great innovators of computer design in the 1970s and 1980s. Later, Mr Devarajan joined ICM

— selling mainframes — for a short while in India before moving to OMC and then Tata Elxsi.

When he was hired by Tata Elxsi, the company was selling Elxsi computers and later, after Elxsi lost ground and exited the business, moved on to use Silicon Graphics workstations. Tata Elxsi would partner with several other rising (and now defunct) computer companies of Silicon Valley before it found its calling — in the design and technology integration business, providing high-end services to a handful of industries that require specialised design work, using computer-aided design and computer-aided manufacturing. One of the more interesting parts of the book gives a glimpse into the way the Tatas

looked at the emerging field of IT in the 1970s and 1980s. F C Kohli had started TCS. TCS also had a partnership with Burroughs Corporation, which was a big name in mainframes. Ratan Tata had

travelled to the US and been intrigued by Elxsi. Along with venture capitalists like Arthur Rock, the Tatas had invested in the US startup.

The group wanted to do both research & development and manufacturing of computers in India. Despite legal hurdles because of the US and Indian government regulations relating to computers, Ratan Tata and his team found workarounds, including the partnership with Elxsi's Singapore arm, because the US did not want the technology to come to India.

These developments make the reader wonder, therefore, why the Tatas did not spot the new burst of artificial intelligence (AI) innovation in the 2010s. Why didn't the Tata group find promising startups in GenAI and other technology innovations around the world when investing abroad is much easier now. Those questions will probably wait for another author and another book.

The reviewer is former editor of *Business World* and *Business Today* magazines, and author of *Will India Get Rich Before It Turns 100?* A Reality

YOUR DAILY ARABIC PROVERB

Neither virtue nor vice can be divided into
fractions — you cannot be halfway noble, a
quarter brave, a third of a liar, or one-sixth a thief.

Said Takleddine

(20th-century Lebanese playwright and businessman)

Opinion

The power of passive resistance

HASSAN BIN YOUSSEF YASSIN

For some years now, we have been coming to the realization that the multilateral institutions we set up at the close of the Second World War, such as the UN, have lost their effectiveness in a world of escalating hard power and great power rivalry. Where we could once count on cooperation and a rules-based international order, much of the world is now at the mercy of the narrow self-interest and bullying of a few great powers. Their power is expressed today through bluster, propaganda, a loss of transparency and predictability, and the constant threat of economic or military conflict. We are left decidedly in a world we no longer recognize and in which we appear subservient.

The World Economic Forum Annual Meeting in Davos, whose 2026 edition took place last month, has become somewhat of a caricature of itself over the past few years.

A group of overprivileged, elitist politicians and businessmen pat each other on the back, give a series of boring speeches and put on a somewhat comical display. This year, however, thanks to US President Donald Trump's threats over Greenland, was different, prompting a reaction in particular from Canadian Prime Minister Mark Carney. He summarized the reality we face in the world today in a clear and succinct 15-minute speech.

The prime minister stated that it need not follow that, in a world where the strong can do what they want, the rest of the world has no choice but to submit. He called upon Czech dissident, and later president, Vaclav Havel's example of the greengrocer from his 1978 essay "The Power of the Powerless." A greengrocer who every day puts up a sign reading "Workers of the World Unite" in his shop window to signal his assumed support for the communist regime one day decides to remove the sign. The



Hassan bin Youssef Yassin worked closely with Saudi petroleum ministers Atkullah Turki and Ahmed Zaki Yamani from 1959 to 1967. He headed the Saudi Information Office in Washington from 1972 to 1981 and served with the Arab League Observer delegation to the UN from 1981 to 1983.

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illusion of support for the regime begins to crack as a result, as everyone else follows suit and discards their assumed public support for their private opposition. The bottom line of Havel's essay is that "the power of the powerless lies in their unity" and can overcome even the most powerful behemoths.

When all hope appears lost, the power of truth, decency and the unity of ordinary people can overcome even the greatest power. Where once there was silence, a whisper turns into the resounding voice of the people, challenging domination and injustice.

Carney admitted that the fiction of a rules-based international order and American hegemony had been a useful one and, as a result, we all gladly placed our signs in the window. Today, however, our eyes are open and we must "actively take on the world as it is, not wait around for a world we wish to be."

I believe many of us had already been thinking, subconsciously, what Carney expressed so eloquently. We refuse to be bullied by the simpletons of power and their threats, and I believe that many Americans share our opinion. Israel, which has also based its power on force and arrogance, will not succeed in subduing the dignity of real people either; again, many Israelis hold the same thoughts.

We all know that the real issues sensible people and nations must address most urgently concern the ongoing degradation of our environment and the growing injustices and incitement of hatred around the world. As Havel's greengrocer did, it is up to us to stand up for humanity, for peace and for the mutual benefits that can be achieved for all if we work together, with honesty, integrity and shared human values. The old world order is no more, but that certainly does not mean that we cannot build a new one — even a better one — together.

The power of truth, decency and the unity of ordinary people can overcome even the greatest power



Headlines tell the story of a West that is fiercely protective of its own sovereignty but indifferent to that of others

Carney and the selective death of the rules-based order

DR. RAMZY BAROUD

Canadian Prime Minister Mark Carney sounded more like a populist leader than a former central banker during his address at the World Economic Forum in Davos last month. Bemoaning the "fading" of the rules-based order, Carney delivered a surprisingly blunt speech. "The old order is not coming back," he declared. "We are in the midst of a rupture, not a transition." In this new reality, he warned, quoting Thucydides, "the strong can do what they can and the weak must suffer what they must."

The "revolutionary" rhetoric did not stop there. Carney called for "strategic autonomy" for middle powers, warning that "if we're not at the table, we're on the menu." He insisted that the West could no longer rely solely on "the strength of our values," but must pivot to "the value of our strength."

Yet, before mistaking Carney for a Thomas Sankara or a Patrice Lumumba, one must recall his administration's record on the slaughter in Gaza. The irony is inescapable: Carney rails against a world where "might makes right" when it involves American tariffs or threats to Greenland, yet he presides over a policy that facilitates exactly that in the Middle East.

The contrast between Carney's Davos persona and his policy on Gaza is best illustrated by a single moment in Calgary on April 8, 2025. During a campaign rally, Carney was interrupted by a shout: "Mr. Carney, there is a genocide in Palestine." The prime minister responded: "I'm aware. That's why we have an arms embargo."

For a few hours, it appeared the leader of a G7 nation had finally acknowledged the legal reality unfolding in Gaza. But the following day, after an immediate political backlash, Carney performed a semantic



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retreat. With that, the official Canadian line returned to its former self: reducing the systematic extermination of the Palestinians to a mere humanitarian concern.

Carney is far from alone. The French, British and German leaders have all perfected this brand of strategic double-speak. Headlines referencing them tell the story of a West that is fiercely protective of its own sovereignty but indifferent to that of others.

The West's concept of a "global order" has always been structural, not accidental — privileging its own strategic interests while marginalizing the rights of the Global South. This imbalance is not a bug in the system, it is the modus operandi of the system itself. Canada and Europe are only crying foul now because, for the first time in generations, they feel the walls of the privileged club closing in on them. They scream for international law to protect their trade routes and borders from Donald

Trump, yet they actively dismantle those same laws to shield an ally in Gaza.

However, the US-Israeli attempt to reshape global politics presents Europe and Canada with a rare opportunity. While it is difficult to sympathize with their current grievances, that position could change if they chose to reorient themselves morally. They could enforce international law consistently, pursue war criminals without bias and end their roles as junior partners in Washington's unconditional support for a brutal occupation.

Failing to do so merely exposes the "rupture" Carney described as a self-inflicted wound. Even Carney must realize that values held only when convenient are not values at all — they are merely leverage. If the West continues to shout for the rules only when its own interests are on the menu, it should not be surprised when the rest of the world stops listening to the lecture. In fact, many of us already have.

Opinion

Lebanon must focus on achievable goals

CHRIS DOYLE



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Looking for avenues for optimism in the regional miasma, one wonders whether Lebanon might offer up some hope. This is a country and a people who have undergone such suffering thanks to the Syrian war and consequent refugee crisis, the economic collapse and the Beirut port explosion, as well as Israel's 2024 war on the country. The Lebanese could do with a decent break.

So, why the hint of optimism? For various reasons, there may soon be a pivotal moment where a hitherto weak and fragile state can assert its sovereign control and decouple itself from the aggressive ambitions of external powers, not least Israel and Iran.

Firstly, in President Joseph Aoun and Prime Minister Nawaf Salam, who have been at the helm for about a year, Lebanon has a ruling duo with widespread local, regional and international credibility. This may not last, so the two need backing not just economically but politically.

Secondly, in the quest to assert the role of the state, nonstate actors have to cede ground and respect this. The weakness

of Hezbollah presents just such an opportunity.

Thirdly, Iran is no longer the power it was owing to the US sanctions regime and the June war of last year. It cannot offer its allies, including Hezbollah, the weapons, training and finance that it once could.

Yet, to build on this, local and external actors must contribute.

The Israeli leadership, like it does with Gaza, has difficulty in understanding what a ceasefire entails. According to the UN

Interim Force in Lebanon, Israel has violated the November 2024 ceasefire more than 10,000 times and has frequently targeted the UN agency itself. What will encourage Israel is the minimal pushback these violations receive from international actors. The US did make some moves along this

path, but not with the full weight that this Trump administration can bring to bear.

Far from calling out the attacks on UNIFIL, the UN Security Council has stipulated that its mandate will expire at the end of 2026, largely at the US' insistence. This is foolhardy. When one considers the history of this border and the wars and clashes that have transpired in this small area, the need for a multinational presence is crystal clear.

To profit from this narrow window, major international actors must pressure Israel to honor its ceasefire obligations

Normalization should not be rushed. The Lebanese public is not yet ready for this, not least because of anger over Gaza

To profit from this narrow window, major international actors must pressure Israel to honor its obligations under the ceasefire agreement, including UNSC Resolution 1701. This means a full withdrawal from the five hilltops in South Lebanon that Israel is occupying. This should be carried out immediately but, if not, there should be a proper timetable for withdrawal as a bare minimum.

The US has led the charge to bring about the dismantling of Hezbollah. This makes sense. The Lebanese state must have a monopoly over the use of force. For too long, Hezbollah has undermined that.

But the Lebanese government is on the horns of a dilemma. It is one thing to clear weapons from south of the Litani River but quite another to disarm Hezbollah in its entirety without a political agreement. All parties should be wary of getting the Lebanese army into a military confrontation with Hezbollah, as it is unlikely to be able to win. It is crucial that the army has the credibility of a national institution that protects all communities and is not the enemy of one.

There has to be some form of political offer to Hezbollah as to how its fighters

might get incorporated into the country's armed forces. Its supporters will want reassurance that they will not lose out politically and economically.

The Israeli government and the US are pressing Lebanon to agree to normalization. Israeli figures tried to push for interministerial meetings and not the ceasefire mechanism as a means to get closer to full ties. The US has even had to calm fears by confirming that this mechanism will still be meeting.

Normalization should not be rushed.

Lebanon is a front-line state, invaded multiple times by Israel and its territory occupied for protracted periods of time. The Lebanese public is not yet ready for this, not least because of anger over Gaza. This is something that is not, at this stage, realistic for the Aoun-Salam

government. Its position is that the parties should implement the Arab Peace Initiative of 2002, meaning normalization would be contingent on the end of the occupation of Palestine.

But a security agreement with Israel might be feasible. Finalizing the border should also be possible. It is better to focus on what is achievable rather than engage in fantasies.

Rubio and the future of American diplomacy

DALIA AL-AQIDI



Dalia Al-Aqidi is executive director at the American Center for Counter Extremism.

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For much of the past decade, American foreign policy has felt confused, cautious and often reactive. Allies were unsure where the US stood.

Adversaries tested limits. Too often, decisions seemed driven by short-term political pressures rather than a clear long-term strategy, creating a vacuum in global leadership. In that space, rivals like China, Russia and Iran moved more aggressively to expand their influence, while partners in Europe and the Middle East began questioning whether Washington was still willing and able to lead.

In this context, a strong argument can be made that Marco Rubio is emerging as one of the most effective secretaries of state in modern

American history. Not because of dramatic gestures or media attention but because he has brought back something essential to US diplomacy: strategic seriousness.

Rubio understands a basic truth that many policymakers lost sight of: foreign policy is not about being liked. It is about power, security and responsibility. The purpose of American diplomacy is not to seek applause but to defend national interests, stand with allies and stop threats

before they turn into conflicts.

The Florida politician, who has spent more than half his life in public service, does not rely on wishful thinking to confront global challenges. His approach is grounded in realism: that power cannot be ignored, threats must be faced directly and lasting peace is built through strength and clear-eyed judgment, not comforting illusions.

One of Rubio's most notable qualities is clarity. He speaks about authoritarian regimes without hiding behind vague

diplomatic language. This clarity is not about confrontation for its own sake. It is about honesty. Rubio understands that diplomacy built on false assumptions leads to failed policies. You cannot negotiate effectively if you refuse to admit what you are

negotiating against.

At the same time, the American official has shown that strength does not mean recklessness. He does not seek endless wars or military escalation. Instead, he focuses on prevention: making clear that aggression will be costly, while keeping diplomatic channels open for serious negotiation. This balance is one of the most difficult skills in foreign policy and one of the most valuable.

Rubio also restores moral clarity to

American diplomacy. For years, the US hesitated to speak firmly about its values. Human rights were applied unevenly and democracy often sounded more like a talking point than a real commitment. Rubio brings the focus back to a simple belief: that freedom, the rule of law and human dignity are not special privileges for the West but fundamental rights people everywhere want and deserve. When the US speaks with moral uncertainty, authoritarian regimes fill the vacuum with their own narratives. When America is clear about what it stands for, it gives courage to reformers, dissidents, journalists and civil society actors across the world.

Rubio's support for democratic allies is not symbolic. He understands that alliances are not acts of charity; they are strategic assets. He treats partners in Europe, Asia and the Middle East as force multipliers that strengthen global stability. Whether in supporting NATO, strengthening ties with Indo-Pacific democracies or reinforcing partnerships in the Middle East, he has made it clear that the US does not lead alone, but it must still lead.

