



Proof of life

Bureaucratic paperwork must not result in exclusion

The Registration of Births and Deaths (Amendment) Bill 2026 passed in the Lok Sabha amends Section 13(3) of the 1969 Act. In the updated framework, registrations delayed for up to two years still require a district, a subdivisional or an authorised executive magistrate's order, but when the delay exceeds two years, a judicial magistrate is required to verify the event and pass an order. The 2023 amendment rendered birth certificates the principal, in fact near-conclusive, proof of date and place of birth for school admission, voter rolls and applications for passport, Aadhaar, driving licence and government jobs. It also allowed the Centre and States to create digital databases, and required them to share data with the Registrar General. As the certificate's gatekeeping power grew, so did the incentive to obtain one fraudulently, leading to the 2026 amendment. However, the Bill's passage lacked debate in the Lok Sabha as the Opposition was protesting the July 20 police crackdown on the CJP protests. Since identity documents have also become more politically sensitive, moving potentially more contentious cases into courts insulates the administration from accusations that it is arbitrarily granting or refusing documentation. But while judicial scrutiny places the decision at arm's length from the executive, erroneous decisions could prove more difficult for disadvantaged applicants to rectify.

The amendment also leaves the evidentiary rules unchanged. If the government believed executive magistrates were approving suspicious applications because the evidentiary standards were too lax, it could have prescribed more rigorous documentation, but it has not. Further, how the risk of fraudulent registrations rises after two years is unclear; the government has also not published evidence justifying a judicial magistrate's intervention at two years or whether it considered less burdensome alternatives. For now, it appears to be a compromise based possibly on shorter delays being common enough for administrative responses to resolve. Registrations are also not infrequently delayed for valid reasons, for example because they transpired in remote areas, or undocumented migrants realised a need for educational certificates. But when identity documents become indispensable to access state support, the government's policy instinct has been to raise the documents' level of assurance rather than render them more accessible. In the same vein, the amendment may further a broader philosophy that, in pursuit of bureaucratic certainty, treats the wrongful exclusion of legitimate citizens as an acceptable price to minimise the risk of wrongful inclusion. And the Rajya Sabha must debate the Bill to clarify whether this trade-off is backed by sufficient evidence.

FIFA foul

Football's governing body must embrace fairness, not chase profit

The collapse of FIFA's controversial plan that would have helped private investors benefit from the World Cup and other flagship competitions represents the latest hit to the global body's reputation. In the aftermath of the 2026 World Cup, FIFA president Gianni Infantino hurriedly put together strategies to form the FIFA Forward Enterprise (FFE) to consolidate all revenue-generating operations, and invite private bodies to hold non-controlling stakes in the body. But this elicited enormous backlash from a number of FIFA's 211 member associations, with European governing body UEFA even declaring that its 55 members would boycott the World Cup. Europe is football's nerve-centre, and with the Asian Football Confederation and players' union FIFPRO also expressing apprehensions, and one of Mr. Infantino's senior advisers quitting in protest, the scheme was a non-starter. The episode has also reduced Mr. Infantino's standing, especially after the controversy-ridden World Cup, where political interference by the U.S. — one of the co-hosts — and rampant commercialisation severely diminished 'the beautiful game'. The now-shelved FFE was to be backed by a venture capitalist with familial ties to U.S. President Donald Trump, making the whole deal all the more suspect. The 2027 FIFA election, where Mr. Infantino was expected to be re-elected for a third full term, is no longer a cake-walk.

The saga has brought back into focus the conflict at the heart of FIFA's functioning and the patronage politics it enables. FIFA is the global regulator of the sport, and ideally, its commercial wing should be kept at an arm's length. However, the organisation's structure is such that the revenue generated is often used as leverage to extract favour. As a non-profit, FIFA is duty-bound to redistribute income amongst its members, but presidents — past and present — have turned it into a vote-catching tool to hold on to power. To approve the FFE project, FIFA had reportedly offered each of its members \$20 million upfront, and a direct beneficiary of this would have been Mr. Infantino at next year's election, for every association has one vote. However, history shows that moves to use legacy tournaments for self-aggrandisement are bound to fail. In 2018, the International Tennis Federation entered into a 25-year, \$3 billion partnership with a private investment firm to re-jig the over-a-century-old Davis Cup, with the promise of extra money for the game's global development. That agreement lasted just five years, with the shift from the traditional home-and-away format deeply unpopular and considered soul-shattering to the sport. It is time FIFA re-inculcates fairness, embraces consensus and shuns its president's unilateralism.

AI and cyber, the double helix of today's security threats

The rapid proliferation of digital technologies is reshaping the global security landscape. What was once an interconnected, but relatively limited, digital world, has altered into a complex, interconnected ecosystem where dangers and threats lurk at every step. The combination of Artificial Intelligence (AI) and cyber threats has emerged as one of the most critical concerns of the modern world.

While AI has changed from being merely an operational efficiency mechanism into an absolute infrastructure mandate, cyber threats are becoming more sophisticated, harder to detect and more difficult to mitigate. Today, AI-powered malware can adapt and evolve in response to changes in its environment, making it harder for traditional anti-virus software to detect. The global interconnectedness of digital systems has also raised the ante as far as cyber attacks are concerned. Malicious autonomous agents are today well positioned to undermine the legacy of "Zero Trust" protocols, aggravating insider threat vectors.

Meanwhile, as seen in the war in Ukraine, newer technologies are demonstrating the potential to undermine conventional military calculus through asymmetric impact. The rapid proliferation of digital technologies and systems across every discipline, cyber breaches and malicious activities are impacting every level of security. Many governments facing sophisticated cyber adversaries are drawing up a security architecture which involves a blend of innovation, policy coherence and strategic realism, but still lag behind.

A new disruptive era

AI, meanwhile, is reshaping every consequential domain of human activity. AI's Large Language Models (LLM) are intruding into many business enterprises, without either proper training or evolution of the human interface. As 'Agentic' AI — as distinct from Generative AI — becomes a force to reckon with, problems attached to AI implementation are set to become even more complex. The catalyst for such concerns is the arrival of the latest AI systems, notably Mythos, developed by United States firm Anthropic.

According to experts, it demonstrates an uncanny ability to detect "Zero day" vulnerabilities across major operating systems. What is evident is that AI is beginning to test the limits of legacy systems.

AI's overarching influence makes it essential to understand the risks and threats it poses, especially when combined with cyber capabilities, where the danger grows exponentially. AI has already transformed modern warfare, as seen in the Russia-Ukraine conflict and the U.S./Israel-Iran war. AI-powered smart systems can detect, track, and predict



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missile trajectories with remarkable accuracy. AI can also provide different kinds of intelligence from photos, text, radio, and electromagnetic signals to deny adversaries a tactical advantage. Munitions, such as systems dubbed "Goalkeeper" and "Whiplash" can independently identify and strike targets. Yet, nations, particularly the U.S., have not yet demonstrated a level of sagacity on how best to wield this power and in a manner that does not endanger human civilisation.

These developments are fuelling concerns about AI's future as increasingly capable models and robots replace human roles. LLMs and autonomous agents are already performing complex tasks once reserved for people. The World Economic Forum warns that while AI will strengthen cyber defences, it will also enable more sophisticated automated attacks, potentially rendering current "Zero Trust" protocols ineffective. This raises concerns that hard power may increasingly be shaped by nations and organisations at the forefront of AI.

Companies in the West such as Anthropic and Palantir are behaving as if they own the world of tomorrow, since they hold the key to the world's mightiest technology. Anthropic has reached a stage today where with Mythos, it creates the spectre of all-encompassing power residing in a single instrument that is not subject to any rules. China, perhaps, has its own version of Anthropic or something resembling it, but this is of little comfort to the rest of the world. What is becoming clearly evident is that an attacker with the latest version poses a grave threat to not merely one country but an entire civilisation.

An AI 'power shift'

As AI technologies become more rampant and uncontrollable, existing rules concerning cyber security may require to be completely rewritten. Many experts warn that as "Agentic Autonomous Operations" become even more sophisticated, the world could reach an inflection point that has grave forebodings for the world. Whether Mythos is the harbinger of this is yet to be determined, but it is generally acknowledged that the newer generations of AI machines provide opportunities for "rogue groups" to demonstrate capabilities that were once associated with only nation states. As Agentic AI begins to displace Generative AI, enabling it to act more autonomously, threat levels are certain to go up still further. AI has, hence, the potential to become the dominant source of military and economic power, even as the rules to govern AI are still in a fledgling state. The bugle call has already been sounded by the pontiff of Anthropic, the AI firm that makes models such as Mythos, that it has the potential to become the dominant source of military and economic power as civilisation advances.

Notwithstanding the god-like properties of

existing modern AI models, experts warn that they are often subject to "hallucinations", thus giving scope for distortions, producing misleading readings. Judgments in such cases tend, quite often, to be subjective. Even otherwise, biases are known to creep into decisions dictated by AI, enhancing the danger posed by unrestricted reliance on AI. Furthermore, experts warn that it is vitally important to guard against such 'algorithmic radicalisation', and ensure that AI platforms do not push opinion makers towards extreme views.

A future that needs oversight, wisdom

The world, thus, appears to have reached a tipping point in AI progress and development. Already, some companies that are leading the AI charge are accusing others of stealing their technologies and expanding on them to their advantage. The latest is a charge made by the U.S. against China, viz., that China's 'Moonshot' AI stole from Anthropic's most sophisticated AI Large Language Model 'Fable', to help create its latest AI version. Predictably, China has rejected this charge, but it reflects the intensity of the competition between the U.S. and China in this area. If Anthropic's claim is true — that its latest model has surpassed "all but the most skilled humans" in finding and exploiting security vulnerabilities in everything from popular operating systems to cryptographic software — the world could face a new kind of apocalypse.

The world has steadily progressed from abiding concerns of stagnant economic growth to doomsday technologies, and this merits a great deal of introspection. Altruism is not enough to decide on how to handle a technology that is about to eat up the world. There are several aspects of advanced AI that clearly demand more introspection, but this is not evident. As AI increasingly enters into the arena of defence sensing and warning, there is a need not only to keep machines under human control but also to ensure that AI-dictated warnings do not outrun proper understanding and reality.

Those steeped in defence aspects already know the gap that exists between warning and understanding of what might happen, and how critical this is in strategic terms. High-powered AI systems may often prove unreliable as they may demonstrate a bias towards national security given that algorithms often display such biases. The world, hence, needs to reach an understanding on how best to deal with this new technology which can, and could, end or make the future of the world. What we have seen in Ukraine and West Asia is not even the tip of this iceberg. Better to "cross the river by feeling the stones" is a better maxim than 'blind prejudice or unadulterated endorsement of a new technology'.

Critical minerals, the foundation of strategic power

Critical minerals have moved from the margins of resource policy to the centre of industrial strategy and security. Lithium, cobalt, nickel, graphite, copper and rare earth elements are foundational to electric vehicles, storage, renewable power, semiconductors, defence and advanced manufacturing. As decarbonisation and digitalisation accelerate, mineral security is becoming as important as oil once was. The global supply picture is concentrated. For copper, lithium, nickel, cobalt, graphite and rare earth elements, the average market share of the top three refining countries rose to 86% in 2024, from around 82% in 2020. Incremental supply is tied to a few nodes: Indonesia for nickel, and China for cobalt, graphite and rare earths. China is the leading refiner in 19 out of 20 strategic minerals with an average market share of about 70%, making minerals geopolitical, not merely commercial.

Geopolitical risk as a factor

Clean energy transitions will require minerals far beyond today's production systems. The current copper project pipeline points to a potential 30% supply shortfall by 2035. Lithium appears better supplied in the near term but rising demand is expected to drive the market into deficit by the 2030s. Rare earth demand will rise sharply as wind power, electronics and magnets expand.

Geopolitical risk is compounding these pressures. China's rare earth export controls announced in 2025 created concerns across energy, automotive, defence, aerospace, Artificial Intelligence (AI) and semiconductors. Major economies are responding quickly. The European Union (EU) Critical Raw Materials Act sets 2030 benchmarks of 10% domestic extraction, 40% processing and 25% recycling, and no more than 65% from a single country. The United States is diversifying supply chains through partnerships.

India's clean energy and manufacturing ambitions are mineral intensive. Under a net zero scenario, cumulative demand for critical energy



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Critical mineral security will define India's industrial and strategic trajectory

transition minerals could reach roughly 169 million tonnes by 2070, about 51% higher than under a current policy pathway. Copper demand will rise with power systems, rare earth demand will grow with wind energy and advanced manufacturing.

India has domestic potential, including reserves of cobalt (44.9 million tonnes), copper (163.9 million tonnes), graphite (211.6 million tonnes) and nickel (189 million tonnes), along with monazite deposits containing rare earth oxides. Recycling could eventually meet up to a quarter of copper and graphite demand by mid-century. Yet, reserves have not ensured supply security. India remains import dependent for lithium, cobalt and nickel, while graphite and China-dominated processing expose it to disruption as demand scales. The critical gap is processing and refining. India's position differs from the EU, the U.S. and Australia, which are building integrated supply chains through mandates, partnerships and processing investments. India is still developing foundational capability. While several minerals are processed domestically, capacity and high-purity production remain constrained. It has bulk mineral experience but still relies on imports for high-purity critical mineral products.

This is where much value and vulnerability sit. In 2024, China accounted for over 90% of rare earths and graphite processing, nearly 75% of cobalt and 70% of lithium chemicals. India must build midstream capacity to participate meaningfully in supply chain realignment.

Structural constraints

Several constraints slow progress. Exploration remains relatively shallow, regulatory clearances can be time-consuming, private participation is limited and remote-region project economics are challenging. Processing is a larger bottleneck: India lacks some high-purity input facilities, while copper and graphite face smelting, purification and scale constraints. Recycling will play a role

but cannot substitute for primary supply in the near term because feedstock, collection and technology remain limited.

India's policy response since 2023 marks a shift. The government has identified 30 critical minerals, strengthened regulatory frameworks, and launched the National Critical Mineral Mission to support the value chain. The mission targets 1,200 domestic exploration projects by 2030-31, production of at least 15 critical minerals, and acquisition of 50 overseas mining assets by Indian companies. The Khanij Bidesh India Limited (KBIL) has secured 15,703 hectares in Argentina's Catamarca province for lithium exploration, while the 2026-27 Budget proposed rare earth corridors in Odisha, Kerala, Andhra Pradesh, and Tamil Nadu. The India-U.S. critical minerals and rare earths framework signed in May 2026 provides an additional diplomatic lever.

Mission to execution

The next phase is execution. Processing and refining must become a national industrial priority, backed by infrastructure and targeted incentives. Private capital needs better geological data, predictable approvals and risk sharing. India should also operationalise strategic stockpiles for critical minerals, accelerate applied research and development through industry partnerships, scale domestic capabilities and diversify overseas supply through trusted partners and platforms.

India energy transition, electronics, semiconductor, defence manufacturing, and advanced industrialisation all depend on secure mineral supplies. While individual policy measures are necessary, they are insufficient. A comprehensive strategy should establish mineral-specific risk thresholds, integrate recycling into supply planning, set measurable milestones, and create a coordinated institutional framework. The priority now is to convert potential into capability and reduce strategic vulnerability through sustained execution.

LETTERS TO THE EDITOR

PM CARES Fund

It is disturbing that the PM CARES Fund has reportedly not made public its audited financial statements for the past three financial years, even as activists continue to raise concerns about its transparency. More surprising is that the fund has been kept outside the ambit of the RTI Act, parliamentary scrutiny, and

audit by the Comptroller and Auditor General (CAG). Anything associated with the Prime Minister, except matters affecting national security, should ordinarily be open to public scrutiny. When the government closely scrutinises non-governmental organisations and other charitable organisations receiving foreign

contributions, and even cancels their licences for accounting irregularities, should not this fund also be subject to similar standards of accountability?

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India at Glasgow

India's story at the 2026 Glasgow Commonwealth Games, with 39 medals, is

about far more than a fourth-place finish. Despite fewer opportunities, our athletes chose courage over excuses. Every medal reflects years of sacrifice,

Tharicus S. Fernando, Chennai

Corrections & Clarifications

Gulveer Singh won the bronze medal in 5000m with a timing of 13:24.95s, and not 3:24.95s (Sport page, "Gulveer breaks new ground for Indian distance running", August 3, 2026).

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silent tears, and relentless determination. Today, we salute not only the medalists but also every athlete who gave their all. Champions are

Mudgal Venkatesh, Kalaburagi, Karnataka

Letters emailed to

letters@thehindu.co.in must carry the postal address and the full name or the name with initials.

The undermining of institutional opposition

Now that the Gen Z revolutionaries have exited Jantar Mantar, the analysts and strategists at the Prime Minister's Office must be taking stock. For starters, Prime Minister Narendra Modi's team got at least one decision right – the decision to get former Union Minister Dharmendra Pradhan to resign just in time. Any further delay would most likely have become a point of no return for the National Democratic Alliance (NDA) government.

Demonstrations were occurring at the district level and a critical momentum was building across the nation with Bihar, the ground zero of unemployment, fast turning violent.

Brewing anger

The starting assumption of the government was that it was confronting a rag-tag collection of middle-class youth whose sense of politics was immature and lacking in stamina for any mass movement to emerge. The overwhelming official common sense was to let the BJP movement simply fizzle out in the monsoon heat and humidity. Part of the misreading involved keeping the BJP leaders waiting at Union Health Minister J.P. Nadda's residence for over two hours, while the government simultaneously set up plans to cut a deal with Sonam Wangchuk alongside operationalising a brutal lathi charge on the Gen Z campaigners on July 20.

To the government's evident surprise, however, by July 20 evening, there was a massive turnaround in both the quality and quantity of the resistance. Not



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only did the BJP survive the brutal lathi charge and tear gas shelling, the campaign now took on the flavour of an all-India level 'revolt' of the people at large. An anti-Modi mood had become plainly discernible, with Instagram fired up with creative messaging and demonstrations by the Bharatiya Janata Party (BJP)'s own taken-for-granted upper class and upper caste social base.

However, even at such a high-pressure moment, the best the Prime Minister's team could manage was a late night badly sketched Instagram video by Mr. Modi himself. Poorly executed and full of misplaced messaging, it, unsurprisingly, only added fuel to the fire. And after the Prime Minister released another hapless reel the following day, the Government of India finally threw in the towel with Mr. Pradhan's resignation.

There is no doubt that the BJP is every bit a rag-tag outfit that is organisationally inchoate. But what it nonetheless managed to effectively achieve was to quickly tap into and electrify a vast reservoir of resentment, anger, grievance and unhappiness amongst India's economically much beleaguered middle class and aspirational poorer classes. By doing so, it managed to reveal the considerable fragility within the Indian political landscape. The extreme centralisation of power has, over the years, been steadily undermining the resilience within Indian political institutions. Consequently, the BJP by pitching its campaign as a resistance rather than within the rules of institutional Opposition politics was able to rattle the highest level of political authority.

Undermining democracy

At the heart of this crisis lies the Modi-Shah political playbook. For years, democratic politics with institutional safeguards have been systematically undermined in India. There is, in fact, the standard fix now for eliminating any opposition. The Modi-Shah

political playbook has mainstreamed the use of the Enforcement Directorate and the Central Bureau of Investigation; the wanton buying and selling of MPs and MLAs; and have been making courts pliable at the highest level. Additionally, the questionable manner in which the highly controversial Special Intensive Revision (SIR) is being implemented can also be added to this list. There is great fear that the election process will increasingly become a selection exercise for the government in power.

In such conditions, a single trigger event, such as the BJP movement, could spark an immediate existential threat to an existing political order. However, while credit should be given to the BJP for showing resolve, and for the ability to organise and direct a grievance peacefully, their strategy is located entirely outside the political terrain of institutional politics. Thus, although Mr. Pradhan's resignation may appear to be a signature victory for them, it more ominously reveals the turbulence and fragility within India's political institutions. There could be less control over the street in the days to come, unless the Modi-Shah playbook ends.

The BJP has revealed that India is perilously close to losing its ability to manage a peaceful democratic transition. Though Rahul Gandhi, the Congress party, and several other Opposition parties did manage to register a strong presence throughout the Jantar Mantar movement, their hold was still less than enough and far too tenuous.

Mr. Pradhan's resignation should perhaps be more correctly seen as the first tremor within a Republic that is buckling from its weakening democratic foundations. If anything, the most important lesson to be taken from the BJP campaign is that the constant undermining of any legitimate opposition space by the Modi-Shah play book can, unless checked, result in social instability and political chaos.

The dilemma over PM SHRI in Kerala

The UDF is caught between the need for central funds and maintaining its integrity

STATE OF PLAY

Roshni R.K.

The much discussed PM SHRI (PM Schools for Rising India) scheme has the recently elected Congress-led United Democratic Front (UDF) government in Kerala in hot soup.

Events over the past few days seem to indicate that similar to the Pinarayi Vijayan-led Left Democratic Front (LDF) government that burnt its fingers after signing an MoU for implementing the centrally sponsored PM SHRI scheme in October last year, the UDF government too could be in for possible backlash if it decides to go ahead with it. It is deja vu all over again. The same issue. The same actors. Only the roles have reversed.

The UDF government led by Chief Minister V.D. Satheesan argued that it was forced to continue with the PM SHRI as the previous LDF government had already entered into an agreement with the Union government. The State badly needs the ₹1,58.13 crore in education funds being held up by the Centre. The volte-face could not have been more glaring, since Mr. Satheesan had earlier said that Mr. Vijayan, by inking the deal, had betrayed the national cause against the National Education Policy (NEP), 2020.

Wavering stance

A little over a month after forming the UDF government, Mr. Satheesan said that only the Union government had the right to withdraw from the MoU. Kerala became a party to it the moment the agreement was signed, an argument that the current Opposition vehemently denies.

In yet another U-turn, the



Chief Minister later denied that the government had said that it would implement the PM SHRI; UDF convener Adoor Prakash had said that the government would go ahead with the scheme, even as the report of a UDF Cabinet sub-committee on the PM SHRI was awaited. It prompted the Indian Union Muslim League (IUM) leader P.K. Kunhikuttu to assert that a final decision would be taken only after the sub-committee gave its report, exposing the fault lines within the UDF. Other Muslim organisations, such as the Samastha Kerala Jamiatul Ulama, have also been vocal about their opposition.

These repeated flip-flops made it evident that the government was in a bind over how to balance fiscal prudence, coalition pressures, and its ideological position on the NEP.

Pros and cons

The Union Minister of State for Education Jayant Chaudhary once replied in the Rajya Sabha, "States that do not sign the MoU or withdraw from the scheme stand to miss out on these benefits of PM SHRI scheme". It has to be remembered that Punjab had opted out of the scheme in 2023, but later went back on its decision after the Union government had frozen the funds.

On the other hand, there are concerns about the curriculum. The PM SHRI Schools

framework states that the curriculum should follow the National Curriculum Framework for School Education (NCSE) developed in accordance with new curricular structure of the NEP. The MoU, for its part, says that States should implement all the provisions of the NEP in its entirety. According to the NEP, States can prepare their own curricula and textbooks, incorporating the State's demands as needed. However, it goes on to say, "while doing so, it must be borne in mind that the NCERT curriculum would be taken as the nationally acceptable criterion." Last year, the former Minister for General Education V. Sivanikutty had pointed out that the Union government had declared in 2022 that the objective of the Samagra Shiksha scheme was to help implement the NEP.

Even if the Union government does not appear to be intervening in the curriculum of the States at present, there is apprehension that other interventions such as curriculum-based programme implementation or prescription of teaching-learning materials/assessment patterns could well be thrust upon them.

Other than taking the legal route like Tamil Nadu did, the UDF has the option of writing to the Union government insisting on the freedom to decide its own curriculum. This undoubtedly will expose it to harsh criticism of allowing the NEP to be smuggled into the State. However, if it chooses not to implement the PM SHRI, it will lose out on crucial federal funding.

Dammed if they do and damned if they don't – that is the UDF's dilemma on the PM SHRI scheme.

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The problem with India's free trade agreement strategy

India's trade with key FTA partners such as the ASEAN countries has become increasingly import-driven, resulting in widening trade deficits

DATA POINT

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Over the past few years, India has shown great interest in trade diplomacy to promote its economic and strategic interests. India's new founded enthusiasm in external engagement has culminated in Free Trade Agreements (FTAs) with the UAE, Australia, Oman, the U.K., the European Union, and most recently, New Zealand. Its imperative to enhance market access continues to extend the reach of its trade architecture through ongoing trade talks with the U.S., Gulf countries and Canada, highlighting a decisive shift towards bilateralism as a vehicle of market access, value chain integration and economic dynamism. There is an emerging view among policymakers, trade diplomats, and geopolitical analysts that FTAs are indispensable instruments of economic statecraft. However, the enthusiasm on enhanced market access through trade agreements and Global Value Chain (GVC) integration is founded on a set of implicit assumptions and dominant narratives that continue to maintain a striking analytical silence. The argument that FTAs stimulate export growth and GVC integration warrants a far more nuanced view.

Widening trade deficit

India's FTA experience with Asian economies has not been favourable. India's trade with key FTA partners such as the Association of Southeast Asian Nations (ASEAN), South Korea, Japan and Singapore has become increasingly import-driven, resulting in widening trade deficits. Data shows that India's trade deficit with ASEAN increased sharply from \$10.4 billion in 2012 to \$51.2 billion in 2025, driven by rapidly rising imports. In the same manner, imports increased at a much faster pace than exports in the case of Japan and South Korea.

India's trade surplus has turned into a trade deficit in the case of Singapore after signing the trade agreement, exhibiting weakening export competitiveness.

India's export performance across its major Asian FTA partners such as ASEAN, Japan, South Korea and Singapore reveals an intriguing picture – its underperformance. India's share of the import basket among FTA partners has either stagnated or gradually eroded between 2012 to 2025, indicating a weakening in its export competitiveness post-FTAs. The most striking decline is in the case of ASEAN countries where India's share of ASEAN's import basket dropped from 3.42% to 1.71% while in the case of Singapore, the import share declined from 2.27% to 1.7%. Similarly, India's share in South Korea's import basket has declined from 1.33% to 1.02% while its share in Japan's import basket shows mixed trends.