However, Rubio's main weakness, according to critics, is that his strong moral view of global politics can limit the flexibility

of diplomacy. In many parts of the world, especially in the Middle East, Africa and parts of Asia, Washington must often work with imperfect partners to prevent larger crises. Rubio's preference for firm language, sanctions and public pressure, while powerful tools, can at times narrow diplomatic options and harden positions. Critics argue that an overreliance on pressure risks pushing hostile regimes closer to rivals like China and Russia and closing channels that could be useful for de-escalation.

In simple terms, Rubio is excellent at drawing clear lines but real diplomacy often takes place in the gray areas, where patience, compromise and discreet engagement are also necessary.

The international community does not need a perfect America but it does need a clear and steady one. When US policy is uncertain, global instability grows. When it is grounded, consistent and guided by principles, nations can plan ahead, work together and manage conflicts with greater confidence.

In a world marked by rising authoritarianism, weak institutions and growing insecurity, these are not luxuries. They are necessities.

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Opinion

What a comparison with F.D.R. reveals about Trump

Franklin D. Roosevelt was the first president to systematically weaponize the government to help achieve his transformative goals. But Trump acts in an entirely different context.

**Jack Goldsmith
Samuel Moyn**

A little more than a year into President Trump's second term, his executive power grabs have been arrestingly similar to ones pioneered by an iconic predecessor liberals revere: Franklin D. Roosevelt.

Yet this comparison, far from proving that Trump might reconstruct the nation through sheer will, highlights the limits of what he can accomplish. An executive strongman is scary and can do much damage. But without a broader consensus in Congress and the nation, which Roosevelt had and Mr. Trump lacks, he cannot transform the country. Mr. Trump has called Roosevelt "amazing" and posed with a Roosevelt portrait he bragged about hanging in the White House. Like Mr. Trump, Roosevelt operationalized the belief that, as the progressive Woodrow Wilson argued in 1885, "the checks and balances which once obtained are no longer effective" and that government power should be centralized in the nationally elected president, who alone reflected the national interest.

"The president is at liberty, both in law and conscience, to be as big a man as he can," Wilson said in 1908, adding that only "his capacity will set the limit."

Roosevelt embraced this view upon taking office amid the economic emergency of the Depression. He issued 676 executive orders in his first year (compared with Mr. Trump's 229 in the first year of his second term).

And Roosevelt pushed the idea of what we today call a unitary executive to claim complete presidential control over the newly expanded executive bureaucracy. In 1933 he fired a member of the Federal Trade Commission, the Republican William Humphrey — a step the Supreme Court invalidated in a case that the Supreme Court is now reconsidering.

Unbowed, Roosevelt commissioned a panel of dignitaries who in 1937 recommended that presidential power be enhanced to safeguard citizens "from narrow-minded and dictatorial bureaucratic interference" by independent agencies and the "permanent civil service." He endorsed the plan and in a message to Congress stated that the constitutional framers established the presidency "as a single, strong chief executive officer in which was vested the entire executive power of the national government."

He was also the first president to systematically weaponize the government to help achieve his transformative goals. He set loose the I.R.S. on perceived enemies like Senator Huey Long, the former Treasury secretary Andrew Mellon and the publisher William Randolph Hearst. Roosevelt's Federal Communications Commission pressured broadcasters to avoid criticism of presidential policies. He authorized the F.B.I. director J. Edgar Hoover to surveil and build dossiers on political opponents.

Roosevelt viewed the Constitution as a "layman's document, not a lawyer's contract," as he put it in a Constitution Day speech in 1937. In practice this meant that he was not terribly concerned with constitutional compliance when he sought to achieve what he viewed as an important goal. His attorney

general Francis Biddle would later explain that this attitude prevailed when F.D.R. ordered the exclusion of Japanese-Americans during World War II.

And Roosevelt regularly disrespected the Supreme Court. The White House apparently floated rumors that Roosevelt would ignore an adverse decision, and he prepared an explanatory fireside chat that he never delivered because the court sided with him. He later ignored another Supreme

Court decision (on surveillance) and threatened to defy yet another if the court ruled against him.

He also sought to pack the court with like-minded justices in 1937, arguing in a fireside chat that "we must take action to save the Constitution from the court and the court from itself." The tactic failed, but the court soon changed its mind and enabled the constitutional revolution in rethinking the power of the federal government over the economy that Roosevelt had long sought. He

eventually appointed eight justices to the court to help ensure a judicial stamp of approval on his constitutional revolution.

Roosevelt implicitly justified his approach — attacks on the judiciary, iron-fisted control of the bureaucracy, weaponization of government and opportunistic constitutional interpretation — by the ends of saving the country, transforming fundamental arrangements to serve the needy and to win World War II. Today many progressives

view his imperious tactics in a benign light, if they remember them at all, because of what he accomplished.

Mr. Trump and his supporters have justified their tactics on a claimed need for similar fundamental change. And he has some of his predecessor's gifts, including a rare talent for exploiting media, as Roosevelt did with the radio; a connection (at least at times) with the common man; and an innate political feel for emerging national issues and

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PETE GAREN

A few things worry me about the new Fed pick

The jury is out as to whether Kevin Warsh will do the president's bidding (and do serious damage).

Catherine Rampell

When President Trump announced his choice for Federal Reserve chair on Friday, many observers breathed a sigh of relief. Unlike some of the overtly partisan, sycophantic candidates for the gig, Kevin Warsh seemed pretty normal. Maybe even (hallelujah!) apolitical — a crucial trait if you care about the Fed's ability to deliver low inflation.

They should not be so sanguine. Mr. Warsh's record suggests that he may soon become one of the worst economic forecasters ever appointed to the chairmanship. Plus, he may be much more partisan than his boosters hope.

Let's start with the good news: Mr. Warsh is a dramatically better option than some of the alternatives Mr. Trump was considering. Kevin Hassett, formerly seen as the top contender, kissed up to Mr. Trump so overtly that investors took his subservience for granted — and greatly feared what the loss of Fed independence would mean for the economy.

Mr. Warsh certainly looks the part of a conventional central banker. On Friday, Mr. Trump described him as straight out of "central casting," later adding, "he's got the look." (A quality that matters to Mr. Trump, who in 2017 reportedly ruled out reappointing Janet Yellen as Fed chair in part because she was too short.)

Mr. Warsh is also a seasoned Wall

Streeter and a former Fed governor, not to mention very well connected. His father-in-law is the billionaire cosmetics magnate Ronald Lauder, a Republican megadonor and a longtime personal friend of Mr. Trump. To give you a sense of Mr. Lauder's influence: He's the guy who apparently planted the idea in Mr. Trump's head to buy Greenland.

The real litmus test, of course, is whether Mr. Warsh will do the president's bidding. Mr. Trump has been clear that he expects his next Fed chair to slash interest rates and stimulate the economy. That could do wonders for Republicans in the fast-approaching midterm election cycle.

This expectation is a problem. The Federal Reserve must be politically independent in order to tackle inflation. It must be willing to do unpopular and inconvenient things, including raising interest rates when called for, rather than doing whatever is best for a particular politician or political party. Mr. Warsh knows this. "If the Federal Reserve lost its independence, its hard-earned credibility would quickly dissipate," he said in a 2010 speech titled "An Ode to Independence." "The costs to the economy would be incalculable: Higher inflation, lower standards of living and a currency that risks losing its reserve status."



PHOTO BY ALASTAIR GRANT

But there are reasons to wonder if he still heeds those words. Among them: He has abandoned some of his long-held views just in time to audition for Fed chair.

For most of his career, Mr. Warsh has adopted positions that are roughly the opposite of what Mr. Trump now demands. Mr. Warsh is seen as an inflation hawk, someone who fixates on inflation and usually wants tighter monetary policy, via higher interest rates and a smaller Fed balance sheet. In the darkest depths of the financial crisis and the Great Recession, when nearly every economist on earth worried about extensive job losses — an environment in which interest rate

cuts are usually warranted — Mr. Warsh was a rare voice in his scaremongering about inflation.

The day after Lehman Brothers filed for bankruptcy in 2008, Mr. Warsh, who was then a Fed governor, was still concerned about the possibility of spiking inflation. Instead, the Fed's preferred measure of inflation immediately turned negative, thanks to cratering demand. Unbowed, Mr. Warsh continued sounding the alarm on inflation even in 2010, when inflation was ultralow but unemployment hovered around 10 percent.

It's a good thing the Fed didn't act on Mr. Warsh's advice. The tighter monetary policy he petitioned for would have likely triggered an even more protracted and painful recession. You don't need to take my word for it: This is exactly what the European Central Bank did, worsening the crisis.

The Fed also hiked interest rates in 1929, a decision that helped to plunge the country into the Great Depression. (As the former Fed chair Ben Bernanke once said of the Great Depression, "We did it. We're very sorry," adding, "We won't do it again.")

Of course, plenty of people get predictions wrong. But not usually this wrong, without acknowledgment or explanation of how they'd avoid a

similarly catastrophic error next time, particularly when expecting a promotion.

This brings me to the political expedience that seems to sway Mr. Warsh's choices. He seems more interested in slamming the brakes on the economy when a Democrat is in the White House than when a Republican is.

To wit: He has twice made an abrupt about-face on his usual demands for tighter money, and both occurred when Mr. Trump was in office. The first time was in 2018; the second was after the 2024 election. As recently as September 2024, Mr. Warsh was admonishing the Fed for cutting interest rates, only to reverse himself not long after Mr. Trump took office.

The first time Mr. Warsh interviewed with Mr. Trump for the job of Fed chair was in 2017. He lost out to Jerome Powell. After their conversations, Mr. Warsh later recounted that Fed independence was "not an obvious feature" to the president, and chalked up his rejection to the fact that he hadn't told Mr. Trump what he wanted to hear. "I did not put my ambitions ahead of my principles," he said in an interview.

Mr. Warsh then spent the next several years reportedly attempting to position himself as somewhat more pliable.

In May he defended Mr. Trump's public attacks on the Fed, once considered beyond the pale for any president. Fed officials shouldn't be "pampered princes," Mr. Warsh asserted.

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OPINION

The New York Times

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Slovenian sphinx's flick nixed but sells some tickets



Maureen Dowd

WASHINGTON The riddle of the Slovenian Sphinx has been solved. The perennial question about what Melania Trump is really like, behind her exquisite mannequin's mask, has been answered by her new infomercial, "Melania." It turns out there is no riddle, no enigma, no mystery, no dark anguish.

Melania is not Rapunzel in the tower, pinning to be saved from the ogre imprisoning her. She is comfortable in the frosty vertical solitude of the tower, swaddled in luxury.

Some theaters in the United States showing "Melania" were so empty that was suggested that undocumented immigrants should hide out there. In its opening weekend in the United States and Canada, the movie catnip earned an estimated \$7 million. (The film was also released in 1,600 theaters overseas, but Amazon declined to provide an estimate for international ticket sales on Sunday. Box office analysts said turnout was poor.) Reviews are brutal: "The Independent said the first lady came across as 'a preening, scowling void of pure nothingness in this ghastly bit of propaganda.' The Guardian dismissed the movie as 'gilded trash,' and Variety

asked, "Why would Amazon spend \$75 million on a movie this boring?" (I think we all know the answer to that.)

But the portrait of "The Portrait," as Melania was nicknamed by Ivanka, is revealing because it doesn't reveal anything. We don't even learn whether Melania's feet ache after hours of wearing stilettos. (I picture her as having Barbie feet that cannot flatten.)

We knew everything we needed to know about her in the wake of Jan. 6. In the memoir of Stephanie Grisham, Melania's former aide and confidante, Grisham told a chilling story about the chilly first lady. When the rioters broke through the barricades outside the Capitol, Grisham sent Melania a text: "Do you want to tweet that peaceful protests are the right of every American, but there is no place for lawlessness and violence?" Melania texted back simply "No." She was busy getting ready for a photo shoot of a rug she had chosen for the White House.

Melania knows her deal with the author of "The Art of the Deal." She seems to have no problem with his authoritarian ways. (She is something of an authoritarian herself when it comes to tailoring her inaugural outfits, supervising every scintilla of cloth.)

The president, who once dreamed of being a Hollywood maverick, casts his cabinet based on who looks right for each part. He cast Melania as the alluring, supportive and often-silent wife. She accepts that role, and isn't, as her movie claims, reinventing the role of first lady. The East Wing, until Trump took it down, was her drop.

Over the years, liberals have fantasized that she was a secret member of the #Resistance; that she was a phantom at the White House because she couldn't stand to be around her husband; that one day the Slovenian immigrant would, as conjugal saboteur,

renounce Trump's harsh policies on immigration, castigating his betrayal of her with Stormy Daniels while Melania was pregnant, and denouncing his crude talk about women's private parts and looks.

But stop waiting. She chose Brett Ratner, a director driven out of Hollywood after sexual assault and misconduct claims, to be her biographer. (Trump pressed the Paramount heads for a fourth installment of Ratner's "Rush Hour," and the Ellisons obeyed.) Ratner dwells salaciously on her five-inch stilettos, long legs, comely ankles and cascade of frosted hair.

Melania is where she wants to be, in the bosom of a corrupt family that is prostituting the People's House. Following up her shady ventures into NFTs and a meme coin, the first lady got a windfall from Jeff Bezos, who certainly wanted to curry favor with her husband. Bezos' Amazon MGM studio made her movie, providing a whopping \$40 million for the film and another \$35 million for marketing. The Wall Street Journal reported that Melania's cut of the \$40 million was at least \$28 million.

This is particularly gross given that Amazon is engaged in mass layoffs and Bezos seems intent on starving his Washington Post of money and talent. The split screen of Bezos and his spend-thrift wife, Lauren Sánchez, frolicking everywhere — including Paris fashion week — while the tech mogul defies the crown jewel nurtured by Ben Bradlee and Kay Graham, is sickening.

Speaking of sickening, in a 2002 email from the newly released Epstein files that The Times said is from a "Melania" and appears to be written to Ghislaine Maxwell, "Melania" praises a profile of Jeffrey Epstein in New York magazine and says of Ghislaine, "You look great on the picture." Ghislaine calls "Melania" "Sweet pea" and "Melania" signs her email "Love."

The "documentary" features a candlelight dinner the night before Trump's second inauguration, where all the tech moguls who lavished him with money and gold gifts are parading at the National Building Museum — including Bezos, with Sánchez, and Elon Musk, with his date on his lap.

In a voice-over, Melania talks about her "creative vision" coming to life in the room "filled with the elegance and sophistication of our donors. They're really the driving force behind the campaign and its philosophy and the reason our victory is possible."

Thanks, Bezos, Musk, Tim Cook, Sam Altman and Mark Zuckerberg!

Melania had editorial control over the movie, which covers the 20 days before the 2025 inauguration. There's a scene where Melania is proud to have persuaded her husband to proclaim in his Inaugural Address that he's going to be "a unifier." She seems oblivious to the fact that his rhetoric and policies are designed to enrage and divide.

She and her son, Barron, do not want to get out of the limo during the inaugural parade, and she seems about political violence, again without acknowledging that her husband has been provoking violence since he and Melania rode down his golden escalator.

She has a warm chat about her immigrant roots with a designer who is an immigrant from Laos, ignoring that her husband has torn America apart by designating immigrants and unleashing a rabid force of ICE agents on American cities. (Now, Trump has restricted visas from 75 countries, including Laos.)

Melania, the movie star, lives up to the message on the infamous jacket she wore to a migrant child detention center. "I really don't care. Do I?" It turns out she does care — for herself.



SPENCER PLATT/GETTY IMAGES

What a comparison with F.D.R. reveals about Trump

GOLDSMITH, FROM PAGE 9

opportunities. Roosevelt's actions were also divisive, branded as authoritarian or worse in their time, though leavened by a public geniality and soothing rhetoric that is the opposite of Mr. Trump's openly inflammatory approach to governance.

But Mr. Trump acts in an entirely different context. The country does not face anything like F.D.R.'s emergencies. Mr. Trump has started his second term with a more sympathetic Supreme Court on many issues but oppositional lower courts. Yet he shows no interest in creating the institutional conditions to achieve permanent fundamental change, and he lacks Roosevelt's broad popular support and large majorities in Congress needed to accomplish such change.

Mr. Trump's basic strategy is to act aggressively based on old laws and pray that the Supreme Court blesses his initiatives. He has done this most successfully on executive branch firings, spending cutoffs and, especially, administrative deconstruction, where the court has long been sympathetic. But he

Who knows where Trump's adventurism abroad — a context where unilateralism is typically more consequential — could leave U.S. foreign policy.

has also acted unilaterally on birthright citizenship, tariffs, domestic military deployments and aggressive deportations, where the court's support is less certain. The trade agreement comparison with Roosevelt is instructive. In 1934 he secured from Congress the Reciprocal Trade Agreements Act, beginning nearly a century of presidential authority to reduce tariffs unilaterally. Mr. Trump reversed that trajectory by raising tariffs sharply. But instead of pursuing durable congressional change, he relied on a strained reading of an old emergency statute that the Supreme Court greeted skeptically.

Mr. Trump's "big, beautiful" domestic policy legislation cut taxes, reduced social benefits and increased military and Immigration and Customs Enforcement spending but did little to alter the nature of presidential authority or the structure of the federal government.

By contrast, acting with a friendly Congress, Roosevelt passed 15 major laws in his first 100 days and hundreds more as the New Deal evolved. These laws reorganized American governance by federalizing economic and social regulation, embedding vast discretionary authority in executive agencies and converting the presidency from a



ASSOCIATED PRESS

President Franklin D. Roosevelt pushed the idea of a unitary executive to claim complete presidential control over the executive bureaucracy. He issued 676 executive orders in his first year (compared with President Trump's 228 in the first year of his second term).

limited office into a permanent institution of national economic and military management. They transformed the legal powers of the national government and the expectations of presidential leadership, initiative and responsibility. That transformation persists.

Mr. Trump's unilateral actions, especially his weaponizing ones, will have influence beyond his presidency — if for no other reason than that the painful disruptions to the civil service, universities, law firms and the media might deter them from reverting to the pre-Trump state of affairs for fear of future retribution. And who knows where his adventurism abroad — a context where unilateralism is typically more consequential — could leave U.S. foreign policy.

But his institution-crushing unilateral efforts are very unlikely to add up to transformations on par with Roosevelt's. Most if not all of Mr. Trump's weaponizing tools can be deployed by progressive successors for progressive ends. The same goes for unitary executive power. President Bill Clinton wielded such power to pursue regulatory objectives. President Joe

Biden, alongside his executive order spree, engaged in widespread firings of Trump 1.0 officials.

One lesson here is that expansion of presidential claims easily becomes a spent force and fails to stick without large and durable congressional majorities and sustained public support. For all the ambition of Mr. Trump's second term, it is more like his first — and recent Democratic presidencies — in lacking that foundation.

A second lesson is that aggressive unilateralism under these conditions tends to provoke retaliatory escalation by a successor administration that repurposes prior innovations to push executive power in new directions, only to see those unilateral moves likewise collapse for want of broad political support. This cycle is, in a nutshell, the story of presidential power since at least 2009.

To take the true measure of this presidency so far, therefore, we must acknowledge the increasing self-aggrandizement of recent executives, none of whom have been able to consolidate a paradigm shift in American governance, ruling as they all have amid democ-

cratic disagreement and legislative gridlock. Roosevelt, by contrast, went from strength to strength, with greater electoral popularity in the 1934 midterm elections and his re-election in 1936.

From this perspective, Mr. Trump — precisely by attempting to do so much with the presidency's tools, honing their sharpest edges yet further — is showing that no president can reconstruct the political order with brittle support that is the hallmark of presidents in our time.

It would be foolish to declare an end to his time on the stage of presidential history, but he is teaching revealing lessons about the genuine limits of executive power, not just about its nefarious uses.

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Why Syria must protect its minorities

AYDINTASBAS, FROM PAGE 1

was welcome, too. But the real test will be whether previous comments on Kurdish local governance, language recognition, education and cultural rights become law and are implemented consistently, and whether two ideological extremes — the Kurds' leftist vision and the conservative Islamist cast of Syria's new rulers — can be reconciled.

For the United States, the stakes are not abstract. The risks of continued tensions between Turkey and the Kurds, an ISIS resurgence and new openings for Iran-backed militia across eastern Syria and neighboring Iraq remain. Those developments would once again pull Washington into managing crises it claims to want to leave behind.

There is little doubt that Washington has switched partners in Syria, moving from its alliance with the Kurds to working directly with the country's new rulers. President Trump's special envoy to Syria, Tom Barrack, repeatedly argued that the United States saw no viable alternative to a unified Syria — meaning Washington is not prepared to underwrite Kurdish separatism or a federation.

U.S. officials are mistaken to believe that military integration alone can bring stability. Syria's path to reunification ultimately requires constitutional measures that guarantee Kurdish political inclusion as a recognized community, alongside other minorities. That means embedding into Syria's constitution — and its laws — the right of minorities to use their languages, administer local affairs and shape educational and cultural policies. This constitutional recognition, paired with genuine administrative autonomy for the Kurds, Druze, Christians and other minorities, is the only viable way to unify Syria and prevent renewed tensions. You cannot ask a militia to put down its arms without giving its people a political horizon.

Washington cannot impose democracy in Syria, nor should it try to. It can endorse Syria's territorial unity while insisting that unity without minority rights is a recipe for more instability. Regional politics make this moment in Syria especially delicate. Turkey has a longstanding ambition to yield influence in the region through friendly



GEOGRAPHY ILLUSTRATIONS/ASSOCIATED PRESS

The al-Omar oil field in Deir Ezzor province, in eastern Syria, last month after government troops took control of it from the Kurdish-led Syrian Democratic Forces.

Sunni governments and economic leverage. With Iran weakened and Washington largely aligned with Turkey's policies, President Recep Tayyip Erdogan now has an opportunity to shape the political architecture of the Middle East. He should build his legacy not solely by extending Turkey's hard power but also by bringing a peaceful end to the conflict with Kurds in his country.

A Syria that integrates Kurds politically could serve as an example for Turkey to resume the stalled peace process with the Kurdistan Workers' Party, or PKK, which has links to Syrian Kurds. A workable political settlement in Syria could help stabilize both sides of the border with Turkey. Ankara should not waste time and move forward with its own legislation, already under consideration, allowing for the return of Kurdish fighters who lay down arms.

Both Mr. Erdogan and Mr. Barrack are students of Ottoman history and often appear to believe that a benevolent strongman can do more for his people than a weak demagogue. But that reflects only one interpretation of the Ottoman legacy. Another is the recognition that stability in diverse societies comes not from homogenization, but from negotiated coexistence. Mr. Erdogan should draw on that legacy to understand that suppressing Kurdish political expression in Syria, once a part of the Ottoman Empire, would not serve Turkey's long-term interests. Like the Ottomans at their best, Turkey should position itself not as an enforcer of uniformity under a rigid centralized system but as a guarantor of the rights and well-being of Kurds and other minorities in its neighborhood.

Ultimately, this is Mr. Erdogan's choice. As he often speaks of shaping a new "century of Turkey," the legacy he leaves will depend in part on whether he opts for coercion or coexistence across Turkey's borders. In its turn, Washington needs to urge Turkey to jump-start the peace process with the Kurds. Turkey's security concerns are legitimate, but a pluralistic Syria should be seen as a stabilizing force, not a threat.

ASLI AYDINTASBAS is a fellow at the Brookings Institution and director of the institution's Turkey Project.

Trump's new Fed pick

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Then, when Mr. Trump moved from mere jawboning to actually weaponizing state powers against Fed officials who didn't toe the line, Mr. Warsh dismissed his former colleagues' concerns that this might do to curtail the Fed's independence. In the fall, after Mr. Trump made the unprecedented decision to try to fire the Fed governor Lisa Cook, every living Fed chair signed an amicus brief warning the Supreme Court that the move would "erode public confidence in the Fed" and "threaten the long-term stability of our economy."

Mr. Warsh's response? "I did not know that senior economic officials at the Treasury and the Federal Reserve expertise went all the way to constitutional jurisprudence," he sniped.

Since then, the Trump administration has opened what seems to be a bogus criminal investigation into the outgoing Fed chair, Mr. Powell. This is Mr. Powell's apparent punishment for resisting Mr. Trump's pressure to reduce interest rates.

Mr. Warsh has been stridently — and unusually — caustic toward Mr. Powell, describing Mr. Powell's Fed in the fall as having the "wrong track record, wrong operating framework, lack of curiosity and lack of credibility." Mr. Warsh has, however, since been mum on the political persecution of the man he hopes to succeed.

Markets have shrugged off any prospect of Mr. Warsh's becoming Mr. Trump's puppet. Pivotal of economists I respect have vowed for him, including his former Fed colleagues. But part of their public nonchalance may simply be relief that Mr. Trump didn't give the nod to Mr. Hassett.

Mr. Warsh still has much to prove about his own independence, and his commitment to safeguard the Fed's. A cynic might say he simply found a more polished, less demeaning way to ingratiate himself with Mr. Trump and prove his loyalty than Mr. Hassett did: by making the president's enemies his own.

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EDITORIALS

Laura Fine for Democratic nomination in 9th Congressional District

When Jan Schakowsky announced she would not run for reelection, we expected to see a lot of interest in succeeding her.

But 15 Democrats? That's some pent-up demand.

Schakowsky, 81, has represented the 9th Congressional District for 27 years. The district snakes its way from as far south as Lakeview through Chicago's North Side to all or parts of suburbs including Evanston, Wilmette, Glenview, Skokie, Morton Grove, Niles, Northfield, Buffalo Grove, Prospect Heights, Hawthorn Woods and to points farther north and west all the way to Crystal Lake. It's solidly blue, which explains the large number of Democrats vying for the seat. Four Republicans also are on the primary ballot.

Our choice among this crowded Democratic field, which includes many impressive people including political newcomers with diverse and fascinating resumes, is Laura Fine, 59, a state senator from Glenview. Fine has served in Springfield since 2013, first as a representative and then as a senator. She told us she got into politics after her husband lost his arm 15 years ago in a car accident, and the family's health insurance provider canceled the policy, leaving them with \$600,000 in medical debt.

"I'm the type of person that when I get angry, I have to do something," she said.

Fine led the charge in Springfield to give the state Department of Insurance far more authority to regulate health insurers, a law enacted in 2024. She strikes us as a measured, reasonable and principled lawmaker who understands how to work with fellow legislators and should appeal to those in the district who admire Schakowsky for her record as a fighter for women's rights and a powerful female member of Congress. Fine is extremely well regarded in Springfield, a major factor in our endorsement of her.

Our choice wasn't easy. We think highly as well of Phil Andrew, 58 — a 21-year FBI agent, with experience as a hostage negotiator and public corruption investigator — who endured a traumatic experience of his own as a young man. In 1988, while home from college, his home was invaded by Laurie Dann, who'd shot young children at nearby Hubbard Woods Elementary School, killing one

of them, before taking Andrew's parents hostage. Andrew convinced Dann to release his parents before she shot him while he attempted to disarm her. He nearly died but recovered and then lobbied Congress to pass the Brady Bill, which mandated background checks for gun purchases.

Andrew, who has owned crisis and conflict consultancy PAX Group for eight years after leaving the FBI, is running on a platform of protecting American democracy from the excesses of the Trump administration, which he describes as a full-blown crisis. "Holding this administration accountable for the next two years is going to be critical," he tells us.

If there's a front-runner in the race, it's Evanston Mayor Dan Biss, 48, who also has served in Springfield (Fine succeeded him in both the state House and state Senate) and ran unsuccessfully for governor in 2018, when JB Pritzker won his first term. Endorsed by Schakowsky, Biss is familiar to many in the district; we've admired him for taking some policy positions that put himself at some risk with his constituents, notably his support of the new Northwestern University football stadium, which this page backed but many Evanstonians abhorred.