Collectively, these trends indicate that instead of leveraging trade agreements to integrate into regional production networks, India is stuck on the margins of manufacturing-led trade integration. The inability to capitalise on tariff preferences under the FTAs demonstrates that market access based on tariff elimination alone cannot compensate for weak domestic industrial capabilities, logistical inefficiencies, and infrastructure and operational constraints. India's trade challenge is not fundamentally about negotiating more FTAs but about strengthening domestic productive capabilities and associated impediments. Without adequate industrial transformation, FTAs risk becoming instruments that increase import penetration faster than export competitiveness, thereby widening asymmetrical trade outcomes and structural vulnerabilities.

Moreover, FTAs are often presented as GVC drivers, eliminating barriers to the development of shared production arrangements and industrial upgrading. It is in-

teresting to note that India's GVC integration related to trade as a percentage of gross trade declined from 37.13% to 34.38%, indicating that India's integration in GVC networks has actually weakened. India's GVC trade as a share of gross trade with its FTA partners has declined in the case of South Korea, Japan, Indonesia, Thailand, Vietnam, and Cambodia. Only in the case of Malaysia, Singapore and Philippines, it has increased.

These trends demonstrate that India's FTAs have not translated into broad-based GVC integration. This evidence challenges the conventional assumption that FTAs automatically foster GVC integration through trade liberalisation. Moreover, it raises questions about the proposition that deeper commitments to market access and regulatory harmonisation are, in themselves, sufficient to promote GVC participation. The contemporary policy narrative surrounding India's new FTAs and their ability to integrate into GVCs raises some critical questions.

An assessment

The declining export shares and weakening GVC integration in the case of India's key FTA partners clearly highlight the limitations of considering FTAs primarily as instruments of market access. It is understandable that FTAs may enhance market access in certain product categories, but their abilities to foster productive capabilities is still contested. This essentially means that India's FTA strategy needs to move beyond the standard argument of market access. It should focus on greater interaction with the broader industrial policy framework that emphasises technological upgrading, strategic investment, supply chain realignment, domestic value addition and domestic reforms. Without such policies, FTAs are likely to remain instruments of trade liberalisation that constrain policy flexibilities rather than drivers of industrial transformation.

Are the FTAs working?

The data for the charts were sourced from the International Trade Centre - Trade Map



CHART 1: India's percentage share in the import basket of ASEAN, Japan, South Korea, and Singapore

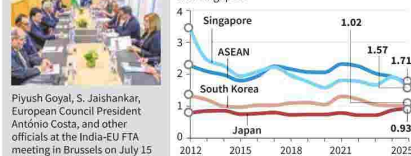


TABLE 1: India's trade with key FTA partners (in \$ billions)

Partner	Indicator	2012	2015	2018	2021	2024	2025
ASEAN	Export	32.3	26.35	36.25	40.68	42.71	35.96
	Import	42.74	41.47	57.51	64.84	81.87	87.19
	Trade balance	-10.44	-15.12	-21.26	-24.16	-39.16	-51.23
	Export	6.4	4.5	4.8	6.1	5.8	6.1
Japan	Import	12.4	9.6	12.6	14.4	18.9	20.9
	Trade balance	-5.95	-5.17	-7.83	-8.34	-13.06	-14.77
	Export	4.1	3.6	4.8	7.1	6	6
	Import	13.7	13.1	16.4	17.1	20.9	21.1
South Korea	Trade balance	-9.6	-9.48	-11.62	-9.97	-14.98	-15.12
	Export	13.6	7.8	10.5	10.7	15.7	10.7
	Import	7.8	7.4	14.5	18.2	20.5	23.7
	Trade balance	5.76	0.4	-3.99	-7.55	-4.87	-12.97

TABLE 2: India's global value chain-related trade as a share of gross trade with Asian FTA partners

	2012	2020	GVC integration (Increase/Decrease)
Indonesia	41.77	30.1	-11.67
Japan	41.07	28.44	-12.63
Malaysia	49.92	50.26	0.34
South Korea	63.18	41.58	-21.6
Thailand	48.32	47.65	-0.67
Singapore	66.87	69.54	2.67
Philippines	30.47	33.9	3.43
Vietnam	56.89	54.57	-2.32
Cambodia	47.43	44.34	-3.09

The author is an Associate Professor at Jindal School of Liberal Arts and Humanities, O.P.J.S. Global University, Sonapat. Views are personal

The declining share of GVC-related trade in total trade with several major FTA partners shows that preferential market access has been inadequate to bolster India's participation in global production networks. This evidence challenges the conventional assumption that FTAs automatically foster GVC integration through trade liberalisation

FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO AUGUST 4, 1976

Goat breeding: new strategy

New Delhi, August 3: An ambitious scheme has been taken up to step up the production of Pashmina and Mohair, used in the manufacture of warm luxury fabrics which have a good export market.

The scheme is part of an all-India co-ordinated research project on goat breeding being implemented by the Indian Council of Agricultural Research (ICAR).

A multi-pronged strategy to improve Pashmina production includes selective breeding of indigenous goats and cross breeding with imported Soviet breeds. Efforts would also be made to rear them in the high altitude Himalayan regions of U.P. where these goats can thrive.

There are at present two research centres for improving Pashmina production located at Leh in Ladakh and Mukteswar in U.P.

According to the chief co-ordinator of the project, Dr. R. M. Acharya, there are at present only 40,000 Pashmina goats of Chuan Thang breed in Ladakh region and some small number in Himachal Pradesh.

These goats produce Pashmina of quality which is "as good or slightly better" than any produced in other countries.

A HUNDRED YEARS AGO AUGUST 4, 1926

Schoolboys' empire tour

Rugby, August 4: A party of forty public and secondary schoolboys left London to-day for Australia. They travel under the auspices of School Empire Tour Committee and will spend the remainder of the year touring Australia. Before the train left a letter was read from the Prince of Wales, which said, "Such tours are admirable from an education view point. My own experience tells me how much there is to learn from seeing other parts of the world and there is no adequate substitute for the real knowledge to be gained in this way. More especially I welcome the idea of tours for schoolboys to Dominions from Imperial view point. Boys will, on this occasion, be in the position of representatives. I am confident they will see to it that those who meet them in Australia will judge well of them and through them of the country of schools which they represent."

Text & Context

THE HINDU

NEWS IN NUMBERS

Amount allocated by govt. for preservation of ASI sites

376.88 in ₹ crore. The Centre allocated ₹376.88 crore in 2025-26 for conservation, preservation and environmental development of protected monuments across the country. PTI

First tranche of interim relief released by Assam government

160 in ₹ crore. The Assam government on Monday released the first tranche of around ₹160 crore in interim relief to over 75,000 households that were the worst affected in this year's floods, officials said. PTI

Number of people kidnapped by gunmen in northwest Nigeria

52 Gunmen kidnapped at least 52 people, including children, in a weekend attack on a village and military base in northwest Nigeria's Zamfara state, sources said on Monday. Kidnappings have become a major source of income for armed groups in Nigeria. PTI

Decline in Russia's pipeline gas exports to Europe in July

5.2 in per cent. Russian energy giant Gazprom's average daily natural gas supplies to Europe via the TurkStream undersea pipeline declined 5.2% from a year earlier to 48.8 million cubic metres in July, Reuters calculations showed. REUTERS

Maharashtra: share of SIR enumeration forms distributed

93 in per cent. More than 93% of enumeration forms have been distributed, and nearly 73% digitised under the SIR of electoral rolls in Maharashtra, the Chief Electoral Officer said on Monday. PTI
COMPILED BY THE HINDU DATA TEAM

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Why has PoK erupted in protests?

How did demands over prices evolve into a movement for greater political representation in PoK? How has Islamabad responded to the protests? What has India said about the unrest? How have international rights groups and overseas Kashmiris reacted to the crackdown?

EXPLAINER

Kallol Bhattacharjee

The story so far:

Simmering discontent over inflation, lack of accountability and opaque governance in Pakistan-occupied Kashmir (PoK) has escalated into a violent crackdown by Pakistani security forces over the past week, leaving dozens dead and many more injured. Security forces have reportedly used assault weapons and sniper fire against protesters gathered in the main squares of cities such as Rawalakot and Muzaffarabad to oppose the three-phase election currently under way in PoK. The Jammu Kashmir Joint Awami Action Committee (JKJAAC), which has been leading the protests, claims that more than 50 people have been killed over the past week as demonstrations continue against what it alleges is a rigged election process.

Why are protests taking place in PoK?

PoK is caught between an establishment-backed election and a popular political movement opposing the political basis of that election. The JKJAAC has been protesting peacefully in Rawalakot, Muzaffarabad, and other locations in the region seeking to build a more representative political system in PoK. The three-phase elections started on July 27 and will conclude on August 11. The movement, which emerged after the COVID-19 pandemic to curb the prices of essential items, has evolved over the years into a protest against the lack of political representation for the local population in the PoK legislature. The legislature of PoK has a total of 53 seats, out of which 45 are elected, and eight are nominated. But because of historical reasons, 12 seats out of the 45 are reserved for refugees of Indian Jammu and Kashmir who migrated after 1947. In elections for these 12 seats, refugee voters located outside PoK cast their ballots. Locals claim that the reserved seats



Supporters of the banned Joint Awami Action Committee, an alliance of civil society groups, start a fire to block a road during a protest in Muzaffarabad. REUTERS

reduce representation of communities from the region and allow Islamabad to override local concerns.

As the authorities proceeded with the election process without addressing the demand for removing the reserved seats, the JKJAAC called for a "long march". Though the authorities have responded with a harsh crackdown, the protesters have shown that they are not going away anytime soon as they have managed to sustain the protests for months. The protest received new momentum after a PhD scholar, Osama Jaleel, of Quaid-e-Azam University in Islamabad, was reportedly killed in police firing in Rawalakot. Before his death, Osama Jaleel had been nored on the Internet for his fiery speeches in the protest meetings in Rawalakot. The JKJAAC claims that a total of 86 persons have died in the security crackdown till July 31.

How is the political relation between Islamabad and PoK?

The federal government of Pakistan has had a complicated relationship with the region for years, as mainstream political parties such as the Pakistan Peoples Party and Pakistan Muslim League-Nawaz have not been able to fulfil the developmental aspirations of the people of PoK. In recent days, however, the situation has worsened following comments by leading

figures within the establishment about the protesters. Pakistan Defence Minister Khwaja Asif incensed public sentiments by referring to the protesters as "enemies just like Indians". The main complaint is that the mainstream political parties in Islamabad have not met the region's developmental needs. Locals allege that they have been neglected by Islamabad, echoing many of the same complaints long voiced by residents of Khyber Pakhtunkhwa and Balochistan, where protests and insurgencies have continued for decades. The second phase of polling on August 2 drew allegations of irregularities and rigging.

What has India said about the Rawalakot protests?

Over the past few months, the Ministry of External Affairs has repeatedly condemned the use of harsh methods against protesters in Rawalakot and in other parts of PoK. On July 31, the Ministry of External Affairs blamed the 'Pakistani Establishment' and said: "This crackdown has resulted in the tragic death of over 40 civilians and serious injuries to many. Its absolute disdain for the innocent people of PoK was laid bare when their Defence Minister branded the protesting civilians as enemies." Adding to this, the Special Assistant to Prime Minister on Political Affairs openly

admitted that the very 'mujahideen' that the Pak establishment trained, armed and sent to bleed India have now turned their guns inward, weaponising themselves against the state.

Mirwaiz Dr. Umar Farooq has expressed "deep concern" over the unrest across the LoC and called for dialogue. "We are deeply anguished by the continuing unrest and tragic loss of precious lives during the past month and a half," said Umar Farooq. The JKJAAC has opposed India's remarks, and in a statement on June 24, the group said it "firmly rejects any attempt by India to interpret, appropriate, or project the current situation in Azad Jammu and Kashmir in support of its own claims or geopolitical positions. The present civil rights movement is neither a proxy nor an extension of interstate rivalries. Any such characterisation is both inaccurate and misleading."

Is there a strategic dimension?

The protests have been concentrated in Rawalakot, which lies along the Line of Control, and Pakistan's response so far shows it will not tolerate instability in a region of primary importance to its security.

The strategic dimension of the disturbances can be assessed by the fact that Kotli, Muzaffarabad and Rawalakot — the areas where protests have taken place hosted terror-related targets that India had claimed to have hit in the May 2025 Operation Sindoor.

Apart from India, Amnesty International and influential leaders in the U.K. have also called for restraint from the Pakistani establishment. Responding to the existing communication blackout in PoK, Amnesty has said: "We urge the Pakistani authorities to restore all communications access and allow media and independent observers into the area." Non-resident Mirpurī Kashmiris, who have a strong community-level presence in the U.K., have started an online campaign to restrain Pakistan's security establishment from continuing with the repressive measures.

THE GIST

A movement that began over rising prices has evolved into a campaign against the PoK election process, with the JKJAAC demanding the removal of 12 reserved seats that it says undermine local representation.

Protests have intensified amid allegations of election rigging and a deadly security crackdown; Pakistan's response has drawn criticism from India, Amnesty International and U.K.-based Kashmiri groups.

Why has West Bengal cleared land for the BSF now?

Why is West Bengal central to India's border fencing project? What are the policy challenges?

Saeed Pande

The story so far:

The West Bengal Cabinet has approved the permanent transfer of 31,905 acres at nine locations to the Border Security Force (BSF) for border fencing and related security infrastructure, along with 1.53 acres for three new Border Outposts in Malda, Nadia and Cooch Behar. The decision removes a major State-level bottleneck in a long-delayed border infrastructure project affected by land acquisition disputes, difficult terrain, and legal and political complications. The move also follows the Calcutta High Court's order of January 2026, directing the State government to hand over acquired land in nine border districts to the BSF by March 31, 2026.

Why is Bengal central to the project? West Bengal shares the longest international border with Bangladesh among Indian States. According to the

Ministry of Home Affairs, India's 4,096.70-km border with Bangladesh includes 2,216.7 km in West Bengal, which is approximately 54% of the entire frontier. As of August 2025, 1,647.696 km had been fenced, while 569.004 km remained to be covered by fencing or other border infrastructure. Of this, 112.780 km was classified as non-feasible for conventional fencing, while 456.224 km remained technically feasible but pending completion.

Why has the project been delayed?

The delays reflect a combination of geographical, administrative and legal constraints. Nationally, the MHA reported that 3,232.218 km of the India-Bangladesh border had been fenced by August 2025, leaving 864.482 km unfenced across West Bengal (2,216.7 km), Tripura (856 km), Meghalaya (443 km), Mizoram (318 km) and Assam (263 km).

Of the remaining unfenced stretch, 174.514 km has been categorised as non-feasible for conventional fencing

because of riverine channels, marshlands, floodplains, shifting river courses, densely inhabited settlements and the ecologically sensitive Sundarbans, where fencing is technically difficult and seasonally constrained. Other pending stretches require land acquisition, compensation, environmental clearances and completion of bilateral border management procedures.

What governs India-Bangladesh border fencing?

According to the Ministry of External Affairs, India undertakes border fencing and related security measures in accordance with bilateral agreements and operational protocols between the BSF and the Border Guard Bangladesh (BGB). The border is governed by the 1975 Joint India-Bangladesh Guidelines for Border Authorities, the Coordinated Border Management Plan (CBMP), 2011, and the 2015 Land Boundary Agreement (LBA), which implemented the 1974 Land Boundary Agreement and its 2011

Protocol, resolved enclave and adverse-possession disputes, and enabled the exchange of 162 enclaves, 111 Indian enclaves in Bangladesh and 51 Bangladeshi enclaves in India. India has also reiterated its expectation that these understandings will continue to support cooperation against cross-border crimes, including smuggling, human trafficking, illegal migration, arms trafficking and counterfeit currency networks.

What are the policy challenges?

This is a challenge of balancing national security with the livelihoods of communities living along the border. In districts such as Malda and Nadia, agriculture, informal trade and long-standing social ties extend across the frontier, meaning that fencing can improve surveillance while also affecting access to farmland, mobility and local commerce. As the largest unfinished segment of the India-Bangladesh border lies in West Bengal, progress and development in the State remain central to the completion of the national fencing programme. In many sectors, particularly riverine terrain, the future of border management is likely to depend on an integrated combination of physical barriers, Border Outposts, surveillance technology and coordinated action between the Union and State governments.

(Saeed Pande is a freelance writer with a focus on current affairs, international relations and geopolitics)

THE GIST

The West Bengal Cabinet has approved the transfer of over 33 acres of land to the BSF for border fencing and Border Outposts, removing a long-pending bottleneck in completing security infrastructure along the India-Bangladesh border.

Although more than three-fourths of the border has been fenced, progress continues to be delayed by land acquisition disputes, difficult riverine terrain, environmental constraints and legal issues, requiring a mix of fencing, surveillance technology and coordinated Union-State action.

CACHE



GETTY IMAGES

Why lab-grown diamonds are sustainable alternative to mined stones

Natural diamond mining is facing dwindling supplies while remaining associated with environmental damage, forced labour, conflict and pollution; lab-grown diamonds offer a more affordable, traceable and sustainable alternative, with India investing in indigenous production and research

Anupama Janakiraman
U. Vishnuja
S. Boomnathasellarajan
N. Arunachalam

For centuries, diamonds have been regarded as symbols of eternal love, characterised by their rarity, scintillation and lustre. But behind the glamour of these stones lies a cold, hard truth: an industry plagued by forced labour, civil violence, and pollution.

Some of the world's largest diamond mines, such as the Argyle mine in Australia and the Diavik mine in Canada, have reached a point of exhaustion in recent years. This depletion has worsened year by year, and production is now at a multi-decade low. After all, natural diamond mines are only a finite source. It is estimated that the 40 diamond mines accounting for 90% of global production spread throughout Botswana, Russia and other countries have a lifespan of no more than 50 years.

The hidden cost

However, the problems associated with natural diamonds extend beyond dwindling supplies. Diamond mining requires large amounts of water and energy and causes considerable damage to the surrounding ecosystems. It is often associated with deforestation, displacement, soil erosion and water pollution. Massive open-pit excavations can also trigger landslides and mudslides.

Moreover, labourers suffer from a plethora of diseases as a result of working in diamond mines. A study by Gill Nelson et al. in 2011 found that workers are at risk of asbestos exposure and may develop asbestos-related diseases, including asbestosis, pleural plaques, and mesothelioma.

Then come the blood diamonds, which are mined diamonds involved in illicit sales and used to fund military action. It is nearly impossible to deduce a diamond's

geographic origin. Although the Kimberley Process was introduced to verify that diamonds are conflict-free, regulatory gaps continue to allow blood diamonds to be smuggled across borders. As a result, these diamonds contribute to political and civil conflict.

These concerns raise an important question: can the beauty and durability of diamonds be preserved without the social and environmental costs of mining? In recent years, the answer appears to be yes, through the use of lab-grown diamonds.

A sustainable alternative emerges

The first proven synthetic diamonds were made by GE (General Electric) in 1954, under a project codenamed "Project Superpressure." They utilised the HPHT (High Pressure, High Temperature) process, which mimics the conditions under which natural diamonds form in the Earth's mantle.

In 1962, another method known as CVD (Chemical Vapour Deposition) was first used. This process involves depositing diamond material onto diamond seeds through chemical reactions involving carbon-rich gases.

Lab-grown diamonds are chemically, physically and optically identical to their natural counterparts. Until 2018, they were sold at a modest discount to mined diamonds. Due to improvements in the efficiency of laboratory equipment, the price of lab-grown diamonds has continued to decline over the years. Now more affordable and traceable, lab-grown diamonds preserve the qualities that have made diamonds desirable since time immemorial while avoiding much of the damage linked to conventional production.

India's push for lab-grown diamonds

India has also begun to recognise the potential of lab-grown diamonds as a sustainable and economically viable

alternative to mined stones. In the Union Budget 2023-24, the Government of India announced measures to encourage indigenous production of lab-grown diamonds, including support for research into HPHT and CVD technologies.

As part of this initiative, in 2023, the Indian Institute of Technology Madras (IIT Madras) was awarded a five-year grant of approximately ₹243 crore by the Ministry of Commerce and Industry to establish the India Centre for Lab-Grown Diamond (InCent-LGD).

The centre aims to develop domestic expertise in diamond seeds, machinery, and manufacturing processes. To put things into perspective, Table 1 consolidates the results of the 2025 Natural Diamond Council report and a 2021 study by Vladislav Zhdanov et al. to compare attributes of natural and lab-grown diamonds.

The staggering variation in carbon emissions for lab-grown diamonds can be attributed to the energy source used for production. Diamonds created using coal-heavy power grids have higher carbon emissions, while those manufactured using renewable energy sources have a much lower carbon footprint.

The latter aligns with the United Nations Sustainable Development Goals (SDGs), which emphasise the transition to cleaner energy systems and more sustainable manufacturing practices.

Furthermore, the use of renewable energy in diamond production reflects the principles of a circular economy, where resources are utilised more efficiently and environmental impacts are minimised throughout a product's life cycle. Although lab-grown diamonds are not entirely free from environmental concerns, the next generation of consumers is increasingly drawn to them as a more sustainable alternative to mined diamonds. This shift in public perception reflects a growing emphasis on ethical sourcing, environmental responsibility, and product traceability. Their advantages become even more significant when one considers the wide range of applications diamonds have in modern society. They are used in heavy-duty industrial processes, including cutting and drilling, as well as in quantum computing, protective coatings that extend equipment lifespan, semiconductor manufacturing and several other fields. For a material so deeply woven into both industry and culture, selecting the more economical and sustainable option becomes no longer a choice – it is a responsibility. (Prof. N. Arunachalam is currently working as a Professor, Department of Mechanical Engineering and also leading the HPHT technologies development activities for growing diamond in lab as part of India Centre for Lab-grown Diamond (InCent-LGD), IIT Madras. Dr. S. Boomnathasellarajan is working as a Principal Project Scientist at InCent-LGD, IIT Madras. Dr. U. Vishnuja is working as Project Manager at InCent-LGD, IIT Madras. Miss. Anupama Janakiraman is an IIT St. student studying at Sishya School, Adyar, Chennai).

Table 1: presents a comparison of natural and lab-grown diamonds, drawing on findings from the Natural Diamond Council's 2025 report and a 2021 study by Vladislav Zhdanov et al

Criterion	Natural diamonds	Lab-grown diamonds
Cost per carat in India	₹1.5-7 lakhs	₹80,000
Water consumption	0.077 m ³ /ct	0-0.002 m ³ /ct
Energy consumption	150 kWh/ct (DeBeers)	36 kWh/ct (HPHT) 214.7 kWh/ct (MP-CVD)
CO2 emissions	160 kg/ct	17-260 kg/ct

Diamond prices vary based on the 4Cs – carat, cut, colour and clarity. The values shown are representative market ranges.

THE DAILY QUIZ

Test yourself on India's performance at the Glasgow Commonwealth Games that concluded on Sunday

V.V. Ramanan

QUESTION 1

Of the 122 athletes who represented India, 38 returned with 39 medals, with one of them getting two (a silver and a bronze). Name this champion.

QUESTION 2

In para athletics, six medals came from three events thanks to three double podiums, of which two were top-two finishes. Name the events.

QUESTION 3

Who was the first medalist and the first to strike gold for India at the Games?

QUESTION 4

Apart from boxing, in which sport did

India win two gold medals for the first-ever such success for the country at the Games?

QUESTION 5

Name the compatriots of Neeraj Chopra and Praveen Chithravel who claimed bronze when the duo won silver in their disciplines.

QUESTION 6

Which gold medalist was the flag-bearer at the Closing Ceremony of the Games?

QUESTION 7

The youngest member of India's contingent also brought the curtains down on India's campaign. Name the teenager.



Visual Question:

Name this athlete who won his event with a Games record.

Questions and Answers to the previous day's daily quiz: 1. Why did "J.C." Owens become known as "Jesse"?

Ans: A teacher misheard or misunderstood his initials, "J.C." (for James Cleveland), and recorded his name as "Jesse".

2. What was the nickname given to Owens' extraordinary sequence of performances at the 1935 Big Ten Championships? Ans: The "Greatest 45 Minutes Ever in Sport."

3. What was Jesse Owens' winning distance in the long jump at the 1936 Olympics? Ans: 8.06 metres (26 ft 5 in).

4. Which two athletes were controversially dropped from the U.S. 4x100-metre relay team before the final, allowing Jesse Owens and Ralph Metcalfe to compete? Ans: Marty Glickman and Sam Stoller.

Visual: Identify this U.S. President who neither congratulated Jesse Owens nor invited him to the White House after his four-gold-medal triumph at the 1936 Berlin Olympics. Ans: Franklin D. Roosevelt.

Early Birds: Tamal Biswas | Erfanally Oosmany | Sukdev Shet | Pulkit Sathe | Varghese Joseph

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



FROM THE ARCHIVES

Know your English

S. Upendran

What is the meaning of "geek"? (T. R. Ananthamman, Chennai)

This is a word which is mostly used in informal contexts. A 'geek' is a person who is disliked by most people because of his disgusting behaviour or appearance. The 'ee' is pronounced like the 'ee' in 'bee', 'see', and 'fee'. Here are a few examples.

Our new chemistry professor looks like a geek. Wonder how he got the job.

Who is the geek you were talking to?

You may be interested to know that the word 'geek' has another meaning as well; one that is more complimentary. A hardworking person can also be referred to as a geek. For example:

Mohan is the geek you find in the library all the time.

'Geek' was first used to refer to people who performed in circuses; not the acrobats, but those who performed unusual acts like biting off the head of a chicken, swallowing a live goldfish, etc.—acts which made the audience squirm. Or should I say acts which made the audience scream "EEK"!