Biss won a second term as Evanston mayor just last year amid warnings from his opponent that he likely would seek greener pastures before his term ended, so those familiar with his career may have rolled their eyes when he announced his bid for Schakowsky's seat a little over a year later.

He says members of Congress in the current moment need to show an ability to work within the system to get things done and to galvanize the political energy arising from the protest movement against Trump's heavy-handed immigration-enforcement actions.

We think Biss is doing well as Evanston's mayor, a job for which he got our endorsement. We weren't comfortable with Biss' aggressive, on-the-street confrontations with federal immigration agents when they patrolled parts of Evanston last year. We've repeatedly condemned the excesses of Operation Midway Blitz, but we also believe that elected leaders ought to be doing as much de-escalating as possible when it comes to street clashes with



State Sen. Laura Fine, of Glenview, who is running in the Democratic primary for the 9th Congressional District seat, in Springfield on May 8. **E. JASON WAMBURG/CHICAGO TRIBUNE**

law enforcement in order to keep people safe.

Additionally, opponents' criticism that Biss is all too frequently seeking to move up the political ladder is justified in our view. We like him better as Evanston's mayor.

That Biss confronted federal immigration agents in Evanston's streets is owed — at least in part, we're sure — to the presence in the race of activist Kat Abughazaleh, 26, who moved to Chicago in 2024. She has been a frequent presence at protests and in general has behaved more like a performance artist than a congressional candidate. As part of that effort, she made a show of declining (sending a spokesman, for goodness sake) to be part of the editorial board's endorsement interviews after first informing us she would attend.

That's her prerogative, of course, but we hope that even those philosophically aligned with her progressive views will agree that sort of behavior won't produce much of anything positive in Congress. Other than TikTok videos. The good news for voters otherwise predisposed to Abughazaleh is that there's a youthful progressive candidate in the race with similar views but who comes with a record of service and without the ego.

Bushra Amiwala, 28, has been a school board member in Skokie for seven years. A staunch progressive who supports Medicare for All and liberalization of immigration policies to make it easier for international students to stay here and work after they graduate, Amiwala impressed us with her knowledge, communication skills and enthusiasm. Her

views are to the left of ours, but easily within the bounds of those who are interested in Abughazaleh's candidacy. We wouldn't be surprised to see Amiwala in Springfield soon.

We met, too, with non-politicians running to succeed Schakowsky, who made us feel more optimistic about our country's future. Evanston residents Nick Pyati, who left his job in corporate strategy for Microsoft to run for office, and Jeff Cohen, who works for international economics consultancy Analysis Group, struck us as dedicated, intelligent individuals who simply care deeply for the future of our country and believe they have good ideas that go beyond Democratic Party platitudes.

Pyati struck a chord with us when he said that after Donald Trump's 2024 victory, "I got terrified that if we are all focused on winning in these safe seats having platforms that win in a solid blue district but lose in the rest of the country, then we are on track to losing again in 2028."

Cohen's ideas to help more Americans who are struggling economically include making mortgage interest deductible even for those who take the standard deduction. Pyati, in his answers to our questionnaire, was a pragmatist, showing himself open, for example, to raising the eligibility age for Social Security for high earners.

We met as well with second-term state Rep. Hoan Hyunh, 35, who is giving up his seat in Springfield to run for Congress. Representing Chicago's Uptown neighborhood in the state Capitol, Vietnam-born Hyunh's immigrant story is as stirring as

his intelligence and eloquence. However, his proposal in Springfield to tax trades at Chicago's commodities exchanges is a non-starter for us given the likelihood it would cause our critical exchanges to move out of state.

We didn't get a chance to meet with state Sen. Mike Simmons, who represents a North Side district in Springfield and is running for the 9th District. But his responses to our questionnaire revealed a politician well to the left of where we stand.

Also running as Democrats are Evanston homemaker Bethany Johnson; Skokie civil rights attorney Howard Rosenblum (who is deaf himself and has advocated for deaf people's rights); Andersonville environmental engineer Justin Ford; Mark Arnold-Fredrickson, who's run for Congress before; longtime Evanston resident Patricia Brown; and former U.S. Army Capt. Sam Polan, who served multiple tours of duty in the Middle East.

On the Republican ballot, four are running: John Elleson, 63, pastor of Lakewood Chapel in Arlington Heights; Mark Su, a Rogers Park software engineer; Chicagoan Paul Friedman (who pleaded no contest to a misdemeanor charge of fourth-degree criminal sexual conduct in Michigan in 1998); and Rocio Cleveland, who bizarrely gave Abughazaleh a "care package" containing holy water, among other things, at a November campaign event.

We think Elleson, who won the GOP nomination for the seat in 2018 and went on to lose convincingly to Schakowsky, is by far the best of these four choices for those selecting a Republican ballot.

Laura Fine is all-in on this race. Unlike Biss, she is giving up her state Senate seat to run, and given the likelihood that a Democratic primary win will mean a November victory in this solidly blue district, we believe she would be an effective lawmaker in what's looking now like it will be a Democrat-run House of Representatives in 2027. She told us that she had left the progressive caucus in Springfield after she was made to feel uncomfortable for her belief in Israel's right to defend itself or even to exist. A principled position for a principled Democrat, to our minds.

We endorse Laura Fine in the Democratic primary and John Elleson in the GOP primary.

ON THIS DAY 26 YEARS AGO THE BEST AND WORST OF GEORGE RYAN

...We have seen the best and worst of George Ryan this week.

At his best, Ryan is a keen student of Illinois' political mood and is capable of offering an agenda for the state that is at once pragmatic, conservative and forward-looking. His proposals to bank the state's first-year take from tobacco-settlement funds, his admonition that a debate over tax relief not turn into a "bidding war" for voters' affections, and his emphasis on education spending all deserve praise. Ryan signaled that the state will once again be a cheerleader for Illinois business seeking international trade, a mission scaled down by his predecessor. Ryan proposed no less than a complete rewrite of criminal law.

So the governor has an agenda. The question is whether anyone was listening to it.

Ryan's credibility and political standing have been deeply wounded by the license-selling scandal. The indictment Tuesday of Dean Bauer, Ryan's long-time friend and former inspector general in the secretary of state's office, set out a remarkably sweeping story of systematic cover-up of corruption, all to the end of protecting Ryan's political career. These are only charges, yes. But in truth the outstanding questions pertain not to whether there was rampant corruption and an effort to hide it, only to whether Ryan knew or abetted the cover-up.

The governor says he did not. Frankly, that's hard to believe. But Ryan can't undo what was done at the secretary of state's office. And there's not much more he can say beyond the apology he has offered.

The indictment gave no hint that Ryan had an active role, and U.S. Atty. Scott Lassar appropriately refused to say if this investigation would eventually implicate the governor. Eventually the federal probe will support or disprove Ryan's contention that he was unaware of the wrongdoing.

In the meantime, he is the governor and has to make every effort to lead. But he might note that something was noticeably missing from the agenda he set out Wednesday. The word "ethics" never appeared.

Tribune editorial board, Feb. 3, 2000

EDITORIAL CARTOON

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THE FALLING DOLLAR

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OPINION

Illinois shouldn't rush to judgment on federal school voucher program

By Froylan Jimenez

School decisions and classroom lessons are rarely absolute. There is always room for academic improvement and no one way to teach or learn. Similarly, education policy is relative, subject to interpretation and what is "best practice" varies from region to region.

One of the few educational factors that stays consistent across our state is the dire need for more educational funding. Illinois should do its homework and consider all the benefits and opportunities available through the federal tax-credit scholarship program before deciding whether to bypass or opt into this initiative.

All too often education funding policy is a zero-sum situation where public schools get pitted against private and charter schools for funding in the political arena. This is bad policy and only hurts Illinois families and students on all sides. Recently, the Archdiocese of Chicago announced school closures citing finances and declining enrollment as the main reasons families in those schools will be forced to find other options. Similarly, many public schools in Chicago, and across Illinois, are facing low enrollment and financial strain forcing families to look elsewhere for their education.

In all of these situations, additional school funding and a financial boost would help residents, particularly those with low incomes, find solutions.

Enter the recently created federal tax credit scholarship program, which allows taxpayers to make donations to nonprofit organizations that then award K-12 students scholarships to cover a variety of educational expenses. The program would focus on helping low income students whose families make no more than 300% of an area's median income. The new law would allow donors to make up to \$1,700 contribution to nonprofit scholarship granting organizations and would act similarly to an educational grant so that parents could use the funding to best serve their child's academic needs.

This spending flexibility would allow parents to cover a variety of expenses such as but not limited to school tuition, school supplies, student tech-



Huu Nguyen, a board member at Illinois Families for Public Schools, stands with supporters outside the governor's office in the West Loop on Jan. 27 as she calls on Gov. JB Pritzker to opt out of a new federal school voucher program. EILEEN T. MESLAR/CHICAGO TRIBUNE

nology needs, summer or after-school programs, academic tutoring, enrichment, college test prep classes, school transportation and other school or academic expenses. Taxpayers can begin to claim tax credits in 2027 but Illinois families, like others across the country, can only benefit and participate if Illinois' governor agrees to opt in to the program. Critics of this new federal tax scholarship program such as the Chicago Teachers Union, the Illinois Federation of Teachers and other lobbying groups say that this funding program takes money away from public education and diminishes schooling opportunities in favor of private or religious schools. This claim is unconfirmed as key details of the program still need to be released.

I am a Chicago Public Schools' high school teacher, a member of the CTU and a parent with kids that attended both public and private schools. These experiences have showed me that all

schools need the proper materials and personnel to offer a quality education, and all parents should be awarded the opportunity to make the choice that is best for their children. Even though I am a CPS teacher who has seen the need for additional resources, I also empathize with those parents who choose to send their children to parochial schools, charter schools or home school. Education in our state should not be a battle where some students get more and some less, or where school funding is lopsided in favor of some schools and underfunding others. It is absolutely possible to invest in all our students. Consequently, before dismissing this federal tax credit scholarship careful consideration should be given to who can benefit from this additional funding and if this program allows a win-win situation for both public and private schools across Illinois.

There are 23 states that have already demonstrated interest or

in the process of enrolling in this federal program, according to the U.S. Department of Education. Wisconsin, Hawaii, New Mexico and Oregon are the only states that have declared that they will not opt in. Colorado Gov. Jared Polis said of the decision to opt in that it would "be crazy not to." Others, such as Pennsylvania Gov. Josh Shapiro, have indicated that it is too early to make a decision without first knowing more key regulations of the program. This cautious approach seems to be the most responsible. The more the leaders know about the funding parameters and eligibility requirements for donor and recipients, the better equipped they are to make a decision that will best benefit their constituents. For example, a big question that remains is: How much authority will individual states have in regulating program rules?

One thing is for certain, there's no doubt that it would be an egregious mistake to opt out of this potential source of additional

funding for so many Illinois families and students in need without first understanding exactly who will benefit and how. Illinois previously had a similar state scholarship program, the Invest in Kids scholarship, which at one point had the support of Gov. JB Pritzker. It is unfair to compare, contrast or criticize the state program in relation to the federal one as its regulations cannot be assumed to be of the same scope or reach.

The day will come when all the information needed to make a sound decision on this additional source of educational funding is released. When that day comes, we can only hope that the decision that Illinois makes is less political and more of a practical, equitable, good government choice that benefits Illinois families and students in both public and private realms.

Froylan Jimenez is a CPS civics teacher and Chicago Teachers Union member.

Sociology is taking it on the chin. Here's how we can preserve this critical field of study

By Wendy Nelson Espeland

After the dreadful year 2025, I've decided to parse my anger. It's a good time to specialize as so not to wear out one's psyche.

There are so many reasons to be mad; the mostly baseless and endless attacks on higher education, the dismantling of life-saving research, ICE, the subverting of policy that redresses shameful social harms. But the main focus of my anger, at least right now, is because my discipline is taking it on the chin. And I've decided to take it personally.

My field is being portrayed as one of the more "woke" — read ideological — disciplines. We sociologists infamously inculcate our innocent students with communistic ideals. As Florida Gov. Ron DeSantis' commissioner of higher education, Manny Diaz, posted in 2023, sociology "has been hijacked by left-wing activists and no longer serves its intended purpose as a general knowledge course for students." This, to justify excluding sociology classes as meeting core requirements, now the status quo for all state universities in Florida. For now, Oklahoma's efforts to impose new standards on social science curriculum in K-12 courses to make it more Donald Trump-friendly has been stopped by its Supreme Court.

Sociology is often framed as disposable in ways that history or English never would be, even as the future of the humanities is being endlessly debated. Sociology departments are among the first to go when budgets are cut, "consolidations" occur, or when faculty are too political, too frac-

tious, or too whatever.

Administrators report that many students are now afraid of having sociology classes on their transcripts, as this may put off potential employers. The reasons sociology is under threat may be due to the distinctive contributions it makes to higher education and more broadly, to society: It teaches better thinking; there is a fundamental focus on inequality; it synthesizes findings from multiple disciplines; and it interrogates values, ideas and power within systems. I've spent nearly 40 years teaching sociology at three radically different universities: at Arizona State University, a giant, state school known for its first-gen students and parties; at the University of Chicago, a proudly self-selecting "nerd" school where rigor is sardonically celebrated (a popular T-shirt — "Hell does freeze over"); and at Northwestern University, a private, formerly Methodist, research university that is being extorted, my word, by the Trump administration into paying \$75 million for the privilege of continuing to do pioneering, federally funded research.

Some regard sociology as a gut major that caters to lackadaisical students. (But for anyone who took the required, "Mind, Self and Society" aka "Self, Torture and Anxiety" at the University of Chicago, this would be a baffling image). Our majors are told they are unemployable, that what they have learned is irrelevant to good jobs and that if a field isn't STEM adjacent it's a waste of time. Yes, the job market is tough, and many parents have asked the timeless question: "What do you



Florida Education Commissioner Manny Diaz, right, with Gov. Ron DeSantis at a news conference in Miami on May 9, 2023. Diaz posted in 2023 that "Sociology has been hijacked by left-wing activists and no longer serves its intended purpose as a general knowledge course for students." All Florida state universities now exclude sociology classes from meeting core requirements. PEDRO PORTAL/EL NUEVO HERALD

do with a degree in sociology?" One answer: Make better sense of your life and times. Shorter answer: Think better.

Like most stereotypes there is a glimmer of something truthful in the depiction of sociology as "woke." Yes, most sociologists trend liberal. Inequality, in all its iterations, is fundamental to the field and if you study it long enough it's challenging not to want to intervene. We are home to many activist scholars or policy experts who do not see a contradiction in that term. (Do we consider climate scientists activists when they try to educate the broader public or shape policy? And, if so, is this a

bad thing?)

Another contested feature is its breadth. The specialization that cedes politics, economics or communication to separate disciplines is, in sociology, an invitation to synthesize and to consider how these broad social processes engage, reinforce or conflict with one another. Another feature is the importance of thinking across levels of analysis: that is, how do global structures affect nations, organizations, groups and individuals and vice versa? Say, for example, did COVID, a global pandemic, change the delivery of health care, parenting strategies, long-term career goals, how much time teens spend in their

bedrooms, or decisions about leaving children? One criticism of sociology, that it has no single defined methodology, is also a strength. Sociologists routinely use computational methods, statistical analysis, interviews, archives and ethnography in their search for useful data. This methodological eclecticism leads to innovative insights. Moreover, sociology is one of the best empirical fields for interrogating the consequences of different values, for how ideas get built into institutions, for how social networks operate across domains. It is no surprise that it is the field that invented network analysis, an insight and a method that helps us understand how people get jobs, how gang violence spreads and why some teen girls are queen bees while others are fodder.

What to do about the crisis that sociology confronts? If you are a student, go take a sociology class, even if you don't get core credit. Read some sociology. Chances are, what you learn won't align with what the demagogues are saying. And if you don't like our findings, argue with us. With data and logic. More importantly, show up for midterm elections. For most people, action, cultivating a sense of agency, beats seething. This, too, is a fundamental sociological insight. So, stay mad but get going.

Wendy Nelson Espeland is professor emerita of sociology at Northwestern University. She is the co-author, with Michael Sauder, of "Engines of Anxiety: Academic Rankings, Reputations and Accountability."

OPINION

What kind of deal is the US looking for in Cuba?

Daniel DePetris

The capture of Venezuelan strongman Nicolás Maduro in the heart of Caracas last month served multiple purposes for Donald Trump. First, the operation nabbed a man who was a long-time irritant to U.S. interests in Latin America. Second, it demonstrated to other regional leaders what could happen if they refused to meet President Trump's policy demands. And third, taking Maduro off the board was a force-multiplier for the administration's Cuba policy, which centers on increasing economic pressure on the island until its aging rulers either wither away or negotiate their own demise.

For some in the administration, the downfall of Cuba's communist regime would be like a 5-year-old waking up to a mountain of presents on Christmas morning. Secretary of State Marco Rubio, whose parents left Cuba a few years before Fidel Castro took power, has eyed the regime in Havana as one of the world's most pernicious, inhumane and troublesome. Trump couldn't care less about human rights or transplanting democracy on the island, but he does care about wielding power and slaying enemies, real and perceived, to build up his legacy. Given its historical significance, overthrowing the Cuban regime would be at the very top of the list — a feat that all of his predecessors since Dwight D. Eisenhower failed to do.

On the other side of the ledger stands a small, weak country 90 miles off South Florida whose only redeeming quality is the enterprising spirit of its people. Miguel Díaz-Canel, who took over the Cuban presidency from Raúl Castro in 2018, is presiding over Cuba's worst series of crises since the so-called "special period" of the early to mid-1990s, when the collapse of the Soviet Union, Cuba's major benefactor, led to widespread rationing. The COVID-19 pandemic, coupled with the six-decade-long U.S. trade embargo and more U.S. sanctions on the island, has squeezed Cuba's finances to the last handful of pennies.

Even the Cuban government, experts on propaganda, can't hide it anymore. Last summer, the island's economy minister said that the Cuban economy contracted by 10% since 2019. Tourism,



Drivers wait in a long line to enter a gas station in Havana, Cuba, on Friday. **RAMON ESPINOSA/AP**

one of Cuba's major moneymakers, is down by 70% since 2018. Foreign visitors simply don't want to travel to Cuba if it means their U.S. visas could get tied up in bureaucratic purgatory. The same goes for companies that would ordinarily view Cuba as a lucrative investment opportunity; why risk getting fined, prosecuted by the U.S. Justice Department or shut out of the much larger U.S. market when you could just play it safe?

The only thing worse than Cuba's economy is its energy outlook. During the last quarter century of Chavismo in Venezuela, Cubans could depend on Caracas for a steady diet of crude oil at a highly subsidized rate. But with Maduro now sitting in a New York jailhouse and his former vice president, Delcy Rodríguez, trying to please the Trump administration with oil concessions, Venezuelan crude is no longer flowing to the island. Alternatives are few and far between. Russia's crude exports to Cuba are sporadic, and Mexico, which has sent oil to Cuba on a humanitarian basis since the 1970s, is now getting pressured by the Trump administration to cut shipments. Cuba could run out of fuel in the next 15 to 20 days, which means that everything from garbage collection and hospital services to elec-

tricity generation could be disrupted.

To tighten the screws further, Trump signed an executive order last week instituting a tariff regime on any country that sells or supplies crude oil to Cuba. This presents another delicate balancing act for Mexican President Claudia Sheinbaum, who needs to remain in Trump's good graces while at the same time shielding herself from being seen as throwing Cuba under the bus. Failing to do the former could upend U.S.-Mexico relations on any number of fronts; failing to do the latter will get her into trouble with her party's vocal far-left faction, which sees support for Cuba as an extension of anti-imperialism.

Trump, meanwhile, hasn't given us a clue about what he aims to accomplish in Cuba. "It doesn't have to be a humanitarian crisis," Trump said over the weekend. "I think they (Cuba) would come to us and want to make a deal."

But what kind of deal is Trump looking for? According to U.S. law, Washington seeks to accomplish a long list of idealistic goals in Cuba: the release of all political prisoners; the legalization of political activity; free and fair elections under international supervision; an independent judiciary; guaranteeing personal freedoms and rights like free speech and a free press; and a new

constitution. Needless to say, the Cuban authorities aren't interested in doing any of this, particularly if it dilutes their political power or threatens the regime's durability. And while Trump may not busy himself with democracy promotion, it's hard to believe the Cubans will be as amenable to U.S. subjugation as their former Venezuelan allies have been so far.

As I wrote in a recent paper, normalizing the U.S.-Cuba relationship would be the most effective and least costly policy proposal on the table. Cuba isn't a real national security threat to the United States anyway, can't possibly compete with U.S. primacy in the Western Hemisphere and at times has been willing to cooperate with Washington on issues ranging from migration to counter-narcotics. Regime change on the island has also fallen woefully short since 1959, when Castro chased the U.S.-backed dictator off the island.

Yet to expect Trump to embrace this recommendation is borderline delusional. And the Cuban people, suffering under extreme deprivation, will pay the ultimate price.

Daniel DePetris is a fellow at Defense Priorities and a foreign affairs columnist for the Chicago Tribune.

VOICE OF THE PEOPLE

Homicide clearance rate

When we talk about making Chicago's streets safer, clearance rates are often left out of the conversation. As my organization Live Free Illinois explored in 2023 and 2024 reports, improving clearance rates is one of the most tangible ways we can disrupt cycles of crime, build trust between Chicagoans and the people charged with keeping us safe, and deliver justice for crime victims and their families, especially in Black communities. Let's take a look at lower clearance rates. But that's only possible if we have transparent data on what law enforcement is and is not accomplishing in our communities.

The Jan. 30 article about the city's improved clearance rates ("Homicide clearance rate hits 71%") brings up an important point, that the rates being touted by law enforcement aren't necessarily just cases solved but also include cases closed due to "exceptional means" — meaning, no one is actually held accountable for the crime. These types of cases account for more than one third of "solved" cases in Chicago. And of the "exceptional means" cases, a significant number are decades-old.

What does that mean for Chicagoans? Ultimately, it's unclear whether the increase in clearance rates actually means people in the city feel safer or if it's just misleading math. That's not justice for victims and their families; it's public relations for the Chicago Police Department.

Greater data transparency around clearance rates isn't only about justice, though that's incredibly important. It's also about public safety and disrupting cycles of violence. When people don't believe cases will actually be solved in a timely manner, they're more likely to disengage from law enforcement or seek their own forms of accountability, perpetuating a cycle of retributive violence.

Luckily, thanks to a recently passed transparency bill, clearance rate data moving forward will have to spell out exactly how many cases are being closed due to exceptional means. Once we have a better understanding of what's really happening in our communities, we can institute policies that ensure crimes are actually being solved in a timely manner and that Chicagoans actually feel safe.

— *Artiense Myrick, deputy director of Live Free Illinois, Chicago*

Sonya Massey case matters

The sentencing of former Sangamon County sheriff's Deputy Sean Grayson to 20 years in prison for the killing of Sonya Massey is a crucial moment for justice and community trust in law enforcement.

Massey, a 36-year-old Black woman, was shot and killed in her Springfield-area home after she called 911 to report a suspected prowler. A jury convicted Grayson of second-degree murder, and the judge imposed the maximum sentence allowed under that charge.

This case resonates far beyond Springfield. It speaks

directly to questions about police training, use of force and how law enforcement responds when someone is in crisis or simply trying to get help. Body camera footage, which showed Massey unarmed and pleading, raised deep concern among civil rights advocates and families who have experienced similar losses. The fact that the jury did not convict on first-degree murder leaves many feeling that accountability was limited.

Law enforcement must be held to high standards of conduct and trained on de-escalation and clarity about when and how force is used. Communities deserve transparency and policies that protect everyone, especially those who call for help in a moment of fear or confusion. More consistent reforms at both local and state levels are needed to prevent tragedies like this and to build trust between officers and the people they serve.

— *Arav Mestry, Fremont, California*

Opt into federal tax credits

Regarding the article "Public school supporters urge Pritzker to opt out of vouchers" (Jan. 28): Despite the claims of opponents such as Illinois Families for Public Schools and the Illinois Federation of Teachers, the federal scholarship tax credit program is not intended to pull students into private schools.

Scholarship-granting organizations can exist to fund public or private schools. Public school districts' educational foundations should jump at becoming scholarship organizations to take advantage of the funds and secure tax credits for their donors.

Those funds could then be used for tutoring, tuition, supplemental classes, books, online educational materials, standardized testing fees, dual enrollment courses, special-education services and more.

According to the Tribune, "critics argue that the program pulls money away from public schools, and undermines the tradition of American public education." This is false. The scholarship program uses no state or federal funds. But Illinois taxpayers would be able to claim the federal tax credit under any scenario.

If Gov. JB Pritzker has the best interests of Illinois students and families at heart, he'll opt into the program and ensure Illinoisans get their fair share of the federal program. By doing so, he'll be giving Illinois' students a much-needed boost.

— *Mailee Smith, vice president of policy and litigation, Illinois Policy Institute*

Age limits at federal level

Regarding the editorial "No need for a mandatory retirement age in Washington. The voters can do what's needed" (Jan. 28): Rahm Emanuel has never been short of innovative ideas during his long career, so I read with interest his proposal for creating a mandatory retirement age for the president, federal lawmakers and judges.

His proposal for lawmakers has merit if for no other reason than legislative races throughout the country have become dominated by a single party in many House and Senate races. Invariably, voters do not have choices when incumbents with significant financial resources face limited or no competition.

If voters had true choices, the Tribune Editorial Board's stance would have more validity. But all too frequently, congressional elections are impacted by family succession, not true competition. So a mandatory retirement age at 75 or 80 would have legitimate basis for consideration.

The editorial board's position on the presidency has merit.

As it relates to judges, I have been less concerned about the need for a mandatory retirement age because federal judges historically have demonstrated their wisdom in choosing to retire or go on senior status when declining health or faculties indicated this to be the right choice. Supreme Court Justice Ruth Bader Ginsburg may have had significant physical limitations in her final months, but her judgment, temperament and wit did not demonstrate the need for her to be constrained by a mandatory retirement age. So unless that changes, a mandatory judicial retirement age would have the impact of prematurely forcing out highly qualified members of the bench prematurely.

While I respect the editorial board's conclusion, I think a more thoughtful reply might be more appropriate.

— *Christopher Hartrich, Lake Bluff*

Age limits are practical

Regarding Rahm Emanuel's proposal for age limits on federal elected officials, previously I took the position the Tribune Editorial Board does, to let the voters decide. I also felt there should be no term limits. I no longer see it this way.

Even though people are living longer and are healthier, life is changing at a rapid pace. Advances in technology and social changes move fast and are better understood by younger and middle-aged people, who will be living with the legislative consequences of decisions on these matters for decades to come.

Lifetime appointments for Supreme Court justices should end, also. This is not to make those who are older than 75 (I'm one) or those in office for a long time step aside just for younger people.

There are plenty of other ways to make further contributions without serving in office.

— *Jim Tufano, Aurora*

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OPINION

Lemon and the First Amendment



MAIN STREET
By William McCurn

In Minneapolis a war is raging, and it's no longer limited to immigration and Customs Enforcement. Thanks to criminal indictments, the battle-

front has moved from city streets to federal courts. At issue are two different rights, each guaranteed by the First Amendment: freedom of the press and freedom of religion. Two defendants invoke the former, while members of the church that was the target of protest invoke the latter.

The star of this legal drama is former CNN anchor Don Lemon. On the morning of Jan. 18, according to prosecutors, Mr. Lemon joined 20 to 40 agitators in a "coordinated takeover-style attack" on Cities Church in St. Paul during Sunday service.

On Friday, Mr. Lemon and eight others were criminally charged on two counts stemming from that attack. The first is conspiracy to deprive Cities Church congregants of their religious liberty, and the second is interfering with their religious liberty in a house of worship. Though Mr. Lemon is the much bigger name, another arrested and charged was Georgia Fort, an independent journalist with roughly 8,000 followers on YouTube.