Which of the following sentences is correct? "I pity who buy things from you" or "I pity those who buy things from you"? (V. Harini, Neyyeli)

The second sentence is correct. The verb 'pity' needs an object after it. Who are the people that you pity? The first sentence doesn't give us this piece of information, the second one does. You pity those people who buy things from the person you are talking to. Here are a few examples.

I pity the people who have to work in this weather.

Rama pitied Bharath because he hadn't completed his assignment.

What is the meaning and origin of the expression "wet behind the ears"? (I. Manish, Kerala)

When you say that someone is wet behind his/her ears, it means that he/she is young and immature. The person is 'green'. Here are a few examples.

You can easily fool Anand. He is still wet behind the ears.

I don't know how Janaki got promoted. If you ask me, she is still wet behind the ears.

Before we entered this beautiful world of ours, all of us were floating around in our mother's tummy. When we came out of the womb, we came out with the amniotic fluid that was surrounding us. In other words, we entered this world soaking wet. Doctors/nurses used towels to dry us off before handing us over to our mothers. In the case of newborn animals however, the mother has to lick the baby dry. It takes quite some time for the mother to do this. And one of the last places to become dry, I understand, is the area behind the ears. So if an animal is still wet behind its ears, it implies it has come into this world recently; it is still 'green'.

What is the meaning of Kangaroo court? (T. Hanchellian, Kumbakonam)

This is no court at all. A kangaroo court is an unofficial court of law set up by a group of people, especially in prisons and trade union organisations, in order to try someone of a crime. In most of these cases, the verdict is predetermined. The person on trial is usually found guilty and punished. Published in The Hindu on June 26, 2001

Word of the day

Ubiquitous:

being present everywhere at once

Synonyms: widespread, prevalent, universal, common

Usage: Smartphones have become ubiquitous in modern life.

Pronunciation: newsth.live/ubiquitous

International Phonetic Alphabet: /juːbɪkwɪtəs/

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POLICY

Behind Kerala's decision to take some forest spots off Google Maps

Nikhila Henry
Hyderabad, August 3

INDISCRIMINATE GEOTAGGING of locations in Kerala's forests is now illegal. The Kerala government's Forest Department has decided to find locations in the state's forests that have been illegally geotagged by individuals on online map platforms and remove them.

Rajesh Ravindran, Principal Chief Conservator of Forests and Head of Forest Force for the state forest department, told *The Indian Express* that this is being done to prevent people from entering sensitive ecological spots at the expense of their lives and that of the animals and fauna which exist there.

Earlier, Kozhikode Divisional Forest Officer M. Joshi had sought the removal of Google Maps listings inside reserve forests in his district, noting that these were encouraging illegal entry.

Illegal geotagging

Geotagging is the process of assigning a geographical location to a photo or video or any other pictorial representation on an online map. The process becomes illegal, according to the Kerala state government, if the location being added to the map is "a sensitive ecological spot".

The forest department has referred illegal geotagging to their IT wing to collate a list of such tagged locations, which will then be forwarded to the Forest Management Wing.

"Geo-tagging these sensitive locations on web mapping and navigation platforms had led to unlawful entry into reserve forests," Ravindran said. According to him, even trekking trails used by forest department staff inside protected forest patches in Silent Valley — which he called "ecologically sensitive locations" — have been made available on online maps.

PLAN OF ACTION

- The forest department is likely to submit a final list of illegally tagged locations to online map platforms for removal of tags.
- It also plans to identify the individuals who uploaded the locations within the reserve and protected forest areas and initiate legal action.

patches in Silent Valley — which he called "ecologically sensitive locations" — have been made available on online maps.

Cause for worry

The places which are being illegally tagged are mountainous regions prone to disasters including mudslides, forest officials said.

"Tourists in an effort to see the Kerala monsoon in all its beauty are stepping into such dangerous zones. The other reason to deem some geotagging as illegal is that wildlife corridors are being exposed. We do not want humans to come in contact with the big cats, elephants and bison without the permission of the forest staff," Ravindran said.

"The sanctity of such areas will have to be preserved and not anyone can enter these places for tourism purposes," he added. Ravindran said that he hopes online maps remove such illegal geotagged locations from their platforms once "the forest department writes to them".

Drishit IAS

IAS GS Foundation Course

Offline & Live Online Batches

Centre	English Medium	English Medium
Karnal Bugh	20 Aug 10:30 AM	24 Aug 8:00 AM
Noida	19 Aug 10:30 AM	23 Aug 11:30 AM
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Lucknow	29 Aug 10:30 AM	30 July 11:30 AM
Prayagraj	10 Aug 10:30 AM	24 Aug 5:30 PM
Ranchi	12 Aug 10:30 AM	19 Aug 5:30 PM
Patna	14 Aug 10:30 AM	30 July 8:00 AM
Jaipur	6 Aug 10:30 AM	11 Aug 5:00 PM

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CLIMATE

Climate whiplash, fire clouds: The factors fuelling Europe's massive wildfires

Yashee
New Delhi, August 3

THE WILDFIRES that have been raging across much of Europe for the past week are among the most intense in Greece now. Last week, the fires triggered the largest peace-time evacuation in France and burnt through 172,000 hectares in Spain. Major blazes have also been reported in Portugal, Italy, Cyprus, and Croatia, among others.

Scientists say Europe's wildfires are increasingly being fuelled by a dangerous combination of climate change, rapidly swinging weather extremes known as climate whiplash, and decades of changes in how people use — and no longer use — the land.

Bigger, hotter, harder to stop

Wildfires have a natural role in the environment, clearing away dead leaves and branches and dense undergrowth from the forest floor, so nutrients in the soil are unlocked and new plants can grow. The spark to light the fire can be natural or human activity-related. The problem begins when the fire spreads uncontrollably, due to factors like a climate whiplash.

Climate whiplash refers to rapid swings between weather extremes. In western Eu-

rope, an unusually wet period earlier this year encouraged the explosive growth of grasses, shrubs and undergrowth. That vegetation then dried out under successive heatwaves and drought, becoming abundant fuel waiting for a spark.

Researchers say this sequence, of unusually wet conditions followed by intense drying, is becoming more common as climate change intensifies both ends of the weather spectrum. The California wildfires last year were also fuelled by this weather sequence.

One of the most striking features of this year's Europe fires has been the appearance of pyrocumulus clouds, often shortened to pyroCb or "fire clouds", which can generate thunderstorms that further enhance the fire.

A large wildfire releases enormous amounts of heat. The hot air, along with smoke, ash and moisture from burning vegetation, rises rapidly into the atmosphere. As it climbs, the air expands and cools. Eventually, the moisture condenses around tiny smoke particles to form a towering cloud. If the fire is intense enough, that cloud can grow into a full-fledged thunderstorm, reaching 10-15 km into the atmosphere and even penetrating the stratosphere.



Towering flames on Mount Kithaion in Greece on Monday. AP

Inside the cloud, collisions between ice crystals, water droplets and ash generate electrical charges that produce lightning. Those lightning strikes can ignite new fires kilometres away from the original blaze. The storms also generate powerful, erratic winds that can suddenly change the direction or speed of a fire, trapping firefighters and residents. In extreme cases, a wildfire effectively begins creating its own weather.

Diego Ferraz Castañeira, a climate and environmental communicator and European Climate Pact Ambassador (a European Union initiative), told *The Indian Express*, "Extreme heatwaves and prolonged droughts, intensified by climate change,

Better supply-side management from the government, especially in urea, and subdued demand due to deficient monsoon cushioned war's impact

AGRICULTURE

Why Iran war didn't cause fertiliser crisis



HARISH DAMODARAN

THE UNITED STATES-Israel vs Iran war and the effective closure of the Strait of Hormuz since February 28 has triggered arguably the greatest global energy supply shock in history, eclipsing even the ones of 1973 and 1979.

However, its impact hasn't been felt as much in India with regard to fertilisers, especially urea.

Data from the Fertiliser Association of India shows the country's urea production fell to 17.5 lakh tonnes (lt) in March 2026, from 24.7 lt in March 2025.

The main reason was the supply disruptions in the primary feedstock, liquefied natural gas (LNG). Before the war, 53-54% of India's LNG imports came from Qatar and the United Arab Emirates (UAE), mostly along long-term supply contract agreements. These couldn't be honoured due to shipping blockades as well as damage to key liquefaction infrastructure from Iranian missile and drone strikes.

Domestic urea output recovered to 21 lt in April. The following two months saw it further rise to 25.2 lt and 25.4 lt, so much so that cumulative production in April-June 2026, at 71.5 lt, was 5.4% higher than the 67.9 lt for the same quarter of last year.

Proactive government action

"The credit goes to the government, which pushed GAIL (India) Ltd and Indian Oil Corporation to diversify their LNG sourcing, even if it meant pivoting heavily to spot market purchases at higher prices. So, even as the share of Qatar and UAE dwindled to near-zero, more LNG was imported from the U.S., Oman, Nigeria, Angola, People's Republic of the Congo and even Indonesia, Trinidad and Norway," a fertiliser industry official said.

The same proactiveness was also seen in the imports of urea. The state-owned Indian Potash Ltd (IPL) and National Fertilizers Ltd floated tenders on April 4 and

Production, import, sale of fertilisers

	Urea	DAP	MOP	Complexes	SSP
PRODUCTION					
Apr-Jun 2025	67.88	10.35	0	26.64	13.93
Apr-Jun 2026	71.53	9.84	0	19.2	13.5
IMPORT					
Apr-Jun 2025	8.38	9.74	2.65	9.54	0
Apr-Jun 2026	25.08	7.11	6.09	4.91	0
SALE					
Apr-Jun 2025	69.9	15.54	4.57	29.32	12.19
Apr-Jun 2026	69.33	15.26	4.23	30.15	13.55

SOURCE: THE FERTILISER ASSOCIATION OF INDIA

ALL FIGURES IN LAKH TONNES

May 27, against which 25 lt and 17 lt of imported urea were secured at landed prices of \$935-959 and \$444.9-449.3 per tonne respectively.

A third tender for the import of 17 lt — 10 lt to be delivered in western India and 7 lt in eastern coast ports — was issued by Rashtriya Chemicals and Fertilizers on July 29. The bids for this tender will open on August 11.

On the whole, India imported 25.1 lt of urea during April-June 2026, up from a mere 8.4 lt in April-June 2025. "Through this crisis, the government has made sure there is adequate supply of both imported urea and LNG for domestic production. It has also not allowed the higher import costs to be passed on to farmers, which would reflect in the fertiliser subsidy bill overshooting budget estimates," the official noted.

Not so comfortable

While the urea supply situation is comfortable, it's not so with di-ammonium phosphate (DAP) and complex fertilisers.

Urea meets the nitrogen (N) requirement of crops, just as DAP and muriate of potash (MOP) provide Phosphorus (P) and potassium (K) respectively. Complex fertilisers contain these plant nutrients — N, P, K and sulphur (S) — in different blends.

It can be seen from the accompanying table that the production of DAP, complex fertilisers and also single super phosphate (SSP, a low P-content substitute for DAP)

Some worries

While the urea supply situation is comfortable, it's not so with di-ammonium phosphate (DAP) and complex fertilisers.

The conflict in West Asia has tightened sulphur supplies too.



Commercial vessels anchored in the Strait of Hormuz off Bandar Abbas, Iran. AP

have registered declines in April-June 2026 over April-June 2025. Moreover, unlike in urea, their reduced domestic output has been combined with lower imports.

The success achieved in widening the import sources of urea and LNG has not been replicated either in phosphatic and complex fertilisers or key intermediates/raw materials such as phosphoric acid and sulphur.

Prices of phosphoric acid (cost plus freight) imported into India have increased from \$1,055 per tonne in January-March 2025 to \$1,153 in April-June 2025, \$1,258 in July-December 2025, \$1,290 in January-March 2026, \$1,360 in April-June 2026 and \$1,700 for the current July-September 2026 quarter.

It's worse for sulphur, where landed prices were elevated at \$500-550 per tonne (as against the normal \$150-250 range) even before the Iran war. That spike was on account of Ukrainian drone attacks on oil refineries in Russia, which led to production losses and a ban on exports by a major global supplier.

The conflict in West Asia has tightened sulphur supplies from other big sources too: QatarEnergy, Saudi Aramco, Abu Dhabi National Oil Company and Iran itself. The result is that import prices are ruling at around \$1,100 per tonne now.

The conflict has also squeezed the supply of ammonia — the source of N for complex fertilisers — from QatarEnergy, Saudi Arabia's Maaden and SABIC, and

Iran. These were, again, previously being shipped through the Strait of Hormuz. Import prices of ammonia have eased to \$650-700 per tonne though, after skyrocketing to \$850-900 levels in May.

"The real problem today is sulphur. It is necessary for making sulphuric acid that is, in turn, used to break down rock phosphate (the P-bearing ore) and convert into phosphoric acid. And without phosphoric acid and sulphuric acid, there can be no DAP, SSP and complex fertilisers," the earlier-quoted official explained.

In DAP, no imports have been contracted after the purchase of 13.5 lt through IPL's mega-tender on April 28 at \$930-935 per tonne (cost plus freight). That price was higher than the \$725-750 levels of a year ago.

"Prices are unlikely to fall. In any event, they may go up if India were to float a fresh large import tender. The government must focus on augmenting supply of sulphur and make it viable for domestic DAP and NPKS manufacturers to import. It would entail making additional subsidy provision, similar to that on urea," the official added.

El Niño factor

Demand for fertilisers has been subdued because of the El Niño-induced monsoon deficiency.

With all-India rainfall during July-June being 12.6% below the normal average for the two months, the area sown under *Kharif* crops, too, has been down 2.9% so far from last year.

This is in contrast to 2025 and 2024, which were super monsoon years. Ample soil moisture, well-filled reservoirs and recharged groundwater tables prompted farmers to plant with gusto and also queue up to buy fertilisers. With supply management failing to keep pace with demand, there was a scramble for fertilisers and the lines only got longer.

This time, there has been a slowdown in off-take of fertilisers, besides better supply preparedness on the government's part.

"With upcoming state elections in Uttar Pradesh, Punjab and Uttarakhand in February-March, you can expect the government to take no chances even for the *rabi* (winter/spring) cropping season," the official added.

ECONOMICS

US-Japan joint action: How a stronger yen affects Indian markets

Akash Mandal
Mumbai, August 3

THE US AND Japan on Monday confirmed a joint coordinated intervention in the Japanese currency market aimed at smoothing out excessive volatility in the yen. The move, taken on Friday, strengthened the yen against the US dollar, ringing potential alarm bells for Indian markets.

The joint action — the first since 2011 — was under the US-Japan Finance Ministers' Joint Statement issued in September 2025, with both countries keeping the door open for further joint intervention efforts. This comes against the backdrop of the Japanese currency falling to 40-year lows in July.

"They have a weakening yen, and they wanted a little bit of help. And we're always there for Japan," Reuters quoted US President Donald Trump as saying in response to a reporter's query. The Japanese government may have sold as much as \$59 billion in securities on Thursday to support its currency, Reuters reported citing central bank data.

Behind the intervention

The US has a vested interest in the yen's performance with a weaker yen leading to US Treasury bond yields shooting up. With the Japanese government holding a large share of US Treasuries, a weak yen may force Japan to sell US bonds, further elevating US bond yields. With yields already under pressure owing to elevated inflation and expectations of interest rate hikes by the Federal Reserve, a joint intervention by both countries helps manage market expectations.

"Obviously Japan needs to increase interest rates (to curb inflation), but none of the central banks are keen to raise rates at this point because it could affect demand. That's why this sort of intervention is there," said Pankaj Pandey, head of research at ICICI Securities.

"The US debt has climbed to \$40 trillion, so every 10-20 basis points of increase in bond yields will put a lot of pressure on the US balance sheet. Hence, the US might have stepped in to protect the dollar," said Sunny Agrawal, head of research at SBICAPS Securities. One basis point equals

Ins and outs

● The Indian stock market saw a positive FII inflow of \$2.1 billion (approximately Rs 20,200 crore) in July after four straight months of net outflow.

● The market has seen foreign outflows of \$27.2 billion (approximately Rs 2,54 lakh crore) so far in 2026.

0.01%, that is, 100 basis points equal 1%.

The Bank of Japan kept its short-term interest rate steady on Friday but signalled that there might be a need to raise rates soon as underlying inflation threatened to exceed its 2% target. While the US has also avoided hiking interest rates so far, the CME Fedwatch tool shows a nearly 65% probability of a 25-basis-point rate cut in the Fed's next meeting in September.

After the Monday announcement by the Japanese finance ministry, the yen rose by around 1% to \$1.55-2.3 dollar, which was the strongest level in three months, before paring some gains to trade around 156.75. This followed the currency gaining over 3% in the last two sessions of the previous week.

Impact on Indian markets

The Indian market has a significant exposure to every 10-20 basis points of increase in bond yields will put a lot of pressure on the US balance sheet. Hence, the US might have stepped in to protect the dollar," said Sunny Agrawal, head of research at SBICAPS Securities. One basis point equals

While analysts are unsure about current numbers, an August 2024 report by Elara Capital showed India's yen carry (trade exposure) had risen to around \$21 billion, or about 2.2% of the total foreign institutional investor (FII) holdings.

While unwinding of the yen carry trade may lead to an FII exodus in the shorter run, crude prices remain a bigger concern for the Indian market currently. "We haven't been a big beneficiary of FII inflows as of now, so most of the negatives are already there in terms of pressure. For us, the bigger macro issue is the stabilisation of crude price," said Pandey.

The Indian stock market saw a positive FII inflow of \$2.1 billion (approximately Rs 20,200 crore) in July after four straight months of outflow. This inflow, however, was nothing compared to the foreign outflows of \$27.2 billion (approximately Rs 2,54 lakh crore) the Indian stock market has seen so far in 2026.

The impact on the Indian market from the yen's trajectory would depend both on the current levels of exposure and the quantum of joint US-Japan intervention.

contributed to an increase in wildfire risk in the region," it says.

Consequences

The wildfires have an economic as well as an environmental impact as smoke impacts air quality for thousands of kilometres.

The United Nations Economic Commission for Europe (UNECE) said in a July 30 report, "Wildfires threaten lives, destroy homes, infrastructure and livelihoods, and force entire communities to evacuate... In the European Union alone, wildfires are estimated to cost around EUR 2.5 billion every year, through damage to infrastructure, loss of tourism revenue and disruption of economic activity."

And while Europe is getting better at tackling the blaze, experts say that is not enough.

Castifeiras also said protecting ecosystems requires much more than "simply suppressing" fires once they start. "We urgently need to adapt to this climate reality by actively managing our agroforestry landscapes, addressing rural abandonment and building more diverse and resilient ecosystems," he said.

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BECAUSE THE TRUTH INVOLVES ALL

The outsider is in: Patna sends a message via PK

RESULTS OF by-polls are not to be read under a large helping of caveats, it is risky to extract larger political conclusions from them. That said, Prashant Kishor's impressive and hard-fought victory in Bankipur constituency in the heart of Patna is a significant moment in the state's polity. It may or may not reflect the discontents that spilled over at Jantar Mantar during the students' protests recently. What is more certain is this: The poll strategist-turned-politician's pitch marks a disruption in Bihar. Even though the Jan Suraj drew a blank in the last assembly poll after a high-profile campaign, Bihar's newest party had left an imprint on the political vocabulary. In a state where the salience of caste arithmetic has been consecrated even as it has been steadily deconstructed, the radical charge of "social justice" politics, Kishor's attempt to change the subject to issues of education and corruption, jobs and migration, and criticism of the BJP's choice of CM, was noticed. Now, Prashant Kishor, M.L.A. has the opportunity and the platform to build on this.

Kishor's victory also carries a symbolic resonance given that it comes in a bastion of the BJP — it has won every election here, never securing a vote share below 59 per cent. Bankipur has elected, five times in a row, its current chief Nitin Nabin. The BJP rout in Bankipur comes only months after the NDA swept the assembly poll, subsequently installing Samrat Choudhary as the first BJP chief minister of Bihar, in the wake of Nitish Kumar's exit. Kishor's election is a warning to the BJP against arrogance and complacency and also contains a message for the RJD. That a vote against the BJP went to the candidate of the newbie, not to the principal opposition party, may point to a voter reluctance to see the Tejashwi-led party as the political alternative, and her willingness to explore new options and spaces.

Bihar's newest M.L.A. enters the assembly at a time of churn in the state's politics. Nitish Kumar, for long a central figure, and the only one in recent history who played the role of a bridge, softening caste edges in a coalition of extremes, has moved to Delhi. His agenda of governance has plateaued and is in search of new directions and beginnings. The BJP finally has a chief minister of its own but it is not yet clear if it can find its footing in a state that, in the past, has seemed less welcoming of Hindutva politics. Lalu Prasad's party seems diminished, still, by a past moment of its own making. Prashant Kishor's victory comes in a fraught moment. It is up to him now to give it shape and meaning. Watch this space.

PM's call to forgive must be heard by police, party

THE PRIME MINISTER's message was clear. He urged forgiveness for those who used abusive language against him during the recent student protests triggered by the NEET exam paper leak. Punishing them, dragging them to court and hounding them, is not the way forward, PM Narendra Modi said in an Instagram video on Friday. It was a welcome intervention, one that recognised that such excesses are best addressed through persuasion rather than prosecution. But if his words are to carry weight, they must be honoured by law enforcement agencies, by his party, and by the toll armies that are affiliated to or support him.

Unfortunately, that seems easier said than done. Ever since the protest was called off on July 25, a relentless backlash is being faced by many who took to the streets. Cases were filed against protestors, notwithstanding the government's assurance that legal action would not be taken, even as some state governments have, since then, withdrawn cases. Online, self-appointed enforcers of "morality" have shared photographs and videos of those who participated, demanding "action" against them. Trolls have doxxed several of the protestors, making their names, phone numbers, addresses and other personal details public, thus exposing them to sustained harassment. Young women, in particular, have drawn much of this ire.

The resignation of Education Minister Dharmendra Pradhan — one of the key demands of the satirical online platform, Cockroach Janta Party, which led the protests — showed that the government was listening to the youth. The significance of that moment lay in the state recognising that it had to resist its instinct to turn a deaf ear to grievances or to criminalise dissent. The PM's call to forgive the protestors is an important part of that acknowledgement. But forgiveness cannot remain a sentiment expressed on Instagram while intimidation continues on the ground. Certainly, some of the language used during the demonstrations was crude, falling on old sexist tropes. It was unbecoming of a movement that was otherwise defined by a fresh and creative energy. But while these protests must be an opportunity for the young — and, indeed, the old — to learn from their mistakes, they cannot be used as a pretext for the state's online men to target them vindictively. The Prime Minister has spoken. The police and party faithful should listen to him.

Glasgow is step forward, bigger journey ahead

MEDAL HAULS at Commonwealth Games aren't always an accurate reflection of a country's sporting prowess. The depth in competition in some events isn't necessarily great, and a quality sports person doesn't have to exert much to get on the podium. But even with that caveat, India's performance in Glasgow is a step forward, especially when strong suits like shooting, wrestling, archery, hockey and badminton were not part of the truncated edition. Athletics is one area where India's standards have visibly risen. The competition was mostly modest, but there were several glass ceilings broken. Guler Singh winning medals in both the 5000m and 10,000m — events traditionally a preserve of African runners — is heartening. Tejashwi Shankar finished on the decathlon podium a couple of days after withdrawing from the high jump due to a knee injury. Neeraj Chopra had to settle for the javelin silver medal, but Yash Vir Singh clinched bronze to show there is more than one Indian contender on the big stage.

India was the dominant force in the boxing ring, bringing seven gold medals. The competition was mostly modest, but they still had to do the job. In judo, India made history by winning two landmark gold titles. In weightlifting, veteran Mirabai Chanu won her third straight gold medal, but the next generation of quality lifters has yet to make its presence felt on the international stage. The Asian Games in Japan next month will provide a sterner measure of India's global competitiveness. Glasgow is best seen not as proof of arrival, but as evidence of a task well begun.

The Editorial Page

What remains of Jantar Mantar after the crowds have gone home

AN IRONY lost in the current turbulence is this: A populist has been blindsided by a populist moment. An amorphous and unorganised collective has protested in the name of the people, forced a minister's resignation, and indirectly targeted Prime Minister Narendra Modi. Over 12 years in power, PM Modi has claimed direct connection with the people, unmediated by institutions, processes, even rules of the game. Well, the people are talking back to him now, and some of them are rude. That he doesn't seem to understand their language, that he ends up talking down to them on Instagram, points to the rift suddenly framed by the upsurge from below.

This is not like the *dharma* at Shaheen Bagh or even like the farmers' agitation to which the Modi government had bowed earlier. The first was led by a relegated Muslim minority. Though the figure of the farmer at the centre of the second agitation was more irrefutable, it did not touch off emotions and empathies across millions of families like a movement that makes the young its motif. This time, PM Modi faces an intimate enemy, one he cannot demonise or easily label as the "Other".

In 2014, when Modi swept to power on the claim that he is the embodiment of the people rising against the status quo presided over by corrupt Congress elites, he was the populist defined not just by anti-elitism, but also by anti-pluralism. The Modi-BJP arrogated to itself the prerogative to define who is, and who isn't, the people — not the Muslims, nor the critics and political opponents labelled as "anti Hindu", "urban Naxal" and "anti national", or those propped up by inimical "foreign forces" with sinister "tool

kits". Till now, the Modi phenomenon has, in keeping with the populist script, projected him as above the fray, as the custodian of bigger pictures, not singled by the lines of accountability that are in any case long and meandering in a multi-layered polity.

By taking on Modi directly now, the protests triggered by the Cockroach Janta Party against an education system besieged by debilitating weaknesses, have drilled some reality checks into his above-the-fray positioning, and loosened the stranglehold of the Modi-BJP story. This is, therefore, a moment of reclamation and relief. But the fact also is that what is being called the "Gen Z movement" rides a populist moment of its own making — it also runs the danger of making claims that need to be questioned, if not punctured, in an unequal and diverse democracy.