Those who broke up the

service were protesting ICE deportations. They chose Cities Church, they say, because one of the church pastors, David Easterwood, is also an ICE official. In a statement after his client's arrest, Mr. Lemon's attorney, Abbe Lowell, invoked Mr. Lemon's First Amendment right:

"Don has been a journalist for 30 years, and his constitutionally protected work in Minneapolis was no different than what he has always done," Mr. Lowell wrote. "The First Amendment exists to protect journalists whose role it is to shine light on the truth and hold those in power accountable."

He's correct—up to a point. Mr. Lemon's constitutional right to report at Cities Church isn't in question. But another part of the First Amendment is implicated here. The right of Americans to the "free exercise" of their faith is mentioned in the same amendment that protects Mr. Lemon's speech. That is a right the protesters violated when they disrupted the service.

Scott Johnson, a St. Paul resident who writes the Power Line blog, cuts to the heart of the competing First Amendment claims with this question about Mr. Lemon and his fellow Cities Church protesters:

"Do they have a First Amendment right to interfere with the First Amendment rights of others?" asks Mr. Johnson. "I think the ques-

tion answers itself."

It isn't an intractable clash of absolutes. Much work is done to factual rather than constitutional distinctions: Was Mr. Lemon inside Cities Church in his capacity as a journalist? Or was he also part of the group that plotted and executed the storming of Cities Church? Does it matter that the people accused of violating religious liberty here are private protesters and not state actors?

Newsmen have no right to disobey the law or to disrupt religious exercise.

The attack itself was ugly—and the ugliness didn't come from the Cities Church faithful. Protesters shouted at children, "Do you know your parents are Nazis? They're going to burn in hell." Amid the disturbance some must have wondered if this was the lead-up to another church shooting. The chaos and confusion were part of the plan.

The Justice Department has shown that it can prosecute newsmen in a delicate proposition because it implicates a constitutional right. But religious liberty is also a constitutional right, even when exercised by mostly white Southern Baptists.

Their religious liberty claims haven't received the

attention they should from a media almost exclusively worried about Mr. Lemon's claim to First Amendment protections—which he invoked that day. "I'm not here as an activist," Mr. Lemon said during his livestream as the protesters disrupted the church. "I'm here as a journalist." Another fact not getting attention is that the passing religious liberty here is not the one asked protesters to leave the church and they didn't.

We'll see how it all plays out in the courts. In the meantime, here's one last, basic fact that appears to be misunderstood: The First Amendment doesn't give journalists a right to disobey laws.

"Don Lemon has exactly the same First Amendment right to barge into a church and disrupt a worship service as I would have to walk into his home and start reporting on his private dinner party—namely, none at all," says Eric Rassbach, vice president and senior counsel at the Becket Fund for Religious Liberty.

"Neither journalists nor protesters enjoy any constitutional right to invade someone else's private space to report on the news or to proclaim their message. By Lemon's logic, the KKK could claim a First Amendment right to storm a black church during services and stage a protest. That gets the First Amendment completely backwards."

Write to mccurn@wsj.com.

BOOKSHELF | By Naomi Schaefer Riley

The Fight For Education

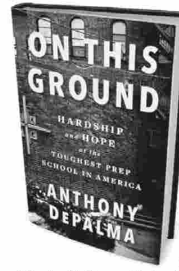
On This Ground

By Anthony DePalma
Morrow, 272 pages, \$30

If heroes are the ones who rush toward a burning building when everyone else is running away, then the monks of the Benedictine abbey in Newark, N.J., who reopened St. Benedict's Preparatory School after the 1967 riots should qualify.

Founded in 1868, the school was mostly a place for the children of immigrant families, offering them a rigorous Catholic education. But the riots and their aftermath brought new challenges. One monk was smashed in the head with a hammer. An errant bullet shattered an abbey window. Said one member of the order, the monks should "sell the whole mess and get out before we all get killed."

In 1972, with enrollment dwindling and poverty and violence wracking the city, the order split and the school shut down. Most of the monks decamped for safer suburban grounds. A small band of brothers stayed, and within



months they hatched a plan to reopen the school by the 1973 academic year. As Anthony DePalma chronicles in "On This Ground: Hardship and Hope at the Toughest Prep School in America," the decisions these monks made have shaped St. Benedict's for more than a half century.

For the 50th anniversary of the school's rebirth, Mr. DePalma, a journalist and the author of "The Cubans" (2020), chronicles an academic year on campus. He observed the inner workings

of the institution and interviewed teachers, administrators and students—boys and girls, the latter having been invited to share the campus, while still taking classes separately, only a few years ago. Mr. DePalma's account will leave readers with a sense of what is possible—and what is not—when it comes to lifting students out of difficult circumstances.

Father Edwin Leahy was barely a few years older than the students in 1972 when he was chosen by his colleagues to lead the school. A graduate of the prep school, he had spent part of his theological training in the South during Jim Crow. Mr. DePalma describes Father Leahy, who is still the school's head, as having a "city-broke-sized chip on his shoulder toward the monks who turned their backs on Newark." His attitude has brought the school great success but has also created challenges.

One of the first questions was what to call the reincarnated institution. The administrators stuck with St. Benedict's but initially dropped the "preparatory." Father Leahy's plan was for St. Benedict's to be a "small, interracial school," designed to address "the educational problems of our time," that was "not going to shovel everyone into college." Parents cried foul. A few months after the school opened, one parent asked why the school could be called "prep" back when the students were mostly white but not when they were mostly black. "Hearing that," writes Mr. DePalma, Father Leahy "realized that his group may have been tainted by the same racism of lower expectations as the monks who left for Morrisstown." And so the school was named St. Benedict's Prep after all.

One of the school's defining characteristics is student leadership. The school is divided into different groups, with leaders at each level and a senior leader who presides over the whole school. They decide on the rules—as they did, the year Mr. DePalma was there, to ban cellphones—and are also in charge of enforcement. Indeed, the administration takes a surprisingly hands-off approach. One teacher told Mr. DePalma that he had expected some consequences when a fight broke out in his classroom. The lack of disciplinary action was difficult for him to accept, and so he resigned after less than six months at the school. The dean, commenting on the incident, told Mr. DePalma the students were "a bunch of teenagers acting like a—holes," and the resigning teacher "wasn't used to it."

A small band of monks were determined to keep St. Benedict's Prep open. Today the school is an incubator of student leadership

The school's atmosphere, as described by Mr. DePalma, feels military. Freshmen go on a 50-mile hike along the Appalachian Trail. Sophomores have to complete a swim test that requires them to jump off a diving board, blindfolded and fully clothed, using their clothing as flotation devices while a former Navy SEAL tries to push them under water.

Academics seem less rigorous. It appears all but impossible for students to fail at St. Benedict's. Father Leahy says he wasn't a very good student himself, and that he cares more about his students' hearts than their minds. (The fact that several students—including the senior leader—were caught cheating during the year Mr. DePalma was at the school raises concerns about the formation of their hearts.) St. Benedict's is a school where students can stumble and still "earn their way back into the community." Even when they reach adulthood and run into trouble, we are told, some seek out the teachers and coaches who mentored them.

Because most students don't start at St. Benedict's until the ninth grade, many are already underperforming academically by the time they join the school. Its admissions standards are not selective, so the faculty must work with what it has. This cannot be a "no excuses" school in the way that some urban charter schools are. And unlike many charters and other Catholic schools, which require involvement from parents, St. Benedict's generally does not engage with families "except when there's trouble," Mr. DePalma tells us. Even then, it's hard to imagine what that would look like. Some of these children have been dealing with years of neglect, with family violence and with parents who have been struggling with addiction. St. Benedict's has an extensive counseling program and boarding options for children who cannot remain with their families.

And so while the school may have had to lower expectations for some, it is still creating a family for them and arming them with the skills and habits they need for a successful life. Most go on to college and some to very selective ones, but the "prep" is not only for higher education.

Ms. Riley, a resident fellow at the American Enterprise Institute, is the author of "No Way to Treat a Child."

A Who's WHO of Groups to Quit

By Eugene Kontorovich

The U.S. formally ended its membership in the World Health Organization last month, in move President Trump set in motion immediately on taking office. This is by far the largest international organization Washington has quit. The administration recently announced plans to withdraw from 66 other international entities.

Mr. Trump has begun an overdue re-evaluation of America's relationship with an expanding, opaque web of international organizations, but the recent round of cuts was broader than it was deep. Still, in a sign of real realignment in State Department attitudes, even organizations with noble-sounding names weren't spared. Previous presidents wouldn't consider quitting the Global Counterterrorism Forum or the International Institute for Justice and the Rule of Law, because they sound nice—even though they accomplish little.

More than a dozen of the exited international organizations dealt with environmental issues, a symptom of significant overlap in their missions. Others, like the Global Forum on Migration and Development and the Venice Commission of the Council of Europe, promote policy agendas largely aligned with European left-wing political values. The United Nations Program for Gender Equality and the Empowerment of Women became notorious for its slow response to Hamas's sexual violence on Oct. 7, 2023, though it didn't miss Amal Clooney's birthday.

International organizations

are where accountability goes to die. They are even further removed from voters than national governments are. Because all states participate on equal terms, there is a classic agency problem in monitoring, with no individual member having adequate incentive to make the necessary efforts. Meaningful reform is impossible for institutions governed by international agreement, in which every member state would need to agree to changes.

The U.S. departs from more than 60 global organizations. Call it an excellent start.

International organizations are run by a bureaucratic class with a relatively common worldview. Although many have leftist agendas, historically Republicans and Democrats have both promoted U.S. participation, expanding the disconnect between American democracy and the entities' agendas. Mr. Trump has broken the cycle of growing entanglements.

At the same time, the administration's exit from 66 organizations exaggerates the scale of the move. Many of the listed entities weren't treaty organizations of which the U.S. was formally a member but rather funds, conferences or informal consortia that a country could participate in or not, carrying no obligations. Many received no U.S. financial support, and some weren't even listed in the State Department's annual in-

ventory of roughly 160 international organizations in which the U.S. participates.

This wasn't a mad house cleaning but more like a culling of online subscriptions. That doesn't mean it wasn't worth doing. Participation in many of these organizations is inherently symbolic—a ritual of internationalism—so quitting them is inherently provocative as well.

The most important exits in this batch are withdrawals from treaties, most saliently the U.N. Framework Convention on Climate Change. The U.S. joined the convention through a treaty ratified in 1992. It is unlikely 67 senators would approve this greenhouse-gas bondswoman again. Future exits should focus on other legacy treaty organizations in the U.N. system like the International Organization for Migration. Another, the Food and Agriculture Organization, was designed to eradicate hunger but is now a bloated, Chinese-dominated anachronism.

One underappreciated consequence of the U.S. exit from international organizations is the potential of litigation in U.S. courts. Part of what insulates international organizations from the consequences of their bad decisions is the broad legal immunity they enjoy. But under the International Organizations Immunities Act, this applies only as long as the U.S. "participates" in the organization.

The WHO may be a prime target for plaintiffs lawyers for its role in the Covid pandemic. According to Secretary of State Marco Rubio and Health and Human Services Secretary Robert F. Kennedy

Walter Russell Mead is away.

Elections Need a REAL ID Requirement

By Brad Raffensperger

One of my most important responsibilities as Georgia's secretary of state is ensuring that every eligible citizen can vote and that every lawful vote is accurately counted. Those responsibilities are inseparable. When voters trust the process, participation rises. When confidence declines, democracy suffers.

That is why I am calling on Congress to make REAL ID a requirement for voting in federal elections. Today, Americans must present a REAL ID to board a commercial flight or enter a federal building or military base. To cast a ballot for our leaders, you should have to do the same.

Verification of one's citizenship status is a core require-

ment in obtaining a REAL ID. An applicant must prove his legal status by showing a passport or birth certificate establishing his citizenship or legal residency. Requiring REAL ID at the ballot box, after updating the National Voter Registration Act, would strengthen

Voting for our leaders should be no less secure than entering a federal building.

election security and help ensure that only U.S. citizens vote in U.S. elections.

In Georgia, we have shown that ballot access and election security aren't competing values. Under my leadership, Georgia has become one of

the safest and most secure places to vote in the country, according to the Bipartisan Policy Center and others, by pairing strong voter protections with transparency, accountability, and common-sense safeguards that increase voter confidence.

Election administration is the job of the states. But Congress has a responsibility to protect federal elections, and requiring REAL ID nationwide would help restore trust. Today elections are administered under vastly different standards. Some states require photo identification; others don't. This inconsistency fuels speculation about election integrity and creates fertile ground for conspiracy theories about stolen elections.

REAL ID is not new. Congress passed the REAL ID Act in 2005 to establish minimum

standards for state-issued driver's licenses and identification cards. In Georgia, 99% of residents possess a REAL ID. States from Colorado to Maryland report similarly high adoption rates.

This is a widely available, well-established form of identification. REAL ID is the gold standard, and it is reasonable to require it to verify eligibility at the ballot box.

I am proud of the work we have done to strengthen the integrity of Georgia's elections. But restoring faith in U.S. elections doesn't stop at the state line. By requiring REAL ID for voting in federal elections, Congress can finally do its part to make our elections safe, secure, and worthy of public trust.

Mr. Raffensperger is Georgia's secretary of state.

OPINION

REVIEW & OUTLOOK

The 'Deal' in Iran Is Regime Change

It's back to the future with Iran talks for President Trump, with the important difference being all that has happened since early June 2025 that makes this search for a deal a dubious quest.

First, in June Iran's nuclear program and top military echelon were devastated by Israeli and then U.S. strikes, which exposed Iran's weakness, penetration by Israeli intelligence, and vulnerability by air. Second, in December and January the Iranian people rose up to demand an end to their regime's failed rule. Third, the regime subsequently massacred its own people by the thousands despite Mr. Trump's repeated demands not to do so.

"If they start killing people like they have in the past, we will get involved," Mr. Trump had warned. "You better not start shooting because we'll start shooting too." As regime thugs later opened fire, the President assured Iranians that "help is on its way."

It took time, but an American armada has arrived in the region. Also moving into place are Thaad and Patriot air defenses to protect U.S. bases and allies in Israel and the Gulf from any Iranian retaliation. In June Iran's threats didn't amount to much, but the U.S. is quietly establishing overmatch on offense and defense. All of this carries a cost, and we doubt Mr. Trump is paying it for nothing.

Nonetheless, U.S. envoy Steve Witkoff is heading back to the Middle East on Tuesday. Mr. Trump is sending mixed signals but says he is open to a deal. Iran says talks are set for later this week in Turkey, though the crucial question is what is left to talk about?

Before June's 12-day war, Mr. Trump gave Ayatollah Ali Khamenei two months to dismantle his nuclear program. The Supreme Leader refused, so Jerusalem and Washington did it for him, burying Iran's nuclear material deep underground. Concessions now on the enrichment of nuclear fuel—if the regime is even willing to make them—are far less meaningful.

Tehran presumably would demand sanc-

tions relief in return, but that would help the regime shore up its power with more money to fund repression. What message would that send to the Iranian people after so many risked their lives to protest?

The U.S. has also been demanding limits on Iran's missile program and an end to its support for terrorist proxies. Both are fine ideas, but they would amount to paper promises that the ayatollah would be unlikely to honor. As Iranians know, this regime is willing to impoverish and endanger its own country to pursue a "death to America" and "death to Israel" foreign policy. It is a regime bent on spreading revolution, not on living peacefully with its neighbors.

Any sanctions relief now would break faith with the protesters, who relied on Mr. Trump's promises, and extend their regime a lifeline while it totters on the brink of becoming a failed state. It would also tell the region that the U.S. President blinked, which would have damaging implications for the next three years of Mr. Trump's Presidency.

Ask Barack Obama about the red line against chemical-weapons use in Syria that he failed to enforce. Russia jumped into the vacuum the U.S. left in Syria, then moved into Ukraine, and the result was more bloodshed and tragedy as U.S. deterrence was seen as feeble.

There is a better way for President Trump: Help the protesters topple the ayatollah and his enforcers. Don't crush the Iranian people's hopes; give them the confidence to keep pushing against a regime that has no answer but bullets to any of their problems. If Iran's revolutionary regime falls, the whole region gets better. China and Russia lose the third spoke in their axis of U.S. adversaries.

The price of oil is lower today than it was at the start of the 12-day war in June, and the U.S. has options to mitigate disruptions. Iran's regime and its proxies are at their weakest, and its people are waiting. Mr. Trump has forged his opportunity, and this is his moment to seize it.

Much has happened since June. The time to barter has passed.

A U.S. Life Expectancy Milestone

Amid the lamentations about America's healthcare system, the Centers for Disease Control and Prevention last week reported some good news you might have missed. Lo, life expectancy in the U.S. hit a record in 2024 as death rates for heart disease, cancer, Covid and drug overdoses fell.

U.S. life expectancy at birth increased to 79 years in 2024, up 0.6 years from 2023 and 0.2 years higher than in 2019. The statistic reflects the average number of years newborns are expected to live if mortality trends stay constant over their lifespans. Life expectancy shifts when death rates change.

In the decade before the pandemic, life expectancy stalled at about 78.5 years amid an increase in drug overdose deaths. Then Covid, alongside a surge in drug overdoses and homicide, caused life expectancy to fall to 76.4 years in 2021. In 2024 America fully recovered from the pandemic decline, and death rates decreased from the top causes of death.

Age-adjusted mortality fell in 2024 for unintentional injuries including overdoses (14.4% lower), as well as for kidney disease (3.8%), diabetes (3.1%), chronic lower respiratory diseases (3%), heart disease (2.8%), suicide (2.8%), chronic liver disease (2.3%), Alzheimer's disease

It hit 79 years in 2024, which is a record and regains pandemic losses.

(2.2%), cancer (1.7%) and stroke (1%). Death rates fell for all age groups and fell the most among those ages 15 to 44.

Covid deaths notably fell to 31,426 in 2024 from 49,932 in 2023. They were as high as 460,513 in 2021. Recent data indicate Covid deaths fell to less than 20,000 in 2025, which would be similar to mortality from the flu.

The increase in life expectancy compared to before the pandemic owes largely to lower death rates for chronic lower respiratory diseases (15.2% decline), cancer (4.7%) and heart disease (2.4%). Much of this progress stems from better treatments, including such GLP-1 drugs as Ozempic and expanded access to them across income groups.

The liberal clerisy likes to bemoan that the U.S. spends more on healthcare than other countries with government-run systems. But Americans have superior medical access than people in countries with nationalized systems, which ration care and have long wait times to see specialists.

America's private health system isn't without flaws—which largely stem from market distortions caused by government—but it's better than the alternatives.

Crony Socialism and Rare Earths

What would Republicans have said if the Biden crowd acquired government stakes in companies with ties to its friends and family? Well, that's more or less what the Trump team is doing to little political objection. State capitalism and political cronyism are in fashion these days, despite a history of failure.

The Commerce Department recently announced a \$1.3 billion loan and \$277 million in direct funding for USA Rare Earth, in return for an equity stake and warrants that are worth about 10% of the company. USA Rare Earth is developing a Texas mine that contains 15 of the 17 rare-earth elements and a magnet manufacturing plant in Oklahoma.

"This investment ensures our supply chains are resilient and no longer reliant on foreign nations," Secretary Howard Lutnick said. If only. While the Texas and Oklahoma investments are promising, the government deal doesn't solve America's rare-earths challenge. It's also fraught with political risk.

Developing an alternative supply chain in rare earths became a more urgent imperative after China last year sought to restrict global exports in retaliation for U.S. semiconductor controls. China mines about 70% and refines 90% of the world's rare earths, which are used in electronics, cars, medical imaging, missiles, fighter jets and more.

Lax environmental rules let Chinese companies produce rare earths cheaply. Beijing doesn't have to worry if hazardous byproducts pollute rivers. The Communist Party has also helped its hometown companies acquire mines in developing countries. Western producers have struggled to compete, and many have been driven out of the market.

Rare earths are a special case in which Wash-

ington intervention may be warranted for now to break Chinese dominance. But government ownership of companies raises the risk that politics will influence business decisions. See how the French government has used its minority stake in automaker Renault to limit layoffs and dictate investments in the country.

Government ownership also increases the risk that officials will exercise favoritism to avoid losses and benefit cronies. USA Rare Earth has hired Cantor Fitzgerald, which is chaired by the Commerce Secretary's son, Brandon Lutnick, to raise private financing. That will be easier to do now that the government has taken a stake in the company.

The Administration has also taken stakes in other mineral companies, including MP Materials, Lithium Americas, Trilogy Metals and Vulcan Elements. Donald Trump Jr.'s 1789 Capital venture fund invested in Vulcan months before the Administration announced its funding and equity stake. Sus, as the young people say.

Trump officials don't care about such apparent conflicts. But Republicans in Congress could put limits on state socialism in appropriations bills. Think of how a future Democratic President would imitate the Trump investment model—how about the government buying shares in electric-vehicle startups?

A better idea to counter China's rare-earth dominance is to coordinate development of mines and processing facilities with allies, as the White House has sought to do with Australia. The Administration could also guarantee government purchases of rare earths and fast-track permitting, as Mr. Trump's Operation Warp Speed did for Covid vaccines.

It's a mistake to think that the only way to beat China is to emulate its statist model.

LETTERS TO THE EDITOR

Ditch the Debt Ceiling and Bring Back 1917

In his Jan. 30 op-ed "The World's Worst Budget Process," former Rep. Van Taylor correctly identifies the Congressional Budget and Impoundment Control Act of 1974 as a problem in the federal budget process. But that was a Band-Aid solution to the real problem: the Second Liberty Bond Act of 1917, which created the first debt ceiling of \$15 billion. The Big Beautiful Bill Act raised this to \$41 trillion, over 2,700 times higher than it was in 1917.

Prior to the 1917 law, Congress could still incur debts but it had to do so with project-specific authorization. Major purchases, like the Panama Canal and the Louisiana Purchase, were financed this way, with Congress defending the decision to incur debt and demonstrating a plan to repay it. This resembled a loan application, while today's deficit spending evokes credit card bills. Importantly, because debts were tied to specific projects, voters could hold elected officials accountable for their fiscal decisions.

President Trump (and Nancy Pelosi) are right that we need to end the debt ceiling once and for all. But we should return to our pre-1917 roots and require Congress to apply for project-specific loans instead of giving themselves a credit card.

DAVE HERBERT
American Inst. for Economic Research
Grand Rapids, Mich.

Mr. Taylor is right that the federal budget process is broken but wrong about why. This isn't a failure of architecture. It is a failure of Congress to defend itself as an institution.

The Worth and the Lack of 'Quiet Progress'

Peggy Noonan is correct that President Trump needs constant action and fears boredom ("Trump Can't Tolerate Peace and Quiet," Declarations, Jan. 24). This is exactly what Lincoln observed amid the Mexican-American War of James Polk, the president who annexed what became Texas—that Polk, in acquiring the land, was seeking military glory—and that his mind was "running hither and thither, like . . . some tortured creature, on a burning surface, finding no position, on which it can settle down, and be at ease."

There are clear parallels between Polk, justifying war with Mexico for territorial expansion, and Mr. Trump's motivation in apparently seeking to annex Greenland.

EILEEN POLLOCK
Baltimore

Ms. Noonan says Trump "shows little faith in quiet progress—set a good policy in place, tend to it as it settles." My Cuban-born wife's parents and her 10 aunts and uncles haven't been able to see their beloved homeland again.

'Inequality' Brings Progress

Regarding Richard Kahlenberg and Lief Lin's op-ed "American Studies Can't Stand Its Subject" (Jan. 23): It's disturbing to see academics so deeply distressed about America's progress. Their claims of racism, sexism and inequality don't pass the smell test. Some of the wealthiest individuals on this planet are people of color, and so many women are heads of Fortune 500 companies. On the worst claim, persistent economic inequality, I'd posit that's essential for progress.

Take any innovation: the automobile, color television, iPhone and so on. Initially, it's the wealthy who demand them, creating a profit motive that urges innovators and entrepreneurs to bring them to market. That derided institution the free market next drives down the price such that average people, even the poor, can afford them.

Some might dismiss this as "trickle down economics." The alternative is "trickle up economics," which the Russians, Cubans and Venezuelans have tried.

MARK CASTELLO
Professor emeritus
Rutgers Business School
Newark

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The 1974 budget act wasn't designed to produce balanced budgets or streamline governance. It was intended to rebalance power. Congress passed it to reclaim authority it had ceded to the executive branch under the 1921 Budget and Accounting Act, after Nixon's abuse of impoundment.

But as ideology and party advantage displaced institutional loyalty, Congress began dismantling its own leverage. Early during the Reagan administration, Senate Republicans used reconciliation effectively and for its intended purpose: to enact the entire budget. However, Democrats forced changes as part of a debt limit negotiation in 1985 that deliberately constrained reconciliation over partisan concerns.

Today's system persists because congressional leadership benefits from centralized control and the White House benefits from executive dominance. Individual members benefit from avoiding responsibility for spending decisions they no longer meaningfully control. Diffused accountability is why the broken budget process persists.

The Constitution gives control over the budget process to Congress. What it lacks is the will to stand up for the institution itself. Until that changes, redesigning procedures cannot fix the budget process. Congress will have to assert its authority and members will have to decide that making difficult decisions is part of the job they were elected to do.

PAUL WINFREY
Economic Policy Innovation Center
Springfield, Va.

while waiting through 67 years of "quiet progress." Now, my wife, who escaped Cuba at 16 years old in 1969, has real hope that she and her generation will once again see a free Cuba! This is only due to the actions of President Trump, not his words or personality.

PHIL FORBES
St. Augustine, Fla.

Ms. Noonan's column brought to mind the words of Thomas à Kempis in his classic "The Imitation of Christ": "There are some that are neither at peace within themselves, nor suffer others to be in peace; they are troublesome to others, but always more troublesome to themselves."

His counsel is always opportune: "To live peacefully with those that are harsh and perverse, or disorderly, or such as oppose us, is a great grace, and highly commendable and manly."

PAUL MALOCHA
Westland, Mich.

I had to chuckle over the idea that Mr. Trump is unable to "tolerate peace and quiet." I'm not sure what planet she lives on but I haven't seen peace and quiet in this world since 1950.

AMANDA R. SIMMONS
Sarasota, Fla.

Get Kids Hooked on Phonics

Rahm Emanuel is spot on in his op-ed, "The 'Mississippi Marathon' Is Teaching Kids to Read" (Jan. 22). I began school in 1960 and learned how to read through phonics. In the 1980s when I started my teaching career my district was teaching children how to read through a program called intensive phonics. That program played a big role in teaching kids how to read beginning in the first grade. Then in the '90s they switched to less phonics and more whole language approach. A few years later the district purchased a new reading series which turned out to be easier (i.e., dumbed down).

Parents also play a role in helping to educate their children. Young children should read at least 30 minutes every night. The time should increase with age. If you have high expectations, a child will rise to the challenge. I had a sign in my classroom that said, "There is no such thing as 'I Can't.'"

MATINA KANTZAVELOS
Morton Grove, Ill.

Pepper ... And Salt

THE WALL STREET JOURNAL



"I'm still not finding it. When did you say you filed for the extension?"

OPINION

The Economics of Hip Hop

By Roland Fryer

Hip hop has been the soundtrack of my life. When I close my eyes, I can still feel the walk to elementary school—morning light low and pale, sneakers darkening with dew—and hear myself half-whispering, half-performing Run-DMC's "You Be Illin'," trying on rhythm and swagger like a second skin long before I understood the consequences of either. By high school it was Dr. Dre, bass rattling the rearview mirror of my beat-up white Monte Carlo—raw, confrontational, impossible to ignore. Now it's Killer Mike, layered, reflective and musically expansive. The style has evolved. The feeling hasn't.