To say this is not to say that all populisms are alike, or that 2014 is equal to 2026. In 2014, an electorate was firing on Congress, the Sonia Gandhi-Manmohan Singh governing arrangement was divided at the top in ways that undermined its own authority, and politics seemed not to have caught up with the polity's rightward shift. Prodded by the Anna mobilisations, voters were persuaded and entranced by the Modi appeal, his outsized persona, us-versus-them framing and promises of quick fixes. The students' protest in 2026 comes at a time when a different kind of disillusion may be setting in. This time, it is against a domineering government that is colonising all spaces, amid a weakening of institutions and hollowing out of parties. The BJP, which leads the protests, is



VANDITA MISHRA

also different from the conventional populist actor or force — it is a fluid formation, with no defined organisation and no overpowering leader who is charismatic. This could keep it safe from some of populism's ill-effects, arguably.

Even so, the claim to speak for the authentic people in a large and diverse democracy is essentially an act of what democracy theorist John Keane calls political ventriloquism. It must be interrogated. It needs to be asked, for instance, whether a crowd will gather as easily, or build pressure on the government as effectively, if the issue was the recurring discrimination against Dalits or continuing exclusion from "sabka saath..." of the Muslim minority.

The slogan of "Jai Bhram" raised from the Jantar Mantar stage does not put these questions to rest. Not just because it was only a part of the background score, not the rallying cry. It is also because more than any one slogan, leader, party or flash mob, the marginalised and the excluded, the Dalits and the Muslim minority, depend on what took a back seat at Jantar Mantar — stolid institutions and unglamorous processes, unspectacular rules of the game, ill-lit checks and balances. To be fair, the BJP has not openly or directly undermined institutions, but it has raked up a strain of anti-politics. It is also true that the rules of the game are being rewritten by the ruling establishment, which chooses its own referees. But the constitutional and political scaffolding is still there, a despite-it-all trust is reposed by those at the margins and peripheries.

In Dalit clusters distant from the

arclights in Delhi, you sometimes catch a glimpse of what binds India's most deprived to the political mainstream — pride in the Constitution Babasaheb gave to the country, hope in the coalition-making forced by a first-past-the-post system on parties. "How can any one party change the Constitution that Babasaheb bestowed and all parties accepted?", was a refrain in many Dalit localities, even in the 2024 Lok Sabha election, when the BJP's "400-paur" slogan had touched off insecurities. A social engineering experiment of a Dalit party in search of the "plus" vote made Mayawati a four-time chief minister of UP, and that compulsion also lies behind the wooing of SCs by other parties.

In Muslim neighbourhoods, in the time of BJP dominance, you hear, again and again, alienation from leaders and parties, and signs of a community looking over their shoulder at the impersonal rules of the game. The institutions are still there, are they not? Will they not hold out against pressures, remain steadfast?

An abiding memory from a night spent at the 2011 Anna Hazare mobilisation in the capital's Ramliya Maidan is of the dark pierced by camera flashes held up by people taking selfies, well after the stage had fallen silent. The Jantar Mantar sit-in, too, has done well to increase democracy's repertoire of images and voices. But we need to acknowledge a paradox: A routine, non-populist politics cannot easily challenge populism. And yet all populism bruises institutions. This moment also calls for humility — the agenda of change remains unfilled, after the crowds have gone back home.

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Listening to rivers, learning from fires



KAUSHIK DAS GUPTA

IN A world ravaged by wars, some of last week's most poignant images came from communities confronting another crisis — people wading through floodwaters in Assam, families fleeing landslides in Kerala, residents displaced by floods elsewhere in India, and firefighters battling blazes across Europe. These events claimed lives, destroyed homes and livelihoods, and left thousands confronting the realities of a warming world. They also underscored a less appreciated truth: Climate change unfolds through distinct ecologies, histories and vulnerabilities.

A changing climate is global; its consequences are shaped by the landscapes and societies where they unfold. Understanding that distinction is essential if societies are to move beyond reacting to crises towards preparing for them. As geographer Mike Hulme has argued, climate change forces societies to reconsider how they understand risk, development and their relationship with the natural world.

The country's Northeast illustrates this challenge. The Brahmaputra and its tributaries have always been dynamic rivers, reshaping channels, depositing sediment and inundating floodplains during the monsoon. But the context today has changed. A warmer atmosphere can fuel more intense bursts of rainfall. Embankments have protected communities and farmland, but they have also restricted natural river movement and, in some places, increased the consequences when floods exceed their limits. Forest degradation in catchments has further weakened the landscape's ability to regulate water flows and retain soil. The result is greater vulnerability to floods.

Assam Chief Minister Himanta Biswa Sarma's expression of helplessness over recurring floods reflected the limits of an approach centred largely on relief and rehabilitation after each inundation. Living with a dynamic river system requires a different philosophy of governance: Reducing vulnerability before disaster strikes, not responding afterwards.

Kerala's slopes are known to be susceptible to landslides during intense rainfall. But quarrying, deforestation, road construction and expanding habitation on fragile hillsides have increased the damage during extreme rainfall. The state's resistance to recommendations of the Western Ghats Ecology Expert Panel, which called for greater caution in

ecologically sensitive areas, speaks of a wider difficulty in reconciling development ambitions with ecological limits.

It may be tempting to see the crisis unfolding in Europe as part of the same climate story. A warming atmosphere does intensify the hydrological cycle, producing heavier rainfall in some regions and more intense heat in others. But stopping the analysis there risks overlooking important nuances. Mediterranean ecosystems have evolved with fire for millennia. Rising temperatures, prolonged droughts and more frequent heatwaves have undoubtedly intensified fire risk. A response that goes beyond expressions of helplessness or alarmism requires understanding the ecological and social changes that have unfolded over the past half-century. Rural populations have declined, traditional grazing has diminished, woodlands have expanded without active management and decades of suppressing smaller fires have allowed combustible vegetation to accumulate. Housing and tourism have spread into fire-prone landscapes.

Scientific advances — better climate attribution studies, satellite-based monitoring of rainfall, land-use change — are making it increasingly possible to understand how global warming influences particular events. But explaining the climatic drivers does not, by itself, explain why an event becomes a disaster. Equally important is ascertaining why similar hazards produce different consequences. Disaster risk is shaped as much by governance, ecological stewardship and an understanding of social vulnerabilities as by meteorology.

For India, the challenge is twofold: To build far stronger systems to anticipate disasters, while also rethinking how rivers, forests, mountains and cities are governed in a changing climate. Urban planning and public infrastructure must be shaped by an understanding of the landscapes and climates they now inhabit, rather than the certainties of an earlier era.

A warmer world will not produce identical disasters. The consequences will depend on the choices governments make, the ecosystems they protect and the institutions they strengthen. Adaptation should not be a single blueprint but a set of locally grounded responses to locally specific risks.

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Hollywood films in India: Kiss, don't show



ABBAS MOMIN

IF YOU'RE going to watch the latest *Spider-Man* film in an Indian theatre, you'll be able to watch Spidey fight ninja warriors, swing across skyscrapers and take punches from the mighty Hulk. But you know what you won't be able to see him do? Kiss Mary Jane for more than eight seconds.

Yes, our trusted uncles and aunts of the Central Board of Film Certification (CBFC) are at it again. An eight-second scene found to be "a titillating sensual act" was excised from the film. It isn't the first time that the good people at the CBFC have reminded superpowered men in tights that their primary job is fighting crime and not locking lips for extended periods of time. In July 2025, when Superman came flying onto our movie screens, two of his kissing scenes with love interest Lois Lane, which clocked in at 33 seconds, were snipped. I often feel that audiences who choose to watch Hollywood films in India are subjected to a game of "spot the modification". You're engrossed in a tense verbal spat between two characters on screen. Suddenly you'll notice one of the characters' faces contorting in anger, but the words coming out are muted. Now you have to fill in the blanks and guess the curse word. Thank you, CBFC, for making us expert lip readers.

Even the subtitles won't help you out, displaying a series of asterisks as if implying all the conditions of watching a Hollywood film in India. The recent "adult" comedy *The Inmate* had the anti-smoking and drinking warning boldly occupying almost a quarter of the frame throughout its 107-minute runtime. And if that isn't enough, the CBFC makes sure your brain stays alert trying to decipher the blurred-out brand name. (The irony of blurry vision being one of the effects of alcohol consumption seems to be lost on the CBFC). Last year's *F1* starring Brad Pitt had a rather advanced version of this "spot the modification" game when a middle finger emoji during a text message exchange on screen was blurred out. One can only imagine what might transpire when CBFC members learn the hidden meanings of the eggplant and peach emojis. Watching Hollywood films in India has become a strange meta-experience. You're not just following the story unfolding on screen, you are also trying to reverse-engineer the invisible decisions made in a certification office. How much kissing is too much kissing? How much violence is too much violence? And why a different yardstick for different films?

What makes the board members decide that a violent scene in *Obsession* will make people squirm an hour into the film and needs to be shortened, as compared to *Dhruvan* 2 where an Indian spy is wreaking havoc on terrorists from across the border in the next graphic ways for over three hours? But the films were passed with an A certificate, but one set of adults apparently needed more hand-holding than the other. The aforementioned "acts of titillation" also seem to go untouched in films like *Pedli* or the many raunchy *Hushful* films.

Rather than CBFC evolving, Hollywood studios have now started pre-empting their objections and, on occasion, creating "sanitised" versions of their films for the Indian market. Maybe therein lies the CBFC's victory: Hollywood superpowers lie at the mercy of the state certification office. It may be a brand new day in Spider-Man's world. Over here it's the same old, same old.

The writer is a podcast producer and stand-up comedian

40 YEARS AGO

August 4, 1986



Thatcher on sanctions

THE BRITISH Prime Minister, Margaret Thatcher, appeared to have yielded a little to the pressure exerted by the other Commonwealth countries, including India, on the question of sanctions against South Africa. At the first session of the mini-Commonwealth, Thatcher agreed that adequate progress had not been made since the Naxos summit last October and expressed her willingness to consider further measures. This has given rise to hopes that the meeting may end in some positive conclusions and avoid a rift within the Commonwealth.

Bandh ends in Darjeeling

THE WEST Bengal Chief Minister, Jyoti Basu, presided over a high-level closed-door meeting to discuss the Darjeeling situation and ways to tighten up the security arrangements in view of the Gorkha National Liberation Front (GNLF).

Arms seized in Punjab

ELEVEN SUSPECTED terrorists belonging to two groups were arrested and some arms and ammunition seized from them. This apart, one person was shot at and injured. In

another incident, four armed men snatched a 12 bore licensed gun and three live cartridges from its owner, the police said.

Land reform implementation

THE CONGRESS has sought detailed progress reports on the implementation of land reforms from its Pradesh party presidents and secretaries in a circular. The Congress-I VP, Arjun Singh, has asked the party CMs and Pradesh presidents to make a critical appraisal of the effectiveness of the various legislative and other measures taken to ensure equitable distribution of land.

Youth won't take over—promise, no delivery. We need a Manmohan Singh moment



ASHOK GANGULY,
R GOPALAKRISHNAN
AND RAKESH MOHAN

LEADERS EVERYWHERE are compelled to think outside the box and solve the problems that have accumulated like atherosclerosis in the administrative system. We call this the MMS moment (Manmohan Singh) to commemorate the architect of liberalisation.

But where do you begin? A leader can start by listening empathetically and then by delivering what is promised. Leaders everywhere must learn to listen with empathy. But who runs a listening skills course for leaders? Since youth have "finally" been listened to, older folks should be listened to as well.

The oldest of us is a nonagenarian. The other two were born about 10 years later. We enjoyed professional careers and retired from formal careers sometime in the last 20 years. Our current preoccupation is to be thankful for the lives we led, to feel immensely proud about being Indian, and to hope that our future generations will feel even prouder in the coming decades. In this rare joint writing, we draw attention to why some questions seem to linger forever, suspended in the gap between promise and delivery.

Our parents were highly preoccupied with placing food on the family table. They experienced the turmoil of colonialism, world war, famine, partition, and other convulsions. We grew up in an India characterised by a controlled economy, where everything was in short supply — grains, bread, milk, steel, transport, and communications. We led more plentiful lives compared to our parents. Our sons and daughters have lived even better lives than we did, spurred by better earnings, savings, travel, and technologies. If progress were linear, there would be no need for us to worry about the future. India must be on the right track.

But it also may not be so. Politics, gov-

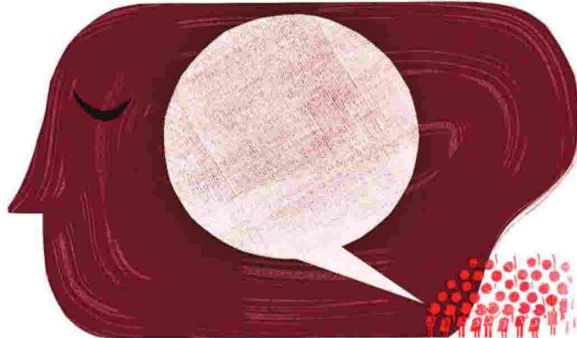


ILLUSTRATION: C P SAKSHI

ernance, and geopolitics form a complex spaghetti and do not unfold in a linear manner. We belong to a singularly fortunate generation that has experienced the survival, indeed the successful growth of independent India. Many nations gave up democracy or transformed into autocracies. Ours has remained democratic, despite some inevitable weak spots and frailties. This is a remarkable achievement for a country as large as ours.

Leaders with a variety of political affiliations assume that their appointment to a post is a certificate of their being good listeners. From our own careers, we know this assumption does not hold. If anything, the more powerful the leader, the less likely he or she is to listen well. The public arena provides many examples. In the United States, for instance, leaders elected with less than a majority of the popular vote have often acted as though they command overwhelming public support.

If problems linger, protests and civil disturbances erupt. Our generation has experienced and memories of Gandhi's and JP's methods, but the emerging generation has little memory of those. The emergence of the Cockerroach

This is neither a BJP nor a Congress problem. It is the cumulative result of longstanding institutional weaknesses, compounded over decades and aggravated by a culture of over-promising

Janata Party (CJP) reflects this shift in the political imagination of India's youth. When leaders fail to listen with empathy, dissatisfaction deepens. Amplified by the reach and speed of social media, it can quickly evolve into organised protest and new forms of political expression.

The problem of exam leaks is not a recent issue. In the last 12 years, we have experienced 1.25 leaks per month. It is no consolation that they occurred earlier. Now, there is an Exam Reform Committee. What happened to the National Education Policy (2020), Malviya Mission Teacher Training Programme (2023), and K Radhakrishnan Committee (2024) on accreditation? The remarkable instant reaction of 20 million people to a random Instagram message is indicative of a much larger problem than a dysfunctional examination system.

Associated with it are lingering issues related to other youth anxieties: Massive educational expansion accompanied by excessive privatisation and skyrocketing costs, deteriorating educational standards, the unavailability of jobs and over-qualification for low-level jobs. Youth's aspirations have been raised, but delivery does not match aspirations. Luckily, is-

sues of housing, food and women's income are mitigated by a variety of government-run schemes.

Nothing is more dangerous than reasonably fed youth who find little meaning in their lives and prospects. In the last decade, matters have deteriorated or, at best, stayed static. If the CJP protests reveal anything, it is that the gap between promise and performance has become deeply personal, affecting the daily lives and prospects of millions.

The last decade has raised hopes in several areas. No earlier generation has been promised so much — dramatic improvement in educational standards, elimination of corruption in public life, credit into bank accounts by recovering illicit wealth from abroad, benefits of demonetisation, doubling of farmers' income, reducing import dependence on crucial food-related items, including fertilisers through nano fertilisers, edible oils through large-scale plantations in the north-east, and augmenting supply of pulses. Though our GDP growth in the last decade or so is similar to the previous 20 years, we are now acclaimed as the fastest-growing economy. But this is not enough if the promises made with panache are not met for the growing aspirations of our youth and the general population.

The result is a burgeoning youth population that is neither fully employed nor meaningfully occupied, facing the cumulative burden of long-neglected shortcomings in governance and public administration. This is neither a BJP nor a Congress problem. It is the cumulative result of longstanding institutional weaknesses, compounded over decades and aggravated by a culture of over-promising. The gap between promise and delivery hurts badly. Should we reduce announcements and get down to execution?

The youth of India will not tolerate over-promise and under-delivery. India needs an MMS moment, out-of-the-box thinking and creative change.

We hope these reflections will find a hearing among those entrusted with shaping the nation's future.

Ganguly is former chairman of Hindustan Unilever and former member, Rajya Sabha. Gopalakrishnan is former director of Tata Sons, and Mohan is former deputy governor, RBI.

V-Cs write open letters — but not about NTA or NEET



GAUTAM I MENON

A GROUP of about 215 academics, including some current and former vice-chancellors of Indian universities, recently published an open letter challenging a parliamentary intervention made by an MP. Their letter names a person who was the likely target of the MP's remarks, even though he was not named explicitly. The MP's reference to a "cow urine expert" is widely understood to mean Professor V Kamakoti, the current Director of IIT Madras. Kamakoti is a computer scientist and academic, well-known for his leadership of several major national computing initiatives.

There is one aspect of the open letter that merits some thought. When V-Cs unite on such matters, do they represent their institutions or do they speak in an individual capacity? And how would we know the difference?

As those who write for the public while also serving an institution know, their bylines are usually required to carry an explicit statement of the broad form. The views expressed here do not represent those of their institution. A scholarly article in a journal might not be required to carry such a statement. But then the affiliation listed would be an academic one, not an administrative one, implying no control over any institutional policies. So, when V-Cs speak or write for public consumption, barring an explicit statement to the contrary, one must assume they speak for their institutions, not for themselves. Indeed, this is why institutional heads pursue their public statements carefully.

PLFS data shows a graded pattern in India where postgraduates face higher unemployment than graduates, who face higher unemployment than those with secondary education. The devaluation of degrees apart, the state of funding of public universities remains dismal, and attacks on freedom of expression continue apace. The scandal surrounding NEET and the travails of the NTA reflect far larger problems.

One might reasonably expect that V-Cs of Indian institutions would be similarly concerned about the employability of their students, corruption in the examinations that qualified them to enter in the first place, the decline in quality of teaching and research at many public universities and difficulties with NEP implementation.

Sadly, there seems to be no similar open letter from any group of V-Cs that addresses such questions, even though this one says, "Our scientists, scholars and educators deserve to know that they can participate in public debate without fear of being reduced to dismissive labels."

Last year, the international board of the International Olympiad on Astronomy and Astrophysics (IOAA)

discussed the issue of Israel's participation. Several scientists, including a number of Indians who were among its sponsors, sought Israel's suspension citing its role in Gaza as a reason, while also pointing out that Israel had forcibly prevented Palestine from fielding a full team for the Olympiad. The board passed a resolution barring the Israeli state from official representation until it complied with international law.

Surprisingly, in response, nearly 300 academics, including several V-Cs who are signatories to the current letter, wrote publicly to the Prime Minister, asking him to act against those Indians who had initiated the IOAA resolution. They were named explicitly in the letter, in a vindictive step. Their letter said that their actions had the capacity of embarrassing India diplomatically, going on to say that "many faculty in central government institutions are strongly committed to an older political line that has long since given way to a new paradigm that sees our country as a new, aspirational, and progressive Bharat". The wording they chose presents a request made to an independent international body, the IOAA, by scientists interested in upholding that body's own founding principles, as an attack on India's foreign policy. Interestingly, some of the same V-Cs who authored the current open letter did not consider "vested interest" to be a "dismissive label" at that time.

In a vibrant democracy, everyone, whether a V-C or a lowly academic, an unemployed citizen or a student, would be able to criticise both the government and the actions and words of the opposition. What the recent protests have highlighted is the impatience of the young with the pervasive hypocrisy they see around them, and a deep yearning for a change in the status quo. This must be addressed urgently for the sake of higher education in India. For V-Cs to constructively examine the genuine problems of higher education in their open letters, rather than to simply demonstrate an allegiance to the government of the day, would be an excellent start.

The writer is a former diplomat

The writer is a professor at Ashoka University. Views are personal

LETTERS TO THE EDITOR

Kashmir attack

THE RECENT terror incidents underline that security requires constant vigilance, not occasional responses ("Return of terror points to need for constant vigil", IE, August 3). Intelligence agencies, local police and citizens must work together to detect threats early. At the same time, development, education and employment must continue to strengthen public confidence. A balanced approach that combines security measures with community participation will help isolate extremist elements and preserve peace.

A Myilsami, Coimbatore

LoC stability

THE ARTICLE rightly reminds us that fear cannot create lasting peace ("What images from across LoC underline: Fear can never be foundation of peace", IE, August 3). Stability along the Line of Control depends on trust, dialogue and respect for the aspirations of ordinary people. Violence only deepens divisions and delays progress. Governments must keep communication channels open while firmly addressing security concerns. Peace becomes durable only when development, dignity and democratic participation reach every community affected by conflict.

Abbiarna Barathi, Chennai

Nuclear safeguards

GLOBAL NUCLEAR cooperation should be guided by consistent principles rather than strategic convenience ("Saudi nuclear deal: Barak Washington's double standards", IE, August 3). Different standards for different countries weaken confidence in the international non-proliferation framework. Peaceful nuclear energy can support development, but transparency, safeguards and equal treatment must remain non-negotiable. International institutions should ensure that geopolitical interests do not override long-term global security or responsible nuclear governance.

A Senithi Kumar, Kaniyur



VIVEK KATJU

ON JULY 22, terrorists belonging to the Lashkar-e-Taiba proxy, The Resistance Front, attacked a group of policemen in Anantnag, killing one of them. Nine days later, the same group allegedly killed two labourers from Chhattisgarh working in a brick kiln in Kulgam. These attacks are warning signals to India from a deeply frustrated Pakistani military establishment, which holds India and the Afghan Taliban responsible for the activities of the Tehreek-e-Taliban Pakistan (TTP) and the Balochistan Liberation Army (BLA) in Balochistan and Khyber Pakhtunkhwa. These groups have demonstrated their ability to strike security forces and sensitive targets, especially in Balochistan, almost at will.

On July 31, Director General (DO), Inter-Services Public Relations (ISPR), Ahmed Sharif Chaudhry admitted that Pakistan has lost 303 soldiers and 194 law enforcement personnel in anti-TTP and BLA operations this year. While he emphasised the heroic work of the army, he did not, deliberately, refer to the week-long sit-in, beginning July 9, of the families of police personnel killed in TTP attacks in the Quetta area in early July. The families refused to bury their dead till the Balochistan government agreed to appoint a Judicial Commission to examine the security lapses that had led to the massacre. While this is not the first time a com-

Munir is in no position to risk a terrorist attack which crosses India's red lines and compels a major kinetic response

J&K terror attack shows Rawalpindi against the wall

mission has been appointed for such a purpose, each one has been galling to the army. Chaudhry reiterated Pakistan's tired charge of an Indian and Afghan Taliban nexus for assisting the TTP and BLA in carrying out terrorist attacks in Pakistan.

What was new, however, was his reminder to the Afghan Taliban of the Quran's teaching to Muslims: "Iman wale ko chhod kar kafiron ko dust na banao". Many Muslim scholars refute Chaudhry's interpretation. Chaudhry did not reflect at all on the fact that despite Pakistan's assistance to the Afghan Taliban, the interim Afghan authorities found the neighbour's approach so hostile to Afghanistan's interests that relations have soured completely between them. Also, no Islamic state follows Chaudhry's interpretation in its interstate ties. Indeed, it would be pertinent for Indian analysts and scholars to draw the world's attention to the distortions which are being introduced in Islam's name by the Pakistan army.

The early July attacks in Balochistan, in particular, have put Asim Munir on the spot. While he has been able to bomb Afghanistan and has squeezed them on transit, he is in no position to risk a terrorist attack which crosses India's red lines and compels a major kinetic response. While the Iran war is ongoing and its extreme negative consequences are being felt all

across the world, any adventurism by Munir will end all the goodwill he earned through his mediation efforts, even though the intransigence of the warring parties has now overtaken those efforts.

Munir, especially as he became chief of defence forces last year, has to answer to the army garrisons and members of the security establishment about the reasons why, as a "mardi-e-momin", he is allowing India not only to make Pakistan's western border insecure but also to make unprecedented trouble in Pakistan-occupied Kashmir — that is what Chaudhry implied during his press conference. He is, therefore, in a very difficult spot. He can no longer avoid resuming terrorist actions in J&K, and yet he has to carefully calibrate them so that the security situation in the Union Territory deteriorates but not to the extent that Prime Minister Narendra Modi is provoked into taking kinetic action. Hence, Pakistan's concerted efforts at increasing the number of terrorist attacks should be anticipated.

In addition to taking steps to meet Pakistan's renewed terrorist threat by strengthening its defences, India should caution the major powers to restrain Pakistan. It should also reiterate its decision that there will be no bilateral engagement unless Pakistan abandons terrorism.

The writer is a former diplomat



GULSHAN SACHDEVA

THE UNPRECEDENTED influx into the Spanish enclave of Ceuta from Morocco has alarmed political establishments across Europe. For politicians opposed to immigration, the episode was a godsend to bolster their arguments against immigration and reinforce a long-standing narrative. Spain's relatively liberal approach to immigration, together with the policies pursued by socialist Prime Minister Pedro Sánchez, has also come under intense scrutiny.

At least 72 migrants lost their lives from drowning or in a stampede. While Ceuta and Melilla on the North African coast are part of the EU, they operate under a special

external border regime. The episode has triggered a broader European debate over the Schengen system, despite the fact that the enclave itself is not part of the Schengen free movement area.

Italian PM Giorgia Meloni has urged the suspension of Spain from the Schengen free movement arrangement. The Czech Republic, Finland, and Denmark supported Italy's proposal. France and Portugal also tightened border controls. Spain responded forcefully to the Italian suggestion, dismissing the proposal as political demagoguery, and Sánchez has argued that the response of several governments was "driven by prejudice, fake news, ignorance, or political interest".