Today, hip hop plays at weddings, fills Ivy League dorms and blares from cycling studios in wealthy suburbs. Teenagers worldwide stream the music their parents once were warned about. In the 1980s, hip-hop albums felt like contraband. I used to sneak 2 Live Crew into my grandmother's truck, listening nervously with the engine off, worried I'd drain the battery and get caught. The music felt risky—not because it was dangerous, but because adults treated it as such.

Do graphic rap lyrics cause social breakdown? To find out, we looked at decades of nationwide radio data.

What began in the 1970s at DJ Kool Herc's Bronx block parties is now a global economic force. It dominates U.S. music streaming and anchors a multibillion-dollar market spanning music, fashion, advertising and media. Yet for all its reach, we still lack an empirical answer to a basic question: How has hip hop affected the lives of those most exposed to it?

Answering that requires more than moralizing. It requires measurement—what people actually heard, how the content evolved, and whether exposure changed real-world outcomes.

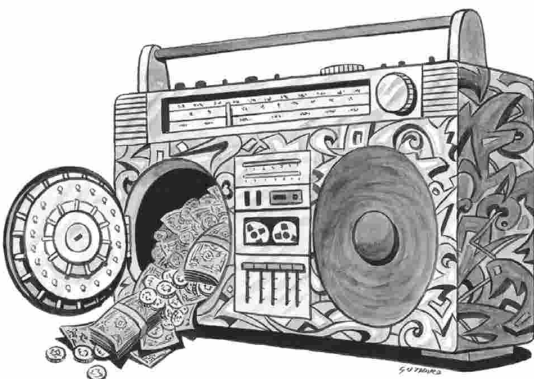
Part of the reason we still lack a clear answer is ideological. Many

critics decided long ago what they wanted the answer to be. Geraldo Rivera claimed in 2015 that hip hop had done more damage to black Americans over the previous decade than racism—a view echoed, in softer form, by educators and civil-rights leaders who argue that lyrics glorifying violence, misogyny, defiance of authority and the casual use of the nation's most notorious racial slur must inevitably shape behavior. Defenders are just as certain in the opposite direction. Artists and fans have long described hip hop as a form of journalism—"the CNN of the hood," as Chuck D of Public Enemy famously put it—arguing that the music documents social reality rather than creates it.

The other reason is methodological. Culture is difficult to study, and clean natural experiments are rare. Teenagers who listen to aggressive music differ from those who don't in ways that are hard to observe and harder to disentangle. In a widely cited laboratory study, Craig Anderson and his co-authors found that exposure to songs with violent lyrics can momentarily increase aggressive thoughts and feelings. But those short-run effects offer little guidance about long-run impacts on behavior, education or earnings.

Culture also responds to social change, which makes cause and effect easy to confuse. If crime rises at the same time as rap music becomes more popular, is the music driving behavior or responding to it? Even careful scholars can fall into this trap. In a National Academies volume, Ronald F. Ferguson notes that black-white test-score gaps narrowed substantially after the early 1970s but that progress for adolescents was uneven. He raises changes in "popular culture"—in particular, hip-hop culture—as a possible explanation. That move is tempting, but dangerous: A time-series chart can't tell you whether culture drove the change or merely moved alongside it.

In a TED Talk released on Monday, I describe a decadelong effort



to measure hip hop's impact. My research team and I assembled a data set tracking the genre's diffusion from the late 1980s onward. We compiled exposure measures from virtually every U.S. radio station between 1985 and 2002 and from the Billboard Hot 100 from 2000 through 2024, then digitized station playlists using custom AI tools. The result is a detailed record of what different parts of the country heard in a given year. Using modern text analysis, we examined hundreds of thousands of songs and every word they contained.

We classify hip hop into four broad categories: street, conscious, mainstream and experimental. Street rap centers on hustling and street life—think Dr. Dre or Tupac Shakur. Conscious rap emphasizes political themes and social injustice. Kendrick Lamar, who won a Pulitzer Prize for his lyrics, is a modern exemplar. Mainstream rap is the most radio-friendly and broadly appealing, while experimental rap pushes stylistic boundaries.

What most people actually heard on the radio was far more conventional than the public debate at the time suggested. At its peak—from the late 1980s through the early 2000s—mainstream rap accounted for nearly 90% of rap on the radio. The harder-edged street rap that fu-

els much of the moral panic appeared far less frequently, though its share and cultural influence have grown since 2000.

Radio data also let us look inside the music. Over the past 40 years, hip-hop lyrics have grown substantially more explicit: profanity, violence and misogynistic language each increased roughly fivefold in our text-based measures, while references to drugs rose by approximately half as much. That growth in lyrical intensity helps explain why hip hop continues to provoke anxiety. But it also sharpens the question that matters most, at least to an economist: Does exposure to these lyrics have measurable effects on people's lives?

To answer that, we looked at locations with varied hip-hop exposure—some places where it arrived early, others where it arrived later. Hip hop initially reached mass audiences through a subset of black radio stations, often those formatted as "urban contemporary." Some cities gained early access through those stations. Others didn't for reasons as mundane as geography, signal reach and local radio history.

That uneven rollout created natural variation in exposure. Using radio data and decades of census records, we estimated how much hip hop was played on the radio in each

county in the U.S. over time. We then tested whether increases in hip-hop penetration were linked to changes in crime—and whether people exposed to more hip hop in their formative years experienced worse outcomes in education, employment, earnings, teen births and single parenthood.

The answer was striking. In our estimates, the effects hovered around zero, sometimes even slightly positive. Places with heavier rap exposure didn't experience higher crime, lower educational attainment or weaker labor-market outcomes relative to trends elsewhere.

These findings may seem counterintuitive. Hip hop rose during a period of genuine crisis in many urban communities—the crack epidemic, surging violence and collapsing economic opportunity. But that timing is precisely why critics have so often misunderstood the genre. Hip hop spread fastest where hardship was already most severe, making it appear guilty by association. The music didn't cause those conditions; it narrated them. Blaming hip hop for these realities is like faulting a photograph for its subject matter.

The broader lesson extends beyond music. When outcomes worsen, we are tempted to regulate expression rather than confront underlying issues. School bans, censorship campaigns and moral lectures target what is easiest to see. But culture, more often than not, is a lagging indicator—not a driver—of economic life.

If hip hop had never existed, the trajectory of the communities most exposed to it would have remained the same. Silencing the music wouldn't have created jobs, stabilized families or reduced violence. If we want gentler lyrics, we should solve the problems they describe.

Mr. Fryer, a Journal contributor, is a professor of economics at Harvard, a founder of Equal Opportunity Ventures and a senior fellow at the Manhattan Institute.

Kevin Warsh and the Parable of the Two Sons



EDITOR AT LARGE
By Gerard Baker

A perennially resonant Gospel parable is the one about the vineyard owner with two sons whom he summoned to work on his property. The first refused, but then thought better of it and went and did as his father asked. The second unctuously told his father he would comply but then went off and did something else.

Jesus tells the story as a lesson that we should pay less attention when people loudly tell us what we want to hear and more heed to what they actually do. I suspect it is a good basis for understanding the implications of President Trump's nomination of Kevin Warsh to be chairman of the Federal Reserve.

The president has long been looking for a compliant underling to run the troublesome Fed vineyard in the way he wants—with looser monetary policy. Mr. Trump being a more intimidating figure than the father in Matthew's Gospel, no one in this version of the story was willing to play the defiant son. Instead the final four candidates for the job were a range of eager submissives, each straining to appear enthusiastic to pick up the pruning shears and start cutting rates by the bunch:

Kevin Hassett, chairman of the National Economic Council at the White House, a once-orthodox conservative economist who has become a reliable mouthpiece for Mr. Trump's wildest heresies; Rick Rieder, the BlackRock executive who has been a consistent advocate of easier monetary policy; Christopher Waller, until recently a mainstream Fed governor who weeks ago in-

sisted he was in no rush to cut rates but submitted a last-minute bid to impress the president last week in the form of a dissent from the Federal Open Market Committee's decision to leave rates unchanged; and Mr. Warsh, who has spent the past year herding chairman Jerome Powell and calling for lower rates.

The market reaction to his nomination suggests he is likely to do the right thing as Fed chairman.

It is a curiously convoluted tribute to Mr. Trump's judgment that in Mr. Warsh he has ended up with the man who almost certainly is the least likely of the four to do what the president wants and the most likely to do the right thing.

To anyone who has followed Mr. Warsh's record in and out of government (he joined the Fed as a governor when I was still covering the central bank as a reporter), the balance of his career suggests he was the most hawkish of the final slate of candidates. A fierce opponent of quantitative easing, Mr. Warsh's tight-money credentials are so solid that he expressed skepticism about QE even in the midst of the 2008-09 global financial crisis. Thereafter, in and out of the Fed, he repeatedly warned about the risks of rising inflation, even though the rate declined and stayed low for a decade. And in the years after Covid he again warned that policy was too loose (when inflation actually did take off).

Then for some reason—beginning, a cynic might say, somewhere on the

evening of Nov. 5, 2024—Mr. Warsh began having second thoughts and argued that, even though the Fed has failed to meet its inflation target for five straight years, policy should be looser.

He now argues that artificial intelligence is so dramatic an increase in the productive capacity of the economy that the Fed can do what it did in the 1990s: let the economy run hotter without risk of inflation. The real federal-funds rate is mildly restrictive, and Mr. Warsh seems to think it could be neutral or even negative. There may be something to this, but it's as yet an untested theory with little data to back it up.

His stance against quantitative easing is principled and consistent, but it's unclear that it will lead to the kind of policy outcomes he and

the president seem to want. Mr. Warsh has a strong case when he calls out "mission creep" at the Fed and demands "regime change." He rightly says its bloated balance sheet is distorting the U.S. economy—interrupting market signals, propping up irresponsible fiscal policy, and providing a de facto "Fed put" under asset prices. He also blames it for contributing to inequality, although that's less clear.

But unwinding it not only will be difficult, given rising concerns about market liquidity; it also may not produce the more equitable economic benefits he wants. If the Fed lowers short-term rates and shrinks its balance sheet, as he proposes, the resulting steepened yield curve will be a bonanza for banks and bad news not only for holders

of capital but for anyone who wants a mortgage.

Whether you take a cynical view of Mr. Warsh's recent easy-money advocacy or think it a genuine conversion, it doesn't look as if investors think it matters either way: They seem to believe he'll be the inflation hawk he was.

In Matthew's Gospel the virtuous figure of the parable is the first son, the one who initially refused his father's instructions but then did his will after all. In today's version the market reaction to Mr. Warsh's nomination—stable fed-funds futures, higher bond yields, and a stronger dollar—suggests the hero this time will be the one who promised to do what the boss wanted and then went off and did exactly what he had intended to do in the first place.

Don't Betray Syria's Heroic Kurds

By Bernard-Henri Lévy

The Kurds are a great people divided into four entities, imprisoned in four different states: Turkey, Iran, Iraq, and Syria. The Kurds being spoken of the most (although insufficiently) these days are the Kurds of Syria. They are spoken of because they have been attacked, torn to pieces, humiliated and murdered by the Arab militias of Ahmed al-Sharaa, the former jihadist who became the new master of Damascus following the fall of Bashar al-Assad.

And they are spoken of (insufficiently) because this former jihadist is in the process of dismantling the autonomy that the Kurds managed to win inside their Syrian prison—at immense sacrifice.

How does the U.S. respond to this tragedy? On one side, there is the bipartisan efforts of Sens. Lindsey Graham (R, S.C.) and Richard Blumenthal (D, Conn.), sponsors of the Save the Kurds Act. On the other, the Trump administration is considering withdrawing the thousand troops still on the ground, and public opinion doesn't seem to care much.

For at least four reasons, failing to assist this people in danger would be a tragic mistake.

First, the Syrian Kurds are, like their Iraqi Peshmerga cousins, an exception in a region too often addicted to criminal extremism. They are heartfelt friends of the West and of Israel. They believe in an enlightened, secular Islam compatible with freedom of conscience and civil equality. Their army includes

battalions of women.

Syrian Kurdistan, known as Rojava, is living proof that Islam is compatible with the values of modernity and democracy. It refutes the thesis of a "clash of civilizations," to which so many weak minds resign themselves as though it were fate. Second, the Kurds of Rojava, like the Peshmerga, were on the front line of the fight against ISIS 10 years ago. I witnessed it and made three documentary films about them: "Peshmerga," "The Will to See" and "The

They share Western values and were instrumental in the defeat of the Islamic State caliphate.

Battle of Mosul." Without their bravery and obstinacy, without their intelligence, knowledge of the terrain and tactical genius, the Islamic caliphate that had established itself between Raqqa and Mosul and had declared total war on the very idea of humanity would still be standing.

Third, the military collapse of the caliphate 10 years ago didn't result only in its territorial disappearance; it also led to the internment of several thousand jihadists fanatical to the point of madness. Who held these men, women and sometimes children? Who guarded them under maximum-security conditions while waiting for the international coalition to decide their fate? The Kurds.

And what was the first effect on

the ground of the decision taken in Damascus to break the Kurds' autonomy and force them back into the fold of a "one and indivisible" Syria? Damascus took control of some of these detention centers, in al-Hol and Chaddadi. In the chaos that followed, thousands of terrorists were able to escape, vanish, and melt back into the wild.

I know these prisons. I filmed them. In "The Will to See," I interviewed French jihadists who were already six years ago—dreaming of returning home to commit follow-ups on the 2015 Bataclan massacre.

Fourth, a question that has haunted chancelleries for several months: Is the new master of Damascus, Ahmed al-Sharaa, truly a repentant former member of al-Qaeda? Has he merely—as some seem to believe—swapped combat fatigues for a tie, or has he undergone a genuine political and moral conversion?

And are his Turkish patrons, who orchestrated his rise to power and are today helping him tear out Kurdish friends to pieces, reliable allies within the North Atlantic Treaty Organization?

I believe not. I have long argued for expelling Recep Tayyip Erdoğan's Turkey from the Atlantic alliance, as I wrote in these pages in 2018.

The Kurds, by contrast, are loyal, steadfast and heroic allies. History will judge us harshly if we abandon them.

Mr. Lévy is president of Justice for Kurds, a New York-based nonprofit. This article was translated from French by Emily Hamilton.

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