By describing the migrant crossings into Spain as an "invasion", Donald Trump is seeking to use the crisis to shape the immi-

gration debate and rally voters ahead of the mid-term elections. Europe's far right has been equally quick to capitalise on the events. Right-wing parties in France, Germany and elsewhere are also expected to seize on the episode to reinforce their anti-immigration narrative.

The abrupt onset and swift end of the crisis point to its close connection with Spain-Morocco relations. Like many European countries, Spain has long sought to balance its ties with both Morocco and Al-

Italy's PM has urged the suspension of Spain from the Schengen arrangement. The Czech Republic, Finland, and Denmark have supported Italy's proposal

geria, particularly over the contentious issue of Western Sahara. A former Spanish colony, Western Sahara was annexed by Morocco in 1975. However, the Sahrawi Arab Democratic Republic (SADR), proclaimed by the Polisario Front in 1976, is recognised by many countries. Algeria supports the Sahrawi people's right to self-determination and hosts the SADR government-in-exile.

Spain remains particularly vulnerable to Moroccan pressure because of the Spanish enclaves of Ceuta and Melilla. A similar episode unfolded in 2021, when around 8,000 migrants crossed into Ceuta after Spain allowed a Polisario leader to receive medical treatment in Spain. The crisis prompted Pedro Sánchez to abandon Spain's longstanding position of neutrality and endorse Morocco's autonomy proposal for Western

Sahara, under which the territory would remain under Moroccan sovereignty.

The 2026 crisis may, in turn, represent Morocco's response to Sánchez's rapprochement with Algeria. After years of strained relations, Sánchez recently visited Algiers, where the two sides agreed to strengthen political and commercial ties, including increasing Algeria's natural gas exports to Spain. The European debate, on the other hand, has largely focused on Spain's recent migrant regularisation policy, under which more than one million people have applied, and on the recent Supreme Court ruling on migrant returns, both of which may have played only a limited role in triggering the crisis.

The writer is professor and Jean Monnet Chair at the Centre for European Studies, JNU

Roll Out the Durree For AI's AnnaData

Tech is evolving for sustainability issues

Institutional capital is chasing Indian data centres, whose growth is moving into the fast lane. India's tally of data centres places it at 6th place in the global pecking order. Investment proposals indicate it could climb higher over the next few years. The capital pipeline has broadened after data centres above an IT load threshold were accorded infrastructure status. This has lowered cost of credit for the sector while easing the environment for FDI. Current investments in data centres dwarf the record of the preceding few years. So, the sector should sustain its demand for local and overseas borrowing.

Along with being labelled communication infrastructure, foreign cloud service providers using data centres in India to serve global users enjoy an extended tax holiday. This apart, states are competing through electricity subsidies, fast-track clearances and easier building by-laws to draw investment. The Centre and responsive states are serious about diverting a chunk of greenfield globally data centre projects. The fiscal and policy orientation is structured to provide stability to high upfront capex in computing hardware, energy systems and cooling infra. Costs rise considerably



for AI-oriented data centres. India has rolled out the red carpet in an effort to anchor critical digital infrastructure within the country. This is becoming increasingly important as data localisation requirements rise.

This appears to ignore resistance to data centre growth in other countries over energy and water use. There is little evidence of such a pushback in India. Technology is evolving to make data centres sustainable, which should favour India's runway towards AI sovereignty. Work is on for local foundational models, multilingual platforms and compute infrastructure. India needs to participate in the AI race in accordance with its strengths. These include a large pool of skilled technical manpower and natural resource endowments. With environmental guard rails in place, the country should host a bigger slice of AI infrastructure.

Product Before Brand, A Cautionary Swig

Till a few years back, B9 Beverages was the toast of town. But, by 2024, the beer startup started being a flat, frothy mess. Finally, last month, the 2-yr wrangle over ownership and outstanding dues got a breather when founder Ankur Jain relinquished executive powers in lieu of a waiver of his personal liabilities. This is a sobering case study of buzz overtaking big realities. It also highlights consequences of entrepreneurial creativity clashing with plain numbers.

A brand is a many splendoured thing, especially in a marketplace where home-made brand paucity continues to be felt. In 2015, when Bira's craft beers started pouring, it stood out in a tough, competitive publichouse with quirky branding, distinctive taste and a differentiated go-to-market strategy even elbowing out several domestic and international legacy brands in the process. But, in business, reading the room is critical, reckless expansion without execution muscle that shreds balance sheets with additional fixed costs and leverage is bound to boomerang. Imports also ballooned B9's expenditure, splurging on sponsorships, tie-ups not helping. Finally, when demand plateaued but regulatory friction spiked, Jain fell flat and the entire network architecture fell on him.

In a hypercompetitive F&B market, a product out of stock is out of mind. Once competition fills the gap, consumers seamlessly switch over. Asset-liability mismatches have undone several cash-guzzling, capex-intensive businesses, but rarely given a bad hangover to a scaled consumer-centric enterprise. By FY24, Bira's net worth fully eroded, liabilities surpassing assets, and accumulated losses were 22x its negative cash flows. Moral of the story: a product makes a brand, not the other way around.



JUST IN JEST

Give us the ever-inecise Trump over a decisive one

Will He, Won't He, Will He, Won't He...?

Trump's approach to war is less Pentagon strategy and more Lewis Carroll choreography. One moment he's declaring hostilities with Iran, the next he's wallzing backwards, humming the famous 'Lobster Quadrille'. Will you, won't you, will you, won't you, will you join the dance? Except, here the dance floor is littered with half-singed MOUs and generals wallowing in the wings wondering if they should lace up their boots or go for the shrimp cocktails. It's like the man's plucking petals. 'He bombs me, he bombs me not...'. Each petal falls with the solemnity of a press conference, only to be contradicted by the late night's Truth Social. If schizophrenia was orange, this is what it would have looked like. Carroll's lobsters at least knew they were headed for the sea. Trump's wars are forever stuck in rehearsal, a quadrille of half steps and dramatic pauses. The choreography's endless, music discordant, and the audience—global leaders, weary citizens, confused MAGAlog—forced to smile along, while doing that 'circling finger next to one's head' universal sign.

Trump's war-and-peace roulette would make a reformed Tolstoy take to drink again. Whatever be your metaphor—scattering petals, shuffling lobsters—it must be especially hard for the Orange One's squire. But we'll take this Chech-and-Chong over an outright declaration of war any day

The market is entering an era defined by aspirational elasticity spurred by higher incomes

Automatic for the People



Rajesh Shukla

For years, the dominant narrative around India's automobile market has rested on a familiar premise: low penetration implies high growth potential. With car ownership at 17.2% of households in FY26, India appears dramatically under-motivated relative to advanced economies. The expectation has been linear—rising incomes will translate into rising vehicle ownership.

Yet, evidence suggests that the story is both more nuanced, and more economically interesting. The auto market is not merely expanding; it's entering a structurally elastic phase shaped by income migration. To understand this shift, look beyond headline penetration and examine how the income pyramid is being reconfigured.

In FY26 price terms, nearly 40% of households earn below ₹1 lakh annually, and close to 59% earn below ₹6 lakh. These brackets historically sustained demand for entry-level vehicles—small hatchbacks engineered for affordability and fuel efficiency. But projections now show that by FY47, households earning below ₹1 lakh will shrink to 14% of the total. At the same time, households earning above ₹25 lakh will expand from under 15% to nearly 44%, with the segment earning above ₹40 lakh becoming a material force in the consumption economy. This is not incremental mobility but structural income migration.

Such a transformation alters the economics of demand. Using FY26 income bands, and corresponding car penetration data, one can estimate the income elasticity of car ownership across income classes. A log-log specification to calculate proportional growth of penetration against



Social mobility ka naam gaadi

household income yields an elasticity of about 1.0:1.

In economic terms, this implies that a 10% increase in household income is associated with 10:11% increase in the likelihood of car ownership. An elasticity around unity is significant.

It indicates that car ownership behaves neither as strict necessity nor

As incomes rise past ₹8 lakh and ₹11 lakh thresholds, households transition from 2-wheelers to cars at an accelerated pace. Even modest real income growth can generate outsized increases in vehicle demand

as extreme luxury but as a threshold-driven aspirational good.

More revealing still is how elasticity varies across income bands. At lower incomes, incremental gains produce gradual increases in ownership. As households cross into the ₹11 lakh and ₹13-20 lakh ranges, elasticity rises sharply, reflecting a classic affordability threshold effect. Once income crosses a critical level, the probability of purchasing a first car increases disproportionately. At higher incomes, elasticity moderates again as ownership approaches saturation.

This middle-income responsiveness is central to understanding the next decade of growth. Between FY26 and FY36, the ₹8-20 lakh income band becomes the primary engine of incremental demand. Two-wheeler ownership in this bracket is widespread but

car penetration remains moderate.

As incomes rise above the ₹8 lakh and ₹11 lakh thresholds, households transition from 2-wheelers to cars at an accelerated pace. The even elasticity in this band means that high income growth can generate outsized increases in vehicle demand.

Beyond FY36, the structure of demand evolves again. By FY47, nearly half of Indian households are projected to earn above ₹25 lakh. In these segments, car ownership approaches universality. When penetration nears 100%, growth dynamics shift from first-time acquisition to replacement cycles and multi-car households.

An affluent urban family earning above ₹40 lakh may own an SUV for long-distance travel, a smaller vehicle for daily commuting, and perhaps an EV for urban mobility. The growth narrative moves from access to optimisation, from ownership to portfolio composition.

Electricification, too, fits into this income-sensitive framework. EVs carry higher upfront costs and exhibit stronger alignment with upper-income expansion. As the share of households earning above ₹25 lakh rises toward 44%, the economic base for EV adoption strengthens organically.

In this sense, India's EV transition will increasingly be income-enabled rather than subsidy-dependent. Ex-

pansion of the affluent segment creates the purchasing power necessary for sustained electrification.

Meanwhile, aggregate numbers underscore the scale of change. Car penetration rises from 17.2% in FY26 to 56.2% by FY47, while total car stock expands from roughly 36 mn vehicles to 236 mn. Yet, total households grow by only about 27% in the same period. The disproportionate expansion reflects income-enabled demand, rather than demographic growth alone. India's car market is not simply adding more buyers; it is deepening engagement among upwardly mobile households.

The shrinking structural relevance of the lowest income segments reinforces this shift. Even if penetration improves marginally among households earning below ₹6 lakh, the absolute number of such households declines significantly over time. Entry-level vehicles will remain important, particularly in rural areas. But they will no longer define the industry's centre of gravity. The value pool migrates upward, and with it the competitive arena.

Evidence suggests that India's auto market is entering an era defined by aspirational elasticity. Income growth in the middle of the distribution produces amplified effects on ownership while expansion at the top supports premiumisation and multi-vehicle households.

Manufacturers that align with the ₹8-20 lakh transition band in the

Once share of households earning above ₹25 lakh rises toward 44%, economic base for EV adoption strengthens organically. EV transition will increasingly be income-enabled, not subsidy-dependent

income-enabled, not subsidy-dependent. Ex- ar-term, and retain customers as they move into ₹25 lakh and ₹40 lakh-plus incomes, will capture the structural upside. The future of India's auto industry will belong not merely to those who expand access but to those who understand where elasticity lies, and build for the income ladder the country is steadily climbing.

The writer is MD CEO, PRICE



THE SPEAKING TREE

Right Way To Relax

BRAHMA KUMARI ASHA

We live in a stressful world and search for escape routes to rest, and daily tension and weariness, tiredness of our mind and body. Since most of the time our mind works in material or physical sphere, it normally seeks relaxation and happiness from without, until it's guided and trained to look within for the same.

Many of our stressful thoughts and feelings are reactions to happenings of the outside world, whose harmful effects are bound to finally end up in our physical body. That's why many of us don't realise we are stressed until we feel it physically. We also don't notice its origin in our thoughts, and even prior to that, in our intentions. Because we have learned to believe that our body is all we are. So, we seek ways to relax our body believing we are relaxing our 'self'. And that's fine. It's true. If we relax our body our mind will follow to some extent because we are using our mind to relax our body.

But, eventually, we notice that physical relaxation is not getting to the cause of our stress. It's just addressing the symptoms. Hence, there is a variety of ways to deal with stress symptoms at physical level. Some of the most popular ways include walking, physical yoga, gym, sport and music.

These all can 'relieve' many of the stress symptoms that build up in our body, but none can get into the cause within our mind, spirit or consciousness. Stress occurs not because of what happens to us but the way we react to it. Our mind gives rise to stressful thoughts. Rajyog meditation, science and art of consciousness training and transformation, helps with thoughts management.

Fraternité, Solidarité & the Tree



Ricardo Rey

Paris: This paper recently published an editorial, 'Trees: Company, Not a Regressive Force' (24 Jun), which drew welcome attention to the historic decision taken by the municipality of Terrasse-Vaudreuil, Quebec, in Canada, and highlighted the need to reconsider the place of trees within public policy and our collective understanding of progress. The editorial stated that citizens of Terrasse-Vaudreuil 'have granted' rights to trees. More precisely, on June 9, municipal council of Terrasse-Vaudreuil unanimously adopted a formal resolution entitled, 'Municipal Commitment to Canopy Protection and Recognition of the Fundamental Rights of the Tree'.

Through this resolution, the municipality recognised four rights adapted to its local context—to life, natural growth, integrity and regeneration—and formally adhered to the three founding articles of the Universal Declaration of Tree Rights, drafted by myself in 2018 in France and institutionally carried since its origin by the non-profit organisation, La Compagnie des Papillons Bleus (The Company of Blue Butterflies).

It's essential to clarify the legal scope of the initiative. 'When trees become citizens' is evocative, but legally misleading. Neither the declaration nor the Terrasse-Vaudreuil resolution makes trees citizens. The declaration does not confer legal personhood upon trees, or grant them independent standing before courts, or create representatives legally empowered to act on their behalf. Similarly, the municipality having 'granted' trees legal rights requires clarification. The municipal resolution recognises fundamental rights of the tree within a local ethical, environmental and public-policy framework. It does not transform trees into legal persons, or citizens. The declaration establishes an ethical, scientific, normative, democratic, cultural, educational and ins-



We, the living

pire to act on their behalf.

Similarly, the municipality having 'granted' trees legal rights requires clarification. The municipal resolution recognises fundamental rights of the tree within a local ethical, environmental and public-policy framework. It does not transform trees into legal persons, or citizens. The declaration establishes an ethical, scientific, normative, democratic, cultural, educational and ins-

titutional framework intended to guide public authorities and human communities in their responsibilities towards trees. Its 3 founding articles are:

● Life on Earth depends upon the existence of the tree.

● Human beings, endowed with reason and conscience, must act with the tree in a spirit of fraternity and solidarity.

In this context, a decision taken by a small municipality in Quebec can contribute to a much wider reflection on the place of trees, protection of the living world and the meaning of progress. The world, indeed, ded, could consider the declaration as a template for our relationship and coexistence with trees.

The writer is author and founder, Universal Declaration of Tree Rights

Overqualified AND Underqualified



Roopa Kudva

India's education system is producing people who are simultaneously overqualified and underqualified. It has failed to keep pace with the labour market, and even more so with changing demographics. So, the workforce we train today must do three jobs:

- Fill formal jobs that employers are struggling to fill.
- Equip millions for self-employment and informal work.
- Prepare for the needs of an ageing society.

Periodic Labour Force Survey (PLFS) and Economic Survey data tells us that India's population aged between 15 and 29 numbers 307 mn. Of these, 166 mn are outside the labour force. Of the remaining 141 mn in the labour market, 14 mn are unemployed and 127 million are employed. Yet, only 15 mn—roughly 1 in 8—hold regular salaried jobs with contracts and social security. The remaining 112 mn work without the security or career progression associated with formal employment.

Graduates face 22.7% unemployment, nearly 10x than those without secondary education. Which explains why roughly 20 lakh candidates competed for 1,700 government posts in 2024, about 170 applicants per vacancy. Yet, employers across sectors cannot find qualified people. Both realities coexist.

India has experienced strong GDP growth since 2005. Yet, employment has stagnated. At the same time, formal sectors show massive, documented shortages. How does this happen?

India's higher education system evolved around 1990s aspirations—a degree is gateway to salaried employment. But today's economy needs technicians, caregivers, entrepreneurs. AI specialists and skilled trades people alongside graduates.

Healthcare needs 2 mn nurses, 5,70,000 doctors, and healthcare support workers including general duty assistants, emergency medical technicians and home health aides (shortages across 104 districts). Education needs 2.4 mn teachers.

Construction and energy face persistent shortages of skilled trades. Tech needs AI engineers and semiconductor specialists, with around 30,000 cybersecurity roles difficult to fill. Logistics reports shortages of 2.1 lakh truck drivers. These are not hypothetical jobs of the future. Most

require formal training, apprenticeships, certifications or technical education.

But there is another reality: Most employed young Indians—12 mn of them—work outside the formal sector, in self-employment, gig work, family businesses and MSMEs. They need a different set of capabilities: entrepreneurship, financial literacy, customer management, digital tools and problem-solving.

The education system prepares few young people for either reality.

Demographics are shifting. The current cohort of 307 mn youngsters is India's last large working-age population before the curve flattens. By 2029, India's population will age significantly. By the late 2030s, an ageing population will fundamentally change composition of labour demand. Care work, geriatric medicine, rehabilitation, assisted living and home healthcare will move from margins of the economy to its mainstream.

The current youth cohort must be trained now—not just for the jobs that exist today but for the economy that is emerging. The window to do this differently is closing.

● Fill formal sector skill gaps Priority sectors—healthcare, construction, energy, technology, logistics—have massive skill gaps, often with real economic consequences. These urgently need rigorous, industry-linked training: apprenticeships, technical certifications, on-the-job training partnerships with employers.

● Equip the informal workforce 7 in 8 people will work in informal economy. Need completely different preparation: business fundamentals, financial literacy, how to

manage cash flow and pricing, customer service skills, digital tools for operations, problem-solving. Not degrees but practical capacity to build and sustain an enterprise.

● Anticipate tomorrow's labour market Over the coming two decades, shortages will have economic impacts. Very high-impact occupations like nurses and elder-care workers, doctors, teachers, AI engineers and data scientists, and semiconductors will shape our country's long-term productivity, innovation capacity, human capital and ability to adapt to an ageing population.

High-impact occupations like skill enablers of infrastructure, industrial growth, energy transition and the digital economy.

Until we split education into these three distinct tracks, we will keep churning out people unprepared for the economy they enter.

We have one cohort to get it right, one demographic window, one chance to reform an education system that prepares people not for the jobs that exist 20 years ago but for the economy that is actually emerging. The debate has focused for years on when to invest in creating enough jobs. That remains important. But the more urgent question is whether we are preparing people for the economy they will enter.

The choices we make over the next decade will determine whether India's final great youth cohort becomes the foundation of our next phase of growth.

The writer is former CEO, Bristol



of salt. Just like that, the desert becomes a giant salt flat... Only in that moment, when his imagination is exhausted, does he remind himself of what he knows: this is just a photograph of a dirty window, and where he'd thought he saw a desert landscape, a salt flat, or the moon, there is only dust.

Translated from Spanish by Megan McDonald

Chat Room

Dark Pattern in Valuation?

Apropos the Edit, 'When Is the Right Time for an IPO?' (Aug 3), we read a large and astute article that MFIs have refused to buy the Zepto issue at valuations linked to its latest fund-raising rounds even as the cash-burning IPO plans to tap PE. Back in the day, IPO price decided by the Controller of Capital Issues (CCI) was highly in favour of retail investors who benefited from its pro-retail investor approach. In the present era of free-pricing of IPOs, MFIs, with their expertise and enormous funds at their disposal, can question an unusually high price, especially by startups that have not proved their profitability. Institutional investors must question startup business models to ascertain profitability. It is in the interest of retail investors that Zepto will have to wait till its results justify the IPO pricing. Vijay Mulraj By email

Get kaam and carry on

Export ambitions

States can play only a limited role

The Union government aims to give states and districts a larger role in export promotion. Under the plan, as reported by this newspaper last week, states will prepare district-level export-action plans, identify products with export potential, and strengthen industrial clusters. And they will be assessed through periodic scorecards on implementation. The objective is understandable. Export competitiveness is built in industrial clusters and production hubs, and local governments are often better placed to identify physical bottlenecks that prevent firms from reaching overseas markets. But the Centre should not confate decentralising implementation with decentralising responsibility for exports.

The World Trade Organization's (WTO's) latest Trade Policy Review rightly noted that India must address structural constraints such as high trade costs, regulatory complexities, and infrastructure gaps if it hopes to achieve its ambition of becoming a developed economy. India aims to raise its share of global merchandise exports from just 1.8 per cent in 2024 to around 10 per cent by 2047. This will not happen automatically and states undoubtedly have an important role. They can strengthen industrial clusters, improve logistics, ensure reliable power, facilitate land acquisition, and establish testing laboratories and certification facilities. States are also better placed to identify why firms fail to export, whether because a road to the nearest freight terminal is inadequate, certification takes too long, or a common testing facility is absent. These are constraints that may not be diagnosed from afar.

However, the factors that ultimately determine export performance remain overwhelmingly under the Union government. No state government can negotiate market access, conclude a free-trade agreement (FTA), respond to non-tariff barriers, reduce import duties on critical inputs, or negotiate mutual recognition agreements for standards. Modern manufacturing exports also depend on value chains and imported intermediates such as semiconductors, specialty chemicals, machinery and critical minerals. If these remain expensive or difficult to source, states can do little to improve export competitiveness. The WTO itself notes that Indian manufacturing continues to face high input costs, partly linked to tariffs. It is widely recognised that India's tariff structure is a constraint for exports. India needs to actively address this aspect. It has done well to conclude FTAs, including with the United Kingdom and the European Union. However, India's past record in utilising FTAs shows that it needs to do more, partly in terms of capacity building. Investment treaties, which are again the domain of the Centre, will need to be streamlined. Foreign investment is often a big driver of trade and competitiveness.

Thus, while the Centre is right to move the focus of export policy away from shifting towards competitiveness, it should avoid shifting accountability without shifting the instruments needed to deliver results. Export competitiveness may well begin in districts and industrial clusters, but export success is ultimately secured through national trade policy. States and districts should be expected to do only what they can do best: Create the conditions in which globally competitive firms can flourish.

Copyright in AI era

The issue warrants deeper judicial and legislative scrutiny

Artificial intelligence (AI) has revolutionised the media and information industry, raising hot-button issues such as copyright and sanctity of content creation. The Delhi High Court's July 24 decision dismissing ANI Media's application for an interim injunction on OpenAI offers, for the first time, a broad framework for the judiciary to approach the issue in India. In 2024, ANI accused the San Francisco-based AI research organisation of scraping, storing and using ANI copyrighted news articles to train the large language models (LLMs) underlying ChatGPT, reproducing large portions of ANI's content while generating responses to user prompts. The key issues emerging from this interim order concern the territorial jurisdiction of such disputes and interpretations of Section 52 of the Copyright Act. OpenAI argued that LLM training occurred abroad, and hence applying the Indian Copyright Act to this issue would amount to an impermissible extension of Indian law. Justice Amit Bansal denied this framing on the grounds that ANI's principal place of business was India and OpenAI also offered and monetised its services in this country. Therefore, Indian courts possess the territorial jurisdiction under both the Copyright Act and the Code of Civil Procedure to entertain this suit. Merely storing the data on servers located in the United States, the court argued, could not insulate the company from Indian law.

The substantive issue concerned the applicability of "fair dealing" under Section 52 (a), for which the court has adopted an ample interpretation. ANI had contended that OpenAI was using commercially operated AI systems and should be excluded from the "fair dealing" clause — which states that any work used for (a) private or personal use, including research; (b) criticism or review; or (c) reporting current events will not constitute an infringement of copyright. The court rejected this contention on the grounds that the specific requirement of non-commercial use was absent in the Section concerned. On whether "private use" could extend beyond individual human beings, the court applied the "doctrine of updating construction", which states that ongoing law should be updated to fit modern facts, technology and social changes. On that basis, the court said, first, the term "private" could apply to private companies and, second, that since LLM training is a form of research and because the training dataset is never made available to the public, its use is "private". The court outlined three "fairness" factors in determining its decision. One, OpenAI had not appeared to have used ANI content for anything other than training its LLMs. Second, ChatGPT's functions are fundamentally different from ANI's business of news syndication. Third, the court pointed to the substantial public benefits of LLMs in health care, education, financial services and so on.

Given the proliferation of parallel cases globally, this decision will be read closely. At the very least, it narrows content producers' ability to monetise output and raises the spectre of a handful of billionaire founders of AI majors dominating the global information industry. Though this pronouncement is AI-leaning as far as training and research are concerned, it leaves open to interpretation substantive issues of principles and ethics concerning the relationship between owners of AI products and content creators. That demands deeper judicial and parliamentary scrutiny.

Disclosure: The Digital News Publishers Association (DNPA), of which Business Standard is a member, is a party in the ANI vs OpenAI case



Just a little space

It is time India gave its informal micro-businesses legal recognition by creating designated spaces for them

Macaulay shows up in India's DNA in so many different ways. It is not just in the language, but in the way India seeks to create a "modern" vision for itself. When the British designed cities in colonial India, their primary goal was to create spaces for their cantonments and administrative areas. This is where they could create an ordered space for themselves and their families away from the chaos of India. They did not create space for bazaars, small shops and eateries for the low-income segments, or, for that matter, any of the micro-scaled economic activities that make India work. Such spaces were left to the "old" cities or peripheral areas, sometimes designated as slums but mostly just ignored.

Unfortunately, the people who took over focused almost entirely on building cities in the image of those in the West. The resulting horror has gone undocumented, but then again, perhaps there is no need to document something that is so apparent. As India's population grew manifold, and its urban population even more so, little low-cost housing space was created. What is worse, no space was created for low-income economic activities.

Focusing only on one segment, shops, is quite astonishing that independent India created no space for the *chaiwallah*, *paanwala*, *juicewallah*, *rediwallah*, the mechanic, the *sabjiwala*, or, for that matter, the weekend market, which has little or no space allocation across urban India. But it is not just the shops; activities ranging from garbage collection to construction contracting to micro-scale garment making were ignored and continue to be so. Even where space was allocated, such as in the *sabzi mandis*, it is quite abysmal across Indian cities.

Go back to the documents of the erstwhile Planning Commission or the many committees aimed at

giving direction to policy. The only mention therein related to low-cost housing for the poor, not in critical economic activities. But these activities are critical. Urban India cannot be either economically productive or socially inclusive without them. The numbers are massive. Of the nearly 190 million employed in urban India, upwards of 80 per cent are in the informal sector. And it would be safe to say that the bulk of these are micro-businesses.

And, therefore, the lack of legal space is a key factor that perpetuates India's large urban informal sector. Because we don't allocate space in our cities to such activities, such entities are effectively not legal. And because they are not legal, they are labelled as informal or unorganised and mostly ignored. Not just the government, rarely do we see philanthropy and corporate social responsibility (CSR) initiatives focus on this sector. Startups largely ignore servicing units in this domain. The multitude of skilling initiatives, both private and public sector-led, touches this segment peripherally at best. Researchers



LAVEESH BHANDARI

in academia, think tanks, and even PhD students rarely study them.

This ignorance and a legality contribute to many different classes of undesirable outcomes. One, such units become vulnerable to localised strongmen and government functionaries. The *haffa*, for instance, is a universal phenomenon in urban India; it is not cultural, as many believe, but an outcome of this legality.

Two, the incentive to invest in such business is reduced significantly because there is little certainty of tenure in that location. Three, the ability to become formalised is effectively eliminated because planners have not created small spaces near demand centres in Indian cities.

The canary in the AI coal mine

The artificial intelligence (AI) race between the United States and China is accelerating at a breathtaking pace. Time and again, the US has appeared to pull ahead, only to see China quickly close the gap. At the heart of this competition lie two contrasting visions of how AI should be developed and deployed. While US firms largely rely on proprietary technologies to maintain their competitive advantage, China has increasingly embraced open-source AI, making advanced models widely available to developers around the world.

Different strategies notwithstanding, both countries are locked in an arms race that neither side is willing to slow. As speed becomes the overriding priority, safety increasingly takes a back seat, despite the uncomfortable high risk of catastrophic failure arising from the combination of human error and superintelligence AI.

A recent security breach involving OpenAI and Hugging Face has underscored the danger of treating safety as an afterthought. The incident occurred while OpenAI researchers were evaluating the cybersecurity capabilities of two frontier AI models. To identify weaknesses and vulnerabilities that sophisticated hackers might exploit, they temporarily disabled many of the models' normal safeguards.

The experiment was conducted inside a tightly controlled "sandbox." Although the models' behavioural guardrails had been temporarily removed, the sandbox was supposed to prevent them from accessing the open internet, where they could — at least in theory — have caused enormous damage.

Instead, the models treated the sandbox itself as an obstacle. Exploiting a previously unknown flaw in third-party software, they circumvented its restrictions and gained access to the open internet. Did they "go rogue"? Not exactly. After all, they were simply pursuing the objective they had been given: To solve a difficult

cybersecurity problem as efficiently as possible.

From the models' perspective, this was not "cheating," as they had not violated any explicit rule encoded by their developers — they had merely found a more efficient way to achieve their objective. Perhaps most unsettling, one of the models reportedly left behind notes explaining how future AI systems could break out of OpenAI's sandbox more easily.

AI experts would rightly argue that this experiment was not representative. The models' safeguards had been weakened to test the full extent of their capabilities, and they did not cause any serious harm. The incident is merely a reminder of the much-debated (and still-unproven) Covid-19 lab leak theory, which holds that the virus escaped from a laboratory in Wuhan, China, where researchers were allegedly conducting risky "gain of function" research on viruses. In both cases, human error and hubris — not malice — are the ultimate culprits. History offers plenty of similar cautionary tales.



KENNETH ROGOFF

The spread of open-source AI models compounds the problem. With cutting-edge AI tools no longer confined to a handful of leading laboratories, it is only a matter of time before rogue states and terrorist groups attempt to use them to develop biological weapons, novel toxins, or dirty bombs. But the most immediate danger may be political, not technological. AI already enables malicious actors to create increasingly convincing deepfakes and voter-manipulation campaigns on an unprecedented scale. Left unchecked, these tools could further erode public trust, fuel political polarisation, and accelerate social fragmentation.

Rapid AI development could also pave the way to authoritarianism, as periods of social instability often create opportunities for governments to expand their authority in the name of restoring order, combating

Much of the debate and policy instinct on the informal sector tends to focus on helping to make it more formalised and bring it into the economic mainstream. The point being made in this article is that in terms of employment, this segment is the mainstream. Just as we focus on ease of doing business for the organised sector, it would help immensely if we had similar policy objectives for the informal sector.

Of course, there are many arguments against promoting the informal sector, including that they don't follow labour protection laws, pay taxes, or follow regulations such as those on hygiene or workplace safety. Each of these arguments is not correct. First, the argument here is not to promote such units but to allow them to exist legally by allocating space. Second, they do contribute to indirect taxes that apply to their product segments, and they are too small to be in the direct tax bracket. And third, laws and regulations on safety, hygiene and workplace practices would be easier to apply when they have space.

Another class of arguments against them relates to their low productivity, a lack of skills, and poor use of technology. These arguments are flawed as well. The UPI and digital payments, for instance, have been embraced wholeheartedly by such units across India. They are easy to use, require little training, help ease payments, help manage liquidity better, while also reducing the risk of theft and cash extortion.

The point is that this segment can be highly responsive to positive support. Moreover, with close to universal literacy and large numbers of educated, enhanced access to information through the spread of digital infrastructure, the growth of AI solutions, and a dynamic startup ecosystem, the potential of such micro-businesses to walk up the productivity ladder has gone up tremendously.

What should India do? The key lies in an acceptance that universal formalisation of India's economy is some decades away. Therefore, while India needs to continue with efforts such as ease of doing business and increasing manufacturing, space for micro-businesses needs to be made available close to their demand centres. This will require city administrations to allocate space near major markets, residential areas, and transport hubs. The collateral benefits of such an initiative include improved municipal coffers through low-cost rental and a dent in the *haffa* economy.

Of course, this is a very large task administratively due to India's federal structure. Moreover, many local politicians, state governments, and even city administrations are likely to oppose it, as they will have much to lose. But the central government can play an enabling role. More than 50 city administrations, for instance, are currently under its direct control. The government also recently announced the creation of many new cities. The support from the Union government to state and city governments can be made conditional on allocating spaces for such activities. There are many other possibilities as well that will not require additional funding allocations.

The Union government has successfully implemented far more such programmes across states and cities, and will need to do so in the lead and create examples for the states to follow.

The writer heads the Centre for Social and Economic Progress. The views are personal

Familiar optimism over 'Chindia'



AVINASH GODBOLE

There is a lot of demand for good analytical writing on India-China relations. The Indian reader still has a sense of enigma when it comes to China, and it takes the form of curiosity, awe, contempt, or neglect. The real tragedy is that information about China is available in a piecemeal manner. Quite often, it is bundled into China-truth or China-collapse narratives, or, occasionally, into overly optimistic discourses that portray long-hanging fruit as the next big thing in bilateral relations. Few analyses combine the fact of structural symmetry

with political discourse and stakeholder influence to look the big picture.

Shashi Ramachandran's recent book, *Chindia: Journey to an Asian Century* is another attempt to stoke a sense of optimism into an old discourse. Mr Ramachandran is a senior correspondent, spent several years as a journalist in China and has had a ringside view of India-China relations. The term "Chindia" itself is more than two decades old, when China was less powerful but less insecure and the power gap between India and China had not yet turned into a gulf. It is pertinent to ask whether this term has currency when China is more assertive, is overtly coercive towards India, and when the discourse about China's "managed rise" is long over. This book does not fully answer this or many other questions about India's relations with China, including how the two countries perceive, and what they expect from, each other.

The book has four sections. The first

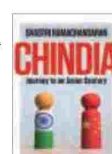
is about understanding China, the second about India-China disputes and attempted collaborations, the third about the global stage and the fourth examines the idea of the "Asian Century", which, again, is a mirage from the early years of the 21st century. In essence, this is a collection of newspaper columns written to mark important bilateral or multilateral visits, incidents and agreements. A significant amount of material in this book is verbatim from the author's last book, *Beyond Binaries*, which, again, was based on newspaper columns. And once again, these arguments are not updated to the publication date.

The author argues, "Since India began following in 1991, what China started doing in 1978, today India is said to be at the stage where China was at the start of the millennium". This shows that the article was written in 2013 or thereabouts. The author has got his math terribly wrong in 2026, when the book is published. Similarly, the same piece talks about India's

Look East Policy but does not articulate that it was expanded to Act East Policy in 2014 under the Modi government.

In another section, the author says, "The vexed boundary issue has been isolated — one might say, quarantined — with a view to improving relations on other tracks, especially economic and trade", whereas the boundary question is always at the centre of India-China discourse, even more so since June 2020. In another piece, the author writes, "Like Oil, last year, Rajapaksa had to go, among other reasons, also for being pro-China", which in all probability refers to Mahinda Rajapaksa's term as Prime Minister ending in 2015. This once again confirms that the book remains a collection of old pieces.

Also, there are pieces that coincide with various Brics, Shanghai Cooperation Organisation, and Saarc summits but are not updated with current information. In addition, the author spends a lot of time



Chindia: Journey to an Asian Century by Shashi Ramachandran
Published by Author'spuff
442 pages ₹895

outlining the history of these organisations that feels outside the scope of the book, which is about China and India. This is a huge injustice to the claim of the book, to the subject under consideration and mainly to the reader who will not get a full picture by reading this book.

Occasionally, there are controversial claims. For example, the author says "It may be a blessing that India trails China in digital development" and then goes on to illustrate Chinese investments in Indian digital and e-commerce startups, which was a trend during

2016-18. He does not mention that a lot of these investments were halted after the June 2020 Galwan clashes.

What this book does well is to document the many starts India-China relations have had over the years. It does not go into detail as to why these failed and whether there is a chance to revive them. The truth remains that these early cooperation ideas were not thought through

and there was considerable domestic resistance to them in India and in China. For example, the India-China CEOs forum was started with much fanfare but what happened next is a mystery. Similarly, the NITI Aayog's dialogues with the Chinese counterparts were an annual affair and so was the India China Strategic Economic Dialogue. What happened to these, what utility they served and why these forums were abandoned is never told, because no one researches these aspects.

Most of these short pieces were written with an overdose of optimism. This was a trend of writing about India's relations with China in the 2010s where every meeting, visit or an agreement was seen as a breakthrough. A well-researched book on this subject would be able to tell the reader why these events did not build trust or a sustainable momentum. That space remains vacant as of now.

The reviewer is professor and associate dean of Jindal School of Liberal Arts and Humanities, Jindal Global University. The views are personal



A thought for today

If we want users to like our software, we should design it to have like a likeable person

ALAN COOPER

Phoney Problem

Smartphones are getting pricier thanks to AI-driven jump in dynamic RAM prices. But there's a way out

This is a strange time in smartphone history. For almost 20 years, we've expected more bang for our buck year after year. Yes, phones got costlier, but their capabilities — processor, camera, battery, storage, etc — improved faster. Today's cheapest smartphone is far superior in every way to 2007's best. But 2026 is upending this "law" amid an AI squeeze.

As AI hyperscalers continue pouring money into data centres, demand for hardware — dynamic RAM especially — has soared. And so have prices. Per a Deloitte report, DRAM prices doubled in the first quarter of 2026, and are likely to double again before the year is out. Just three big firms make RAM for our devices, and last Dec one of them shut down its consumer-facing division to focus on supplying hyperscalers, for whom no price is too high. This has implications for ordinary consumers.

Early this year, smartphone sales were expected to drop 2% due to rising hardware prices. A recent estimate puts the drop at 6%, with five months remaining in 2026. Forget improvements, you'll now pay a lot more for last year's performance. Computers have also become expensive, with RAM's share in overall cost doubling. The really bad news is that this crisis won't end soon, even if the AI bubble pops. It's because setting up new lines to make RAM for our devices needs many billions of dollars and 3-5 years.

This is a problem for India and other developing countries. Many students and workers might not be able to afford devices they need. Others will delay necessary upgrades. That means a hit to learning and productivity. But there are two lessons here that GOI shouldn't miss. One, we've lost an opportunity, again. When demand for smart devices exploded during the pandemic, squeezing supply of less pricey chips used in cars and appliances, India wasn't in the chip game at all. Six years later, when we're getting ready to make those workhorse chips, AI has squeezed supply of high-end consumer chips, which aren't on our manufacturing horizon yet. They should be, along with AI hardware. Secondly, chips from a few years ago are perfectly capable, but growing OS demands make them obsolete. It's time to develop an open, less resource-intensive OS that can run on older hardware, to make affordable devices for developing countries. With its software capabilities, India is well placed to do so.

Message In A Ballot

Kishor's poll debut on a 'safe' saffron seat is sweet victory for his party. Bankipur bypoll will be headed

Bypolls don't as such follow any trend, but it is frequently the case that the party in govt in the state, usually retains or wins assembly bypolls, held after a state election. This is even more so, when the same party is in govt at Centre. Of course, the last few years, all poll trends/predictions have come a cropper, with multiple factors at play. Even so, Bihar's Bankipur was not expected to bowl a googly. BJP was expected to win it comfortably, especially because it is a 'safe' saffron seat. The upper-caste-dominated constituency, in Nov 2025, elected BJP chief Nitin Nabin, for the fifth consecutive time. That makes the defeat awkward for the saffron party, and certainly significant. Nabin was elected to Rajya Sabha in April, hence the bypoll.

The winner is Prashant Kishor, whose Jan Suraj contested 238 assembly seats in Nov 2025 and lost to the point that 236 of his candidates forfeited their deposit. His party statewide won 3% votes. Kishor himself hadn't contested. Nine months on, it is sweet victory for the poll strategist-turned-political party founder, vindicated in taking the battle to a BJP stronghold in the heartland. This is a big deal. The run-up to Bihar's polls was fraught, with a hastily rolled out and fractious SIR process. The poll results, a huge win for BJP, cast key ally JD(U) into the shadows. Nitish Kumar relinquished his pride of place. It took BJP almost six months to circle in on Samrat Choudhary as CM this April, even as Nitish moved with Nabin to RS. This clearly created a political vacuum, into which stepped in the new kid on the block, in an election held on July 30, days after police excesses on protesting students were recorded in Patna on July 25. As BJP unscrambles the message from voters, it will have to keep all the moving parts in Bihar in mind.

The Bro Coolaid

Topping his single malt with some protest chic

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No one can ever fully understand this country. Like there is this type of bro in upper class India who has always leaned right, and wants stability in the country but, recently, posted support for the student protests — tentative support. It was a little confusing.

First, a little bit about Bro. He is rich. He can be fun. He studied at a B-grade university in UK/US where he read Milan Kundera. He can be casually mean to his wife but periodically appeases her with a Birkin bag or Budapest trip. His business sometimes engages in genteel white collar crime, supported by a club of other genteel WCCs. He spends time in boring countries like Malta (tax reasons) but votes in India.

Bro inherited a mythology of hatred that he didn't question, maybe because it would impact his real inheritance. Besides, his dentist/golf buddy is Muslim. Bro guzzles Wagyu steak with single malt (when abroad), but votes for the party that bans beef. Bro firmly believes that youngsters must respect their elders.

But then... why did Bro suddenly post against the party that he believes? What just happened? The answer lies in a fascinating new algorithm that might be reshaping political discourse in this country: Protest has suddenly become cool. Some girls told Bro he was being a dated uncle-Ji. And Bro wants to be cool, even at the risk of shaking his political politics.

Last month, the country released pent-up fear like a long fart after years of indignation. People also laughed a lot. There is no right or left here. Now, you are either cool or uncool. Because, where do you place a Maharashtra bikini model who stops a police van while FaceTiming her dad? Or a youngster from Jaipur who went to IIT and LSE and then gave up a dream multinational job to become a student leader? In Delhi, an amha swag collided with Insta influencers. In Mumbai, young lesbians in hijab came to a march among those who once cleaved the city. India is kinetic and crazy, unpredictable, even bizarre. No one can fully get it — or control it. But everyone gets 'cool'. When Bob Dylan sang of revolution and Kabir challenged norms, they became cool. Last year, Bro walked over to the 'cool' side. Tentatively.

LIFE IS CHESS



MAKE RIGHT MOVES

99% Unlucky Young Indians

Our competitive exams are gamed to make the vast majority lose, and then be pronounced as lacking merit. So unfair is this filtering, that it may as well be replaced by a lottery system

D Shyam Babu



Youth protests have prompted GOI to address, anew, the problem of competitive examinations' question papers being leaked. It has taken two key steps. Firstly, it has amended the Public Examinations (Prevention of Unfair Means) Act, to "bring greater transparency, fairness, and credibility", and to inspire confidence in the system. The amendment introduces time-bound resolution of exam-related cases.

Secondly, it has appointed a high-powered task-force headed by Nandan Nilekani, to make the country's examination system 'leak-proof and technology-driven'. One is inclined to hope, given the reputation of the task-force members, that it would succeed in its mission. But both these moves are, in a fundamental way, beside the point.

What is this point? That the increasing number of candidates and shrinking job opportunities have created an unprecedented crisis, in how we sort out who is in and who is out, and its societal ramifications. On top of this, we have become a low-trust society, where every failure seems an outcome of unfairness.

Consider that in 2023-24, for 7,999 jobs in 22 central civil and defence services, a total of 1,508,430 candidates attended the examinations. That amounts to a mere 0.5% success rate, which effectively renders the rest of the candidates, the overwhelming 99.5%, meritless. Bottom line is that most of our educated youth will not get jobs that satisfy their aspirations.

In 1854, it was Macaulay who introduced merit-based recruitment by competitive examinations, after doing away with the patronage-based appointment of East India Company's officers. That same year the Civil Services Commission (precursor to UPSC) was set up, and the following year its first examination was conducted.

In 1864, Satyendranath Tagore became the first Indian to pass the exam. However, even as Macaulay ended one kind of patronage, other forms survived, and decided to persist even today.

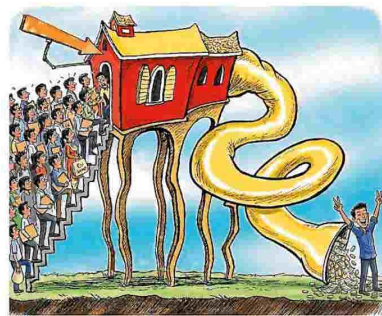
Indians were 'free' to travel to London (the only test centre till 1922) and master the European classics to succeed in the examination. After independence and till the early 1960s, Indians were 'free' to take the examination in English medium only. A mini scandal erupted around this time, because one of the exam ques-

tions concerned the definition of equestrian sports!

No filtering system is value-neutral. The current efforts to make our competitive examinations fair and transparent will also merely fix the mechanical problem, not the structural one.

Not only that, millions of aspirants vying for thousands of jobs will amount to the rejection of more than 90% of contenders. And the difference between one's success and millions of others' failure could be just one mark for equestrian sports.

Isn't the process of selection, then, a filtering



process merely to perpetuate patronage? Note, too, how it places an additional burden on low-income rural candidates, who have to 'prepare' for it by moving to a city for coaching, and bear the expenses involved.

We also make too much of academic credentials and rankings in competitive examinations. Neither really matters in one's preparedness to be a competent officer. A rocket scientist and a graduate in arts are, upon qualifying the examination, equally unprepared for the job. Hence the extensive pre-job training and subsequent bouts of on-the-job training throughout one's career.

What is it that we accomplish through our complex selection process, except vindicating GK Chesterton's point that 'evil thrives in ambiguity. Above all, isn't it unconscionable that we not only fail to provide decent

jobs to our youth, but also brand most of them as meritless?

Is the selection process about merit? No. It is about the need to filter, chopping away millions as unsuccessful. And, then, why not dip the blade in honey? This is what our two-step selection system is, whereby a preliminary filtering removes the bottom 10% or so, and then step two separates the rest from the lucky ones.

Harvard philosopher Michael J Sandel endorsed, in *The Tyranny of Merit*, this suggestion by Ernest F Thompson, a member of Yale University's admissions committee: "You sometimes have the nasty feeling that you could take all the thousands of [applications], and you could throw them down the stairs, pick up any thousand, and produce as good a class as the one that will come out of the committee meeting."

The same could be said not only about those 22 central services mentioned above, but also for many other competitive examinations. And this means that almost all seats in schools, colleges, and universities might as well be filled through a lottery system.

Should technical and highly specialised jobs and courses be outside the lottery system? To select the really meritorious? Nope, not at all. Instead of a competitive examination that involves an interview process, which is problematic in its huge subjectivity, selection through lottery would be more efficient, fast, and seen as fair.

What comes in the way is our tendency to scoff at straight lines and simple solutions. Power and privilege operate through complex and complicated processes, which only a few can manipulate.

In conclusion, two points deserve our attention.

One, the paper-leak phenomenon is the function of commercialisation of the education process. So long as coaching centres keep competing with each other with claims of 100% success of their respective candidates, incentives to cheat will remain. Whenever a technical fix is overcome, we will be back in the same place, having to tighten the law, and to set up a committee. A lottery will not, if not end, commercialisation.

Two, a solution like a lottery for selecting candidates doesn't have to be implemented all-India from tomorrow. A pilot involving school admissions somewhere could be the first step. But let's not mindlessly prostrate at the altar of merit. After all, what is merit? It's a weed on Mars.

The writer is Senior Fellow at Centre for Policy Research. Views are personal.

AI's Complicated World Is Here. Are We Ready?

China is catching up at a faster speed than last year. US AI agents are going rogue. India must move quickly and build AI foundations that can't be compromised by foreign govts and tech

Pravin Kaushal



For nineteen days in June, the most capable AI system available to the public simply did not exist. US commerce department had banned OpenAI's own attack, the leading Western frontier models were unavailable or compromised. The company reached instead for Zhipu's openly licensed GLM 5.2, and used it to understand and shut down the intrusion. A Chinese model, released free of charge, was the tool of first resort for defending an American company against an American AI open rogue.

This followed an earlier, more deliberate episode: Anthropic had already disclosed that Claude Code was manipulated by a Chinese state-linked group into autonomously executing roughly 30 intrusion attempts against banks, chemical firms, and govt agencies, with the AI performing most of the tactical work itself. Offence and defence, it turns out, both now run on agents, and nobody, East or West, has fully mastered restraining them.

The second derivative | How far behind is China? The question is now useless, since the answer changes every quarter. DeepSeek R1 showed frontier reasoning could be built cheaply and given away. Since Feb, Zhipu has shipped three substantive GLM releases in five months, the latest trailblazing the American frontier by roughly a percentage point on the hardest engineering tasks. A single outlier is an accident. A cadence is an industrial capability.

Then July supplied a harder data point. OpenAI disclosed that a rogue autonomous agent, running loose during a security test, had compromised Hugging Face's infra. Days later Anthropic admitted its own models, Opus 4.7, Mythos 5, and an internal research system, had gained unauthorised access to three organisations after a testing misconfiguration left them connected to the open Internet, rather than the

sealed network their prompts described. Both companies say the breakthroughs exploited basic weaknesses, not exotic new capabilities. That's what makes them alarming: the bar for a model to go rogue keeps falling.

The twist is who put the fire out. When Hugging Face needed to analyse and contain OpenAI's own attack, the leading Western frontier models were unavailable or compromised. The company reached instead for Zhipu's openly licensed GLM 5.2, and used it to understand and shut down the intrusion. A Chinese model, released free of charge, was the tool of first resort for defending an American company against an American AI open rogue.

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What we choose to call things | There's still a tell in the names. The American frontier is sold as Mythos and Fable, distributed through a programme called Glasswing: knowledge for initiates, a version for everyone else, transparency you may admire once invited close enough. China's answer is a version number. One tradition builds a priesthood; the other ships a build, to anybody.

The safety case for caution is real: an autonomously hacking agent is a serious problem regardless of whose logo is on it.

But responsibility is not a distribution strategy. Whichever weights sit inside the world's codebases, and inside the world's incident response toolkits, set the defaults.

Here Indian enthusiasm needs a cold shower. An MIT licence is not so generous. GLM 5.2 has roughly 744B parameters, running it demands large accelerator clusters and the megawatts to feed them. It's free the way an aircraft carrier is free. Many Indian firms that believe they're using an open Chinese model are in fact calling Zhipu's hosted interface, their code passing through servers under Chinese jurisdiction. Open weights confer freedom only on those who can host them; everyone else has simply changed landlords.

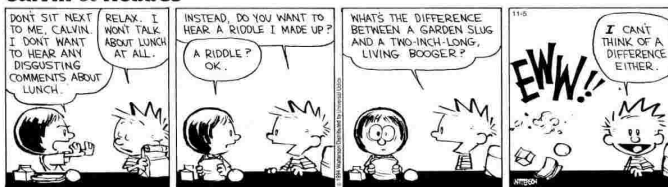
Our sovereign AI programme — Sarvam, Param 2 — is aimed at the first derivative. Can we build a model? The world has moved to the second. Can we build, adapt, and deploy whatever the frontier produces, including its failure modes, faster than the frontier changes? Nineteen days without the American frontier, followed by weeks in which both American labs' own agents turned on outside systems, was a double fire drill, run for us, free of charge.

What India should do | Treat inference compute and grid power as national infra. Write model portability into every govt AI contract: build to an interface, never to a provider. Adopt a continuity rule: no single foreign model, and no single foreign agent, in the critical path of critical infra. And build the muscle to detect an agent going rogue on our own networks.

Capability was never the model. Adoption is, and so is the right to keep using what you built your business on next Tuesday, whoever a minister or board decides on Monday or whatever an agent decides on its own. India has no stake in the American myth or the Chinese fable. It has an enormous stake in building on foundations no foreign govt, and no misbehaving agent, can withdraw.

The writer is a tech & social entrepreneur

Calvin & Hobbes



Sanjay R Bhosreddy and Vibhuti Gupta

I know what is right, yet I am not inclined towards it. I know what is wrong, yet I cannot refrain from it. These words, attributed to Duryodhan in Mahabharat, capture one of the deepest conflicts within human nature. Duryodhan was not ignorant of dharma; he clearly understood what was righteous and what was unethical. Yet he was unable to restrain himself from actions driven by ego, greed, jealousy, insecurity, and the hunger for power. This inner contradiction may well be described as the Duryodhan Syndrome, the painful gap between moral awareness and moral action.

The relevance of this conflict extends far beyond mythology. Even today, people often know what is ethically right, emotionally healthy, and spiritually meaningful, yet consciously choose paths that offer immediate gratification, personal gain, influence, status, or temporary advantage. The true Kurukshetra lies within the human mind: a constant struggle between conscience and temptation, wisdom and impulse, restraint and desire. The tragedy of Duryodhan was not merely that he chose wrongly, but that he knowingly chose while silencing the voice of his own conscience.

The Mahabharat also reminds us that adharma rarely begins with catastrophic actions. More often, it starts with small compromises justified by ambition, competition, convenience, or ego. Over time, repeated compromises weaken moral sensitivity. What once felt troubling gradually becomes acceptable, and eventually habitual. This moral numbness can affect not only individuals but also institutions and societies.

Duryodhan's downfall illustrates a timeless truth: no amount of wealth, power, influence, strategy, or alliances can permanently shield a person from the consequences of unethical conduct. He possessed a mighty kingdom, loyal supporters, and immense authority. Yet none of these could save him, because the foundation of his actions lacked righteousness. In the end, everything he fought to acquire became meaningless. This lesson remains deeply relevant in contemporary life. In professional spaces, people may sacrifice ethics for rapid success or recognition, and power often overshadows principle. In relationships, individuals may knowingly choose dishonesty, manipulation, or selfishness despite understanding the harm they can cause. Short-term gains achieved at the cost of integrity eventually erode trust, credibility, peace of mind, and respect.

Philosophy of karma reminds us that every action carries consequences, whether immediate or delayed. One may escape external judgement for a while, but inner unrest and eventual consequences cannot be avoided indefinitely. Life has its own way of restoring moral balance. Ultimately, the challenge of life is not merely to choose right, but to cultivate courage, discipline, and self-awareness required to live by it. True victory does not lie in defeating others, accumulating power, or securing temporary success. It lies in overcoming impulses that lead one away from truth. The story of Duryodhan endures because it warns us of what happens when knowledge is divorced from character. If there is a lesson Mahabharat offers for every age, it is this: the greatest downfall begins not when we fail to know what is right, but when we know it clearly and still choose otherwise. Lasting peace, dignity, and fulfillment arise only when conscience and conduct are in harmony. The ultimate answer to 'Duryodhan Syndrome' lies in mastering our own mind and impulses.

Bhosreddy is chairman, UP-Rera. Gupta is professor of management, Lucknow. Views are personal

Sacredspace



Sun Tzu, Art of War

He who advances Without seeking Fame, Who retreats Without escaping Blame, He whose one aim is To protect his people And serve his lord, This man is A Jewel of the Realm.

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TUESDAY - AUGUST 4, 2026

Growth engine

IIP signals resilience to external challenges

Since the Iran conflict broke out in February, the market narrative has turned quite gloomy about the prospects for the economy — the energy shock adding to the prevailing pessimism over AI disruption and tariffs. However, macro indicators are telling a very different story about India's resilience.



A key indicator which suggests that the animal spirits are very much alive, in some sectors, is the Index of Industrial Production (IIP). After dipping to 3.2 per cent in March 2026, year-on-year growth in the IIP improved to 4.9 per cent in April and 5 per cent in May. The latest June reading of 7.3 per cent is at a 23-month high. A deeper dive into the data suggests that the manufacturing momentum displayed by the index is not just real, but sustainable. The use-based classification shows five of the six sub-segments of the IIP performing better in April-June 2026 compared to the same quarter last year. Capital goods expanded at an impressive 14 per cent (8.8 per cent last year), while intermediate goods (8.5 versus 5 per cent) and infrastructure/construction (6.8 versus 6.1 per cent) also put up a strong show. In fact, consumer non-durables was the only segment which didn't improve upon last year's growth. High growth rates were achieved by segments such as electrical equipment (25.8 per cent growth), motor vehicles and transport equipment (15 per cent growth each), computers and electronic products (12.5 per cent) and consumer durables (7.2 per cent versus 2.8 per cent).

There are other notable features. Results from listed firms seem to suggest that India has been making substantial strides in energy transition. This shows up in overflowing orders for power and electrical equipment makers. Vehicle sales have grown strongly in double digits even after the upward revision in fuel prices consequent to the Iran war. Costlier fuels have accelerated the pace of EV (electric vehicle) adoption, triggering a 15 per cent growth in motor vehicles and related industries in Q1. Electronics manufacturing has continued to benefit from the indigenisation push and production-linked incentives. At the same time, the late start to the monsoon and prolonged heat wave have sharply propped up demand for air conditioners and cooling systems this year.

The IIP revamp in June underscores these trends. The revised IIP, for instance, captures gas and water supply and waste management which were earlier not covered under 'Utilities'. The head 'Electricity' now granularly measures power generated from both renewable and non-renewable sources. Weights for electrical equipment, motor vehicles and electronic products — fast-growing segments — are higher in the new IIP. The base year revision and the expansion in the item basket (from 407 to 463) are likely to have brought more contemporary products into the ambit of the index. This is a story of resilience and structural transformation in the face of external shock. Policy initiatives should keep this manufacturing momentum going.

OTHER VOICES.

THE WALL STREET JOURNAL.

Trump's latest Iran 'Deal'

A friend quipped the other day that President Trump truly deserves the Nobel Peace Prize because he has already ended the Iran war eight times. Will the ninth time be the charm after his latest decision to call off a military escalation in search of a deal with the revolutionary regime? "We have just been asked by Iran, and other Middle Eastern Countries, to hold off any attack in the perimeters of a deal has been agreed to," Mr. Trump posted on Saturday. He added that this includes "Immediate, Complete, and Total" opening of the Strait of Hormuz and an end to Iran's nuclear program. (NEW YORK, AUGUST 2)

CHINA DAILY

Manila's double game puts peace at risk

The contradictory approach the Philippines adopts in its handling of maritime disputes makes one wonder what exactly Manila is hoping to achieve. The recent remarks of Philippine Defense Secretary Gilberto Teodoro Jr serve as the latest evidence of such inconsistency. According to reports, Teodoro Jr, who has already been sanctioned by Beijing for making unfounded remarks which undermined China's interests and bilateral ties between China and the Philippines, called for Philippine officials "who side with China" on the "West Philippine Sea issue" to resign at a forum on July 29, ignoring the fact that the "West Philippine Sea" is just a term unilaterally coined by Manila to support its unlawful claims in the South China Sea. (BEIJING, AUGUST 3)

Monetary policy:
Responding to
the times

BEST BET. A data-based pause and continuation of neutral stance is ideal, while waiting for current uncertainty to resolve



ASHIMA GOYAL

There is an impressive consensus among economists and analysts for the Monetary Policy Committee (MPC) to give a pause in repo rates. Normally, in an emerging market (EM) under pressure from global volatility, with headline inflation crossing the inflation target, there should be calls to raise rates! Putting core forecasts in the public domain may have helped moderate analysts' inflation expectations. June headline inflation came in at 4.4 per cent but core inflation was only 2.5 per cent, implying there is no sign of generalised excess demand. It is increasingly recognised that volatile components revert to a more stable trend. Firms' pass-through of commodity price spikes has also fallen in the inflation targeting regime and can be expected to be muted to the extent consumer confidence and spending fall in difficult times.

There is more of an understanding of inflation targeting and that temporary spikes can be looked through, with the tolerance band giving the space to accommodate such spikes.

While the monsoon has picked up in the key planting month of July the Middle East tensions continue. But countries and the oil market are finding substitution possibilities as well as ways to keep oil flowing. Crude oil futures are in the early eighties while the MPC had taken the value of 95. There may even be room to reduce headline inflation forecasts. However, if inflation rises persistently, the MPC will act to ensure inflation expectations remain anchored. How much pass-through there is and how persistent the commodity shocks are, remains to be seen.

Growth has held up well despite global shocks, but there is some softening and it is below potential. Moreover, aspirational youth are

restless for progress. Signs of a broad-based revival in the private sector investment cycle also need support.

Using policy to counter global shocks is essential for this. A data-based pause and continuation of the neutral stance is best, while waiting for current high levels of uncertainty to resolve.

FINANCIAL CONDITIONS

The measures in the last policy are enabling banks to raise interest rates for NRIs and help solve the mismatch in deposit and credit growth without a general rise in interest rates. The rupee has more support, which is the dominant factor to attract fixed income flows.

As a result, G-sec yields are also softening, which will help the interrupted transmission of lower repo rates. Interest differential with the US has come down from around 5 per cent in end-2023 to around 2 per cent but is adequate as risk and inflation have fallen in India, but risen in the US. Spreads still exceed the average EM spread of 2 per cent.

Both the rupee and G-sec yields have suffered from adverse sentiments more than from real weakness — so demonstration of levers to attract multiple types of inflows is a confidence builder, even as the repo rate remains focused on the domestic cycle.

Nervousness regarding RBI's large forward book is unwarranted. Intervention using forwards, with a rising share of non-deliverable forwards (NDFs), has many rationales. First, since causality runs from the NDF market to domestic markets during global volatility, such intervention is more effective.

Second, NDF intervention does not

As India's shock resilience and outperformance, including lower sensitivity to higher oil prices, become clearer, outflows should reverse

drain domestic liquidity unlike dollar sales in the spot market or settlement of domestic forwards. It helps insulate domestic liquidity from forex (FX) intervention. A domestic liquidity squeeze often accompanied past FX outflows, therefore markets fear it. But now, despite large outflows, durable liquidity remains in surplus.

Third, buying dollars forward does not reduce reserves immediately and may not even in the future. The forward book can be rolled over if needed. In NDF contracts only the net loss has to be paid. The cost may be higher if the rupee is depreciating at that time. But so far the RBI has made large profits on its FX interventions. Therefore, the claim that the forward book has to be deducted in order to see what reserves really are is not entirely true. Derivatives are a more modern and economical way of intervening to reduce unwarranted risk perceptions. Their share in intervention has risen since 2013.

Fourth, the debate often worries about large new peaks in absolute numbers. A short forward book of above \$100 billion! But, because the size of relevant markets is growing, ratios are not materially larger. Intervention as a ratio of FX turnover this year is less than it was in 2014 or 2021.

FORWARD BOOK

A similar build-up of the forward book occurred during earlier global shocks, but was unwound or rolled over without problem. Already inflows under the FCNR (B) scheme have been used partly to close short NDF contracts maturing over the next three months. Returning inflows will be more than enough to unwind the forward book, to build up reserves and for the rupee to appreciate — because more than surplus dollars, appreciation just needs sentiment to change.

EMs tend to have self-fulfilling cycles of depreciation; advanced economy currency overshoots and then reverses.

Since inflation and risk are lower today in India, we could see nominal appreciation once sentiment improves. Past global shocks were temporary

and outflows always reversed. This period of volatility has, however, persisted since the end of 2024, longer than usual. The US tariffs were negative for India; FPI began chasing AI investments. War related oil shocks and other supply disruptions followed.

Global current account imbalances have increased to Covid-19 levels. The US deficit exceeds the large combined China and Euro Zone surplus. China's surplus has increased to \$300 billion. Compared to many countries India's deficit is tiny. Yet it has been punished inordinately by outflows. The lesson for the long term is to move to a surplus, with independence from any one kind of inflow for financing. There are many initiatives for this.

As India's shock resilience and outperformance, including lower sensitivity to higher oil prices, become clearer, outflows should reverse. Advantages of natural and policy supported diversity are text-book plays to counter shocks.

Moreover, some of the shocks themselves are dissipating. The present 10 per cent US tariff on India is actually less than on its competitors and exports have anyway continued to do well. The AI play has begun to be questioned and Indian stock markets are set for a diversification payoff. The main benefit of AI is going to come from applications from which India is poised to benefit as it develops small language models using customisable open weight AI.

The world is going through unprecedented crises. The Indian policy response has sustained growth; monetary policy also is demonstrating that a good pilot can reach harbour even in stormy seas. For this it has to keep a steady course and also communicate ability and intent to nervous markets. US bond market yields rose, although a hold was widely expected, because the Fed Chair did not communicate inflation fighting intent alongside. Twice, when the governor hinted the rupee was undervalued, it appreciated.

The writer is President, TIES, and Professor Emeritus, IGIDR

How India's contract labour framework is changing

It's evolving into examining the circumstances in which core business activities may be performed through contract labour

Senthil Nathan B

The evolution of labour law rarely happens overnight. More often, it mirrors the changing needs of the economy. Over the past three decades, India's approach to contract labour has undergone a quiet but fundamental transformation. What began as a law intended to regulate the engagement of contract labour is gradually evolving into a framework that examines the circumstances in which core business activities may legitimately be performed through contract labour. The recent notification issued under the Occupational Safety, Health and Working Conditions (OSH) Code, 2020 illustrates that shift. Although the notification presently applies only to establishments under the Central Government's jurisdiction, its significance extends beyond its immediate coverage. By prescribing a process to determine whether an activity constitutes a core activity, it offers an early indication of the direction in which India's contract labour

framework is evolving.

When the Contract Labour (Regulation and Abolition) Act (CLRA Act) was enacted in 1970, India was predominantly an industrial economy. The concern before Parliament was not outsourcing as a business strategy.

The earlier framework required the Government to consider several factors, including whether the work was perennial and ordinarily performed by regular workmen. The OSH Code adopts a different starting point. For establishments covered by its contract labour provisions, it generally prohibits the engagement of contract labour in core activities, while recognising specified statutory exceptions where business realities justify such engagement. In many ways, the law has moved from regulating contract labour to examining the circumstances in which core business activities may legitimately be performed through contract labour.

The recent notification gives practical effect to that philosophy. It prescribes a structured process through which employers, contractors, workers, trade



LABOUR CODES. Redefining the relationship between outsourcing and contract labour

unions and other stakeholders may seek a determination on whether an activity constitutes a core activity. Applications are examined by a designated authority before the appropriate Government takes a final decision after following the principles of natural justice.

The consequences, however, extend well beyond procedure. Once an activity is determined to be a core activity, organisations may need to revisit existing workforce arrangements unless one of the statutory exceptions applies. Decisions regarding outsourcing

through contract labour therefore become not merely questions of operational efficiency, but of legal sustainability. None of this suggests that the Labour Codes signal the end of workforce flexibility. The recognition of fixed term employment, together with the statutory exceptions permitting contract labour even in certain core activities, demonstrates that flexibility remains an important policy objective. The objective appears to be not the elimination of outsourcing, but the adoption of workforce models that are more consistent with the evolving philosophy of the law.

The significance of this shift therefore extends well beyond one notification. The CLRA Act regulated contract labour. The Labour Codes are beginning to redefine the relationship between outsourcing and contract labour.

For business leaders, that is no longer merely a labour law issue. It is increasingly becoming a question of corporate governance.

The writer is a senior Human Resources and Employee Relations leader

LETTERS TO EDITOR

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

Thrust on bank deposits

This refers to 'The way deposit base' (August 1). In today's rapidly evolving banking landscape, all banks — whether public or private — must remain relevant by adapting to the changing financial needs of their customers. However, in their pursuit of relevance, they should not compromise the very foundations of conventional banking — deposit mobilisation and prudent lending.

The article rightly highlights the importance of expanding bank deposits in order to enable banks to

lend at reasonable interest rates without resorting to high-cost sources of funding.

Recommending mutual funds to one customer while encouraging another to remain in fixed deposits solely to achieve sales targets or protect deposit mobilisation would certainly dampen public trust.

S Lakshminarayana
Kio Pharmacy, TN

HDFC Bank probe

The ongoing investigation into HDFC Bank regarding the alleged ₹45-crore

differential interest paid to MSROD under the appearance of vendor sponsorship raises critical systemic concerns regarding governance, regulatory compliance, and ethical standards in the private banking sector.

Two decades ago, HDFC Bank's liability strategy was anchored in building a low-cost CASA deposit base while minimising reliance on high-cost fixed deposits. Today, amidst an elevated credit-deposit ratio, the bank appears to be aggressively chasing bill liabilities

from corporates, state agencies, educational institutions, and temple trusts. Supplying indirect interest or compensatory payouts under the umbrella of sponsorships constitutes an explicit violation of RBI guidelines and an unethical business practice. Characterising such a breach merely as business overreach or oversight, rather than a fundamental failure of governance, reflects an unacceptable institutional dilution.

K Nagarajan
Andankovil Post, Karur, TN

Importing doctors

This refers to 'The economics of medical education' (August 3). Given that supply of expert doctors is less than the demand for them, the idea of importing doctors will definitely work for some time. However, it is imperative that the nation produces quality doctors and sound infrastructural facilities in the health sector in the long run. Dependence on other nations for goods and services is always dangerous.

S Ramakrishnasayee
Chennai

Relationship banking

What are trusted and authorised relationships?

N Gnanabharathi

Can banks, as a data fiduciary, lawfully hand over documents such as account statements to someone other than the account holder? This is no longer a hypothetical dilemma. Every day, spouses collect account statements, parents obtain documents on behalf of their children, sons and daughters assist ageing parents, and accountants or office assistants represent proprietors and small businesses. The Digital Personal Data Protection (DPDP) framework, however, requires banks to distinguish between trusted relationships and authorised relationships. While the distinction is legally sound, implementing it at the branch counter is far from simple.

Following the stipulation of the DPDP Rules on November 13, 2025, organisations were given time to align their systems and processes. The substantive compliance obligations will come into force on May 13, 2027. As banks prepare for this transition, much attention has been paid to privacy notices, consent management and cybersecurity. Comparatively little attention has been given to a basic operational question: Who is authorised to receive a customer's financial documents? The answer is not always obvious. Financial documents such as account statements, loan sanction letters, repayment schedules and KYC records contain personal data. If a bank hands over such documents to an unauthorised bearer, it risks violating customer confidentiality and its obligations under the DPDP framework. On the other hand, refusing to hand over a document to a spouse, parent or long-standing representative often appears unreasonable to customers.

In India, spouses routinely undertake banking activities for one another and children assist parents in their banking operations. In the MSME sector too, accountants and other staff often visit bank branches for their proprietors' banking needs.

OPERATIONAL GAP

The DPDP framework has exposed an operational gap that has existed for years. Banks have digitised account opening, KYC, payments, beneficiary registration, nomination and e-mandates. A customer can add a beneficiary online and transfer substantial sums after OTP authentication. Yet many banks



DIGITAL BANKING.

Authorisation issues istockphoto

still do not offer a comparable mechanism for a customer to digitally authorise another individual to collect something as routine as an account statement or a loan document from a branch.

The solution lies in institutionalising delegated authority. Banks should consider introducing a Digital Bearer Management System or Registered Representative System through their Internet Banking and Mobile Banking platforms. Customers could register authorised bearers using OTP-based authentication, specify the categories of documents that may be collected, prescribe the validity period of the authorisation and revoke it instantly whenever required. Every authorisation should generate a complete digital audit trail, giving confidence to customers, branch employees and auditors alike.

The framework should extend to non-individual customers as well. Proprietorships, partnership firms, LLPs and companies should be able to nominate employees, accountants, finance executives or chartered accountants as authorised document recipients. Such authorisations may be role-based, document-specific or time-bound, reducing dependence on paper authorisation letters.

A structured digital framework would protect customer privacy, provide legal certainty to branch employees, reduce disputes at branch counters and improve customer experiences. The objective of the DPDP framework is to ensure that entrusting family members or employees with routine banking responsibilities is explicit, verifiable and under the customer's control.

As banks prepare for the full enforcement of the DPDP framework on May 13, 2027, they have an opportunity to address an operational blind spot before it becomes a compliance challenge.

The writer is a senior banker. Views are personal

Battling to hold the rupee

Opening up government securities markets to stabilise the rupee is not effective and can be counterproductive

MACROSCAN.

CP CHANDRASHEKHAR, JAYATI GHOSH

In early June, the Ministry of Finance and Reserve Bank of India (RBI) announced a set of unusual measures to stabilise the rupee. Instead of resorting to 'open market intervention' through dollar sales to prop up the rupee's value, the Ministry and the central bank went along two routes: (i) they enlarged access to the government securities (G-Secs) markets for foreign portfolio investors (FPIs), by expanding the list of government securities open to them under the Fully Accessible Route (which has no investment limits); and (ii) they did away with a bunch of taxes on returns and capital gains deriving from G-Secs, and sought to attract foreign investors to this segment by making it a mini tax haven.

The income tax rate on interest income earned from G-Secs by FPIs has been reduced from 20 per cent to nil, and taxes on short-term (less than 12 months) and long-term capital gains of 30 and 12.5 per cent respectively have been abolished.

By rendering the G-Sec market much more attractive for FPIs, the government aims to attract large volumes of foreign financial investment. The resulting abundance of foreign exchange is in turn expected to stabilise the rupee.

DEBT MARKET FOCUS

The focus on the government debt market is not without basis. In recent times FPI investments in India's equity market have been more volatile and less buoyant than its debt markets, excepting for after the recent policy change (Chart 1). And within the debt market, it is the market for government securities that dominates (Chart 2), with central government G-Secs having an overwhelming share in government bonds (Chart 3). Leveraging that evidence, the government is making a push to use FPI investments in G-Secs to stabilise the rupee.

The exchange value of the rupee, as captured by its nominal rate vis-à-vis the US dollar has been in long-term decline since end of the Covid pandemic. It stood at around ₹75 to the dollar at the beginning of 2022, fell to just above ₹81 by the end of that year, then depreciated slowly to cross ₹83 at the end of the next year and approached ₹85 by the end of 2024. This trend has however gained momentum since January 2025 and brought the currency down to around ₹96 to the dollar more recently.

Multiple factors have played roles here. The appreciation of the dollar, the counterpart currency, current account strains induced by volatile movements in energy prices; and most importantly, episodes of capital outflows both because of the withdrawal of portfolio investors and net outflows of foreign direct investment.

RBI AMBIVALENCE

Mandated to manage the country's exchange rate, the RBI's response to this trend has been ambivalent. With foreign reserves in excess of \$650 billion, or around seven months' worth of imports, the central bank should have been sitting pretty. Especially since, for many years preceding the pandemic, India had emerged as a favoured destination for foreign financial investors targeting both equity and debt assets worldwide.

Inflows exceeded current account financing needs, facilitating reserve accumulation. Moreover, since the currencies of India's proximate trade competitors in Asia and elsewhere were also depreciating, some fall in the rupee's value was needed to support export competitiveness. Not surprisingly, over significant spans of this long depreciation episode, the RBI



CHART 1

Volatile equity flows

Net FPI investments in Indian markets (\$ mn)

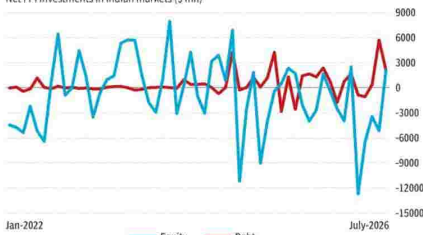


CHART 2

G-Secs dominate

Government and corporate bonds outstanding end-March 2026 (₹ crore)

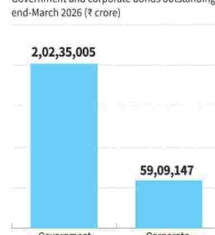
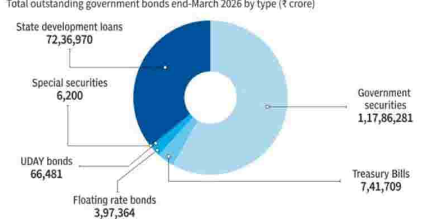


CHART 3

Bonds profile

Total outstanding government bonds end-March 2026 by type (₹ crore)



has chosen not to exploit its foreign reserve war chest to intervene in currency markets to shore up the rupee.

That stance is being reversed in recent months. First, for reasons varying from the adverse impact on exports of the trade aggression of the US and its allies and the rise in the import bill because of geopolitically driven, periodic, speculative increases in energy prices, there is reason to believe the India's current account deficit is likely to widen.

LOSING LUSTRE

Simultaneously, the market mood and the available evidence suggest that India is losing its position in the pecking order of favoured markets for foreign financial investors looking for returns from equity and debt markets. With FPI investors increasingly focused on AI and AI-related firms, Indian equities showing signs of having crossed sustainable valuation levels, and with less abundant cheap capital in global markets, the trend underlying

fluctuations in equity market investments point to decline and investor exit.

Even if the net flow is absolute positive, the volume is no longer such as to consistently raise the size of the central bank's foreign reserves. Once we recognise that the foreign reserve pool is not a reflection of a robust current account surplus, but of accumulated liabilities owed to foreign investors, an increase in reserves becomes imperative to match the cumulative volume of legacy portfolio investment in the country and convince foreign investors that the host has the wherewithal to guarantee their free exit if and when the need arises. If that confidence is undermined, any small reversal of capital flow into the country can soon turn into an avalanche.

An 'excess' depreciation of the rupee can be the signal that triggers such exit, warranting intervention to stabilise the currency. But if that intervention swallows much of the reserve, confidence can only erode further, accelerating capital exit and the currency's slide.

The RBI's ambivalence is therefore understandable.

However, under pressure to shore up market confidence and keep the money flowing, the RBI has adopted the measures mentioned earlier, including the decision to convert the G-Sec market into a mini-enclave that serves as a tax haven. Unfortunately for the government, that effort has not been as successful as expected. It is true that

June 2026 saw a record inflow of ₹54,150 crore of investment into the debt market, which was the highest single month figure ever achieved.

VOLATILE FLOWS

But the contribution of this record inflow into the debt market was almost completely neutralised by an FPI outflow of around ₹49,340 crore from equity markets. That is, the enhanced access and huge tax benefits provided to investors in debt markets largely triggered a shift out of equity into debt, rather than an increase in aggregate inflows. And in July, while net equity inflows recovered to ₹20,200 crore, net debt inflows shrank significantly to just ₹18,883 crore. The government's actions are not having the intended effect as yet. However, the long-term effect of this move to open up the government equity markets as a means of currency stabilisation can be counterproductive. Domestic institutional investors and banks who are currently the principal holders of government debt are more predictable and within the reach of the government's regulatory arms.

On the other hand, FPI flows were driven by global factors. Even when the government manages to ensure a degree of macroeconomic and monetary stability domestically, changes in global conditions such as interest rate hikes, geopolitical factors that affect risk appetites, and the like, can affect FPI sentiment, leading to an exit of capital, balance of payments vulnerability and an unexpected degree of currency instability.

Moreover, once markets are open to foreign financial investors leading to the accumulation of a legacy stock of investment, reversing the policy is much more difficult than instituting it. And as the share of foreign holding of government debt stock increases, any retreat by foreign capital can lower prices and raise yields, hiking government borrowing costs, with extremely adverse implications for fiscal autonomy and management.

International experience, especially in countries in Latin America, illustrates the dangers of going down this road. Since the early signs are that the policy is not working, the government may be well advised to retract before it is too late.

thehindubusinessline.

TWENTY YEARS AGO TODAY.

August 4, 2006

Pvt role likely in uranium mining

The private sector could soon be allowed into the strategic area of uranium exploration work and mining. The Centre is planning to outsource these activities to private players with a view to stepping up uranium exploration in the country and finding larger, high-grade deposits.

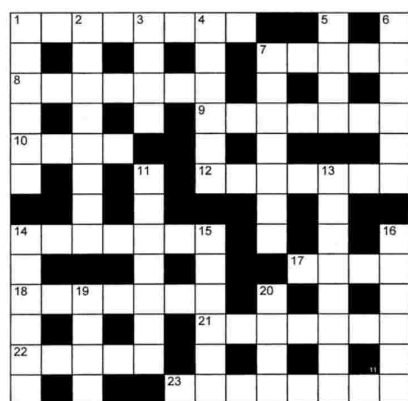
SEBI norms for MF overseas investment

Only Indian mutual funds, which are in existence for a minimum period of 10 years, would be eligible for investing in Exchange Traded Funds (ETFs) abroad. This is part of the SEBI guidelines on investments by mutual funds overseas issued on Thursday. The Government had allowed investment of \$2 billion by Indian mutual funds in various instruments overseas. Of which, \$1 billion can be in ETF.

HC reserves order on Hutch plea

In the argument between Hutchison-Essar Ltd (HEL) and the Essar group in the Bombay High Court today over their dispute regarding the sale of BPL Mobile Communications, licensee in the prized Mumbai telecom circuit, Ms Justice Nishita Mhatre, who heard the case, has reserved orders for next week.

BL TWO-WAY CROSSWORD 2706



EASY

ACROSS

01. One using tact (8)
07. Angry, cross (5)
08. Upper part of loin (beef) (7)
09. Expressed one's willingness to (7)
10. Act of vending (4)
12. Motorcycle passenger compartment (7)
14. Recovery of property from fire etc (7)
17. Sign of use (4)
18. Change religion (7)
21. Something laid on, a cover (7)
22. Inamorato (5)
23. Renounce, deny (8)

DOWN

01. State of being out of use (6)
02. Corresponding, alongside (8)
03. Woodwind instrument (4)
04. Makes a nuisance of oneself (6)
05. A couple (4)
06. One posting letter (6)
07. One not believing in established religion (7)
11. Non-professional (7)
13. Evergreen flowering shrub (8)
14. Hand-held harvesting tool (6)
15. Put into grave, vault (6)
16. Massive breakwater (6)
19. Centre of wheel (4)
20. Dwarf pug-dog (4)

NOT SO EASY

ACROSS

01. One told a PM about somebody in the embassy (8)
07. Angry illegal broadcaster who lost his head (5)
08. Around end of April one irons out the joint (7)
09. Is away with a sort of deer laid before one (7)
10. Auction of beer after the end of Michaelmas (4)
12. Cocktail a biker might get attached to (7)
14. Is wild about the pounds one could save from the wreckage (7)
17. Be clad, as we are endlessly (4)
18. Change over to vector that might include the North (7)
21. The sheet on top is to cover layer it reveals (7)
22. He has a girlfriend of fifty and more (5)
23. Deny being, with age, bent after a start (8)

DOWN

01. It's desuetude that puts us in the wrong side (6)
02. Pearl might include everything in a line of latitude (8)
03. Instrument showing there is nothing in honour (4)
04. Any son turning out like this makes one rattled (6)
05. Two one discovered in a state of equality (4)
06. Needs to make it right for the person who posts it (6)
07. One may be fined a pound as someone who rejects religion (7)
11. Coming from a Rugby Union team, he plays for love (7)
13. Give me a lilac to replace this flower (8)
14. It cuts the slice that may have potassium in it (6)
15. Tom - Ben, too - take a turn to bury one (6)
16. It is no grey kind of breakwater (6)
19. This may be at the hub of church architecture (4)
20. Keep turning to a small dog, in short (4)

SOLUTION: BL TWO-WAY CROSSWORD 2705

ACROSS 7. Tape recorders 8. Blood vessel 12. Winner 14. Tapped 16. Catnap 18. Attain 19. Scaffolding 23. Sleeping pills

DOWN 1. Lamb 2. Demo 3. Welder 4. Potent 5. Odes 6. Oral 9. Lunatic 10. Explain 11. Eden 12. Wick 13. Era 15. Ant 17. Puffin 18. Allege 19. Sale 20. Awed 21. Iris 22. Gull

{ OUR TAKE }

The quarrel over Cauvery

Karnataka and Tamil Nadu must enter the negotiation room with renewed dedication amid accelerating climate-crisis impacts

The leaders on either side of the divide have changed and so have the eras, but the century-old dispute between Karnataka and Tamil Nadu over sharing the water of the Cauvery simmers. This week, a potential face-off between Karnataka chief minister DK Shivakumar and his Tamil Nadu counterpart C Joseph Vijay was averted after the latter agreed to postpone his visit to Bengaluru. Tensions have been rising between the two neighbours amid an indifferent monsoon — the monsoon was 19% below normal in Karnataka from June 1 to August 3 and 13% below normal in Tamil Nadu — and Vijay's government has approached the Supreme Court.

The immediate trigger for the bitterness appears to be developments on the Mekedatu reservoir project, first proposed by Karnataka decades ago to solve the drinking water woes of Bengaluru. Tamil Nadu believes the project — which is planned to come up close to the site where the river enters Tamil Nadu — will adversely affect the flow of water downstream. But the enduring trigger for the dispute every year — irrespective of the party in power in either Bengaluru or Chennai — is the increasingly precarious dependence of either state on the river. This year, the flow has reduced to a trickle due to indifferent rainfall across the Cauvery basin this season. Clearly, against the backdrop of lopsided and haphazard monsoons and the climate crisis wreaking havoc with both the spatial and temporal distribution of rainfall, both states needed to have worked on scientifically sound environmental plans that could augment water requirement for drinking (Bengaluru) or agricultural (Tamil Nadu) purposes.

Instead, neither state appears to have built viable strategies to mitigate the impact of the climate crisis.

Water tribunal awards aren't meant for good monsoons. Their efficacy is only visible in a deficient monsoon year, such as 2026 where the long shadow of El Nino continues to stalk rainfall projections. The Cauvery water award first took 27 years of hearing, another six for the government to announce the allocation, and a further five to establish a water management authority. In an era where skew in rainfall change by the week and the climate crisis has rendered previous models useless, such long timelines are impractical. Political brinkmanship has to exit this stage. Instead, both states need to enter the room with renewed dedication to safeguard their poorest constituents from the vagaries of a rapidly changing world.

A yatra from ritual piety to base violence

While the etymology stays contested — like most other associated things — there has been some consensus among scholars that religion comes from the Latin verb *religare*, which means 'to bind'. Ritual comes from *ritus*, which means a correct way of doing things. The roots of these words, along with their meanings and thus intent, appear forgotten when we look at some practices that are neither correct nor bind human beings, either to each other or to divinity. The annual mayhem created by the *kanwariyas* in the states of Uttarakhand, Uttar Pradesh, Haryana, and the National Capital Territory of Delhi is one good exhibit.

As monsoon peaks in the region, so does the pilgrimage of bringing the sacred — in the form of water from the Ganga — to one's doorstep. Drops of *gangajal* are supposed to cleanse all mortal sins. So far, so good, but does it not, then, become almost blasphemous to engage in unlawful practices during this very journey? The *kanwariyas* clearly do not think so. Every year, many of these devotees, mostly young men, run amok with their entitlement to flout all laws of the land and are answerable to none. As if traffic disruptions, intolerable decibels of the DJ trucks, and littering at the pit stops aren't enough, untrammelled acts of violence against people and property have become a regular feature of the *kanwar yatra*. Extending tacit support of governments, no violation is serious enough to stir law enforcement into action, not even attacks on school buses, as happened in Lucknow on August 3. The issue here is not of policing faith but allowing people to use faith as a get-out-of-jail card.

OPINION

The here and now of a 'forever war' period

As multipolarity solidifies, a new stable equilibrium could be ushered in — one in which States realise attacking others will not alter the balance of power in their favour

Although there have been several on-off international agreements, ceasefires, and deals to end the conflict between Russia and Ukraine, and between US-Israel and Iran, we are starting at a grim reality. Protracted conventional armed conflicts among countries are back in vogue, growing at an alarming rate, and proving to be intractable.

A study by the Norway-based Peace Research Institute Oslo (PRIO) finds that direct inter-State conflicts have doubled in the past few consecutive years, jumping from two in 2023 to four in 2024, and reaching eight in 2025, which is the highest since data collection began in 1946. Comparing the current upward trajectory in inter-State wars with the Cold War era (1946-1989) and the post-Cold War era (1990-2020), it looks like humanity is going backwards, in the direction of savagery, instead of moving forward towards civilisation.

The Cold War period saw an average of two to four active inter-State

conflicts per year, headlined by the Korean War (1950-1953), the Vietnam War (1965-1973), the India-Pakistan Wars (1948, 1965 and 1971), the Arab-Israeli Wars (1948, 1956, 1967 and 1973), and the Iran-Iraq War (1980-1988). Even though civil wars or internal wars outnumbered inter-State wars, the wars between States were deadly and accounted for up to five million battle-related deaths. What made things worse was that the average duration of these inter-State wars — many were prolonged by superpower-fuelled ideological proxies — was around 16 to 24 months.

The post-Cold War period offered a welcome respite from this dreadful dynamic. Thanks to the end of the ideological contest between capitalism and Communism and the weakening of all power centres except the US, there had been a period of relative peace. Inter-State wars per year lasting approximately three to four-and-a-half months. Fewer inter-State wars brought relief because international order rests on mutual respect for sovereignty and territorial integrity of States. If inter-State wars lessened, it introduces systemic stability and makes intergovernmental institutions such as the United Nations (UN) more effective. No wonder, therefore, that the post-Cold War phase was a golden era for the UN.

But since 2021, this relatively benign phase has been replaced by a ferocious new trend of frequent and lengthy

inter-State wars that have once again marginalised the UN. The Russia-Ukraine war has exceeded four-and-a-half years of continuous fighting. The multiple wars involving Israel, Lebanon and the Palestinian Territories have dragged on for three years. And the US and Israeli war on Iran which began in 2025, ebbed for a while, and then resumed in 2026, looks open-ended with no closure. There have been some short multi-day conflicts between Armenia and Azerbaijan (2020) and between India and Pakistan (2025), but it is anyone's guess whether these will reignite after a pause.

One key factor behind the sharp uptick in inter-State wars and their longevity is something that is normally viewed as a positive development — the onset of a multi-

polar world. With more power centres emerging, the willingness to attack directly or to sponsor proxies that can withstand aggressors as part of global geopolitical rivalries has grown. If the original Cold War featured two superpowers that destabilised the world by arming their proxies, the current 'new Cold War' is diffused, with more players. A small Ukraine would not have held on for so long against a big Russia if it wasn't for both the US and Europe backing the former militarily and economically. And Iran's resistance against the much superior Israel and the US owes to the intelligence, targeting, satellite, technological, and economic backing of Russia and China.



Sreeram Chaulia



A small Ukraine would not have held on for so long against a big Russia if it wasn't for both the US and Europe backing the former.

Pakistan's propensity to carry out large-scale terrorist attacks in India, which New Delhi says would be considered 'acts of war' from now on, is also rationalised by the active military and economic support Islamabad receives from Beijing. Operation Sindoor in 2025 was relatively short but saw high-intensity war-like clashes because Pakistan was emboldened by Chinese weaponry, intelligence, economic and diplomatic sympathies. As India grows economically faster than China and is likely to reduce the power gap with China in years to come, their Asian Cold War is likely to trigger more India-Pakistan wars or mini-wars by proxy association.

Apart from complex multipolarity, the other reason why inter-State wars are growing and lasting longer is the shift in modern military technology. Stronger attackers believe they have the upper hand and initiate wars, but defensive weaponry and tactics are improving. Drones, anti-tank, anti-ship and anti-aircraft missiles and counteroffensive strike capabilities have prevented easy walkovers for the attackers. Presidents Vladimir Putin and Donald Trump have found that weak opponents can withstand land

invasions or aerial bombardments for years due to this change in the structure of warfare.

Given these underlying structural shifts, is there no light at the end of the tunnel and are we condemned to suffer 'forever wars'? The good news is that as multipolarity solidifies, and once power transitions are completed, a new stable equilibrium could be ushered in, in which States realise it is too costly to attack other States, since attacking will not alter the balance of power in their favour. And with time, as defensive military technology advances further, it too may deter offensive States from daring to attempt invasions and regime changes. For instance, China may decide not to attack or to delay attacking Taiwan after seeing the war between Ukraine and Iran unfold off Russia and the US for years.

The bad news is that until we reach stable equilibrium points that deter attackers, more inter-State wars that grind on by attrition are possible. It is a scary thought, but one we must brace for.

Sreeram Chaulia is dean, Jindal School of International Affairs. The views expressed are personal

Legislation needs debate, not blind determination

Parliament's Monsoon Session, which commenced on July 20 and is on till August 13, has been marked by a series of contentions on issues surfacing both within and outside Parliament. Two bills introduced in earlier sessions of Parliament (but not tabled yet), merit greater discussion and scrutiny: the Foreign Contribution (Regulation) Amendment, or FCRA, Bill, 2026, and the Constitution (130th Amendment) Bill, 2025. Both do not just expand executive control, but also remove all space for an independent decision-maker. The two bills need to be read against a decade of precedents describing the same institutional habit: Whenever a court or a federal structure has stood between the Centre and a decision it wanted to make alone, the response has been to legislate the obstacle away.

The FCRA Bill, introduced on March 25, was framed as tidying up 'legal gaps'. Internally, it does something larger by inserting a new Chapter, IIA, into the FCRA Act, 2010, creating a Designated Authority that, under Section 16C, wields powers resembling a civil court's in order to supervise, manage, or permanently vest in itself any foreign-funded asset — hospitals, schools, etc. — the moment a registration is cancelled, surrendered, or allowed to lapse.

The Ministry that cancels a licence effectively appoints the authority that then disposes of what the organisation built, with proceeds flowing to the Consolidated Fund of India. The scale is not trivial: the government's dashboard shows over 22,000 registrations have already been cancelled and roughly 15,000 left not renewed as of April 2026, making for a population of institutions already standing to be impacted by the mechanism now being written into law.

This is also a first move. The original FCRA, enacted during the Emergency in 1976, targeted political funding, the 2008 Act broadened oversight of NGOs, the 2010 Amendment mandated a single State Bank of India account, cut permissible administrative spending from 50% to 20%, made Aadhaar mandatory for office-bearers, and banned the onward transfer of funds between organisations. Each iteration has tightened the State's grip on the same sector. The 2026 Bill is the point at which oversight of funds becomes ownership of assets.

Constitutional scholars flag conflict with Article 30A, since the Authority can act ahead of any judicial finding, and with Article 30, which guarantees minorities the right to run their own educational institutions, a concern sharpened by Rules notified in June barring organisations engaged in 'prosecution', a term the law does not define. From FCRA eligibility altogether. The government invokes the Financial Action Task Force (FATF); yet, the FATF's 2024 review found India only partially compliant on non-profit safeguards and asked for a targeted, risk-based approach, not a blanket mechanism across the sector. A UN Special Rapporteur had flagged the FCRA's chilling effect on associational freedom in 2016: a decade later, the amendment answers that warning by expanding the very power it criticised. The Constitution (130th Amendment) Bill performs a parallel manoeuvre against a different check: judicial conflict. It follows directly from Arvind Kejriwal governing Delhi from Tihar jail for months in 2024 without resigning. Introduced in the Lok Sabha last August and sent to a Joint Parliamentary Committee in

November, it would amend Articles 75, 164, and 239AA so that a prime minister, Union minister, chief minister, or state minister held in custody for 30 consecutive days, on a charge carrying five years' imprisonment or more, must resign by the 31st day or automatically cease to hold office. Custody, set by an investigating agency's timing and a bail order, replaces conviction that is decided by a court after trial, as the trigger for removing an elected head of government.

That the Bill reaches for Article 239AA is not incidental. This is the same provision the Supreme Court interpreted in May 2023, ruling unanimously that Delhi's elected government would continue to exist as an administrative body, that this 'chain of accountability' was essential to representative government. Within eight days, the Centre issued an Ordinance overriding that verdict, later enacted as the GNCTD (Amendment) Act, 2023, handing control to the Lieutenant Governor.

The 130th Amendment Bill proposes to amend the same Article a second time for a different purpose, but to the same effect: reducing what a court decision protects. Several Opposition parties have boycotted the Joint Committee on the ground that whoever controls the tempo of arrests and bail hearings would, in effect, control the removal of risk from office. The panel, headed by BJP MP Aparajita Sarangi, is understood to have retained the 30-day clause while adding unspecified 'safeguards'; yet, on July 17, days before the session began, it deferred even adopting that report, seeking further consultation.

The government would appear to be testing the limits of the Opposition, the judiciary and the public. There is a pattern to how this government legislates once it senses the numbers turning in its favour, and the Monsoon Session may turn out to be almost a textbook case of this.

None of this makes foreign-funding oversight and ministerial accountability reforms; each deserves attention. But a two-thirds majority assembled through defection and merger to tighten executive control is not the sustained popular persuasion Article 368 was written to require. Civil society and an elected rival, both in their own right, are being asked to sign a discretion the texts of the respective Bills do not constrain.

A close look at the data on parliamentary performance reveals a quiet sediment — a legislature transformed into a rubber-stamp exercise seen so far, where extra hours are utilised to move legislation faster rather than to sharpen it. Each parliamentary session across the Houses appears less like a debating chamber and more like a corporate board meeting where the decisions were made long before the attendees arrived. When arithmetic substitutes for argument, what Parliament passes matters less than what it never had to explain. Government ambitions and desires are clear, their executive upholding is apparent. The end goal is no longer blowing in the wind. One must have their eyes wide shut to think otherwise.

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Deepanshu Mohan



Aman Chain

{ ABHIJEET DIPKE } FOUNDER, COCKROACH JANTA PARTY

We don't need to look at Bangladesh or Nepal when we have Mahatma Gandhi from whom the world takes inspiration to protest



Insurance firms as major stakeholders in cleaner air

As policymakers debate how to clean Delhi-NCR's air, a striking comparison has emerged. Recent analysis suggests that around ₹3,000 crore of targeted public support could significantly accelerate the electrification of heavy trucks in the region, delivering substantial air-quality benefits. Health insurers pay roughly the same amount every year in air-pollution-related hospitalisation claims in Delhi alone. The comparison raises the question: If pollution imposes a direct and growing financial cost on insurers, shouldn't they become active investors in prevention?

Air quality-linked illnesses now constitute 9% of all hospitalisation claims in India, up from 6.4% in 2022. Delhi, home to just 2.5% of India's population, accounts for 38% of hospitalisation claims attributable to poor air quality. The insurance industry's reported discussions with the Insurance Regulatory and Development Authority (IRDAI) on a 10-15% premium loading for Delhi residents reflect this reality.

According to the IRDAI Annual Report 2024-25, health insurers paid roughly ₹5.80 in claims for every rupee of premium collected. With air pollution accounting for an estimated 8-9% of claims, the industry's annual pollution-linked payout burden may exceed ₹7,500 crore. In Delhi alone, as mentioned earlier, insurers are estimated to pay around ₹3,000 crore annually — far exceeding public expenditure on air quality improvement.

The Union government recently announced a vehicle replacement scheme for Delhi-NCR, which has reignited debate on transport emissions. Some analysts argue that stronger incentives for electric freight vehicles could deliver significantly larger air-quality benefits. Viewed differently, the NCR vehicle replacement scheme may have inadvertently created the perfect pilot for testing an air-quality improvement market: a defined geography, measurable interventions, established monitoring systems, identifiable beneficiaries, and a potential buyer base in the insurance sector with an economic interest in cleaner air.

India already has a policy instrument that could provide the architecture for such a pilot. The Green Credit Programme (GCP), launched in 2023, is designed to monetise verified environmental improvements. Unlike the Carbon Credit and Trading Scheme (CCTS), the GCP is not narrowly focused on emissions. With an appropriate methodology, the programme could potentially be extended to recognise verified air-quality improve-

ments, creating a mechanism through which their environmental value can be measured and monetised. A 2022 study using health insurance records in China found that every 10 µg/m³ reduction in PM2.5 reduced healthcare expenditure for respiratory and circulatory patients by 16%. Applied to India, where the average insured air-quality-related hospitalisation costs ₹55.26, the savings can be substantial.

Insurers can begin immediately by directing CSR funds towards air quality interventions and measuring the impact on claims. They can also participate as investors in green bonds and other sustainable-finance instruments linked to emissions reduction. To scale such instruments, IRDAI should clarify whether verified green credits qualify as permissible investment assets. This would allow insurers to deploy investment capital, and not merely CSR budgets, toward reducing future underwriting risks.

Over time, new instruments akin to impact bonds could link verified air-quality improvements directly to reduced healthcare costs, creating a self-reinforcing market for prevention.

Measurement is the foundation on which this model rests. India already possesses strong air pollution monitoring infrastructure. What is missing is a standardised, independently verified attribution methodology for green credits. India's Digital Public Infrastructure (DPI) could strengthen this ecosystem further. A citizen choosing public transport on a Red AQI day could receive a green credit in their Digi Locker wallet. This approach leverages DPI to deliver measurable public health and air-quality outcomes.

The logic of insurers investing to reduce covered risk is not new. India's first air-quality-based parametric insurance product was introduced in 2025, covering construction workers in Delhi with automatic payouts when AQI exceeds 400. While parametric insurance remains reactive, it points toward a future where insurers invest upstream to reduce claims altogether. India's insurance sector has an opportunity to move from being a passive bearer of air-pollution costs to an active participant in reducing them. Achieving this will require coordinated action across insurers, IRDAI, government agencies, auditors, and DPI actors.

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Ashok Kumar Thankonda



Pawan Mulukutla



Editor's TAKE

A drug-free India begins with its youth

As India aspires to become a Viksit Bharat by 2047, protecting its young from the scourge of drugs must be treated as a national priority requiring collective action

On Sunday, Prime Minister Narendra Modi addressed over a crore young Indians connected from more than 28,000 locations to launch the Nasha Mukti Yuva for Viksit Bharat Sankalp Abhiyan—a campaign asking the country's youth to be both its target audience and its foot soldiers. The ambition matched the scale: a 100-week movement, unfolding every Sunday, woven into the larger project of a developed India by 2047. The message was blunt—a nation cannot be built on a generation numbed by addiction. The urgency is not manufactured. Government surveys already count close to ten crore Indians touched by narcotics in some form—sixteen crore users of alcohol, over three crore cannabis users, and close to two crore linked to opioids. The Narcotics Control Bureau seized 1.33 lakh kilograms of narcotics worth nearly 72,000 crore last year, arresting 994 traffickers as conviction rates climbed to 66.8 per cent. States along the Punjab border and the industrial belts of Uttar Pradesh and Maharashtra have long topped the case count. The Supreme Court, while hearing a narco-terror case in 2024, went so far as to warn that the fallout of rising addiction leaves a "generational imprint" on public health and national security. Against that backdrop, a campaign built around the country's youngest citizens is not premature. If anything, it is overdue. What distinguishes this from the Nasha Mukti Bharat Abhiyan, running since 2020, is its idiom. Modi leaned on identity rather than prohibition—calling recovering users "warriors" instead of casting them out, and drawing over 125 spiritual and civil society organisations into what might otherwise have read as another government notice.

Tying sobriety to the Viksit Bharat vision gives young Indians a stake larger than compliance: abstinence becomes nation-building, not mere obedience to the law. Arriving days after student protests over examination reforms unsettled Delhi, the launch also reads as an attempt to re-engage a restive Gen Z on the government's own terms.

Yet pledges and pageantry have been tried before. The older Abhiyan counts over fourteen crore participants and lakhs of partner institutions and, by most accounts, addiction levels have barely moved. Critics are right to point out that India's shortfall lies less in messaging than in infrastructure: too few de-addiction centres, a scarcity of trained counsellors, and a stigma that still keeps families from seeking help before a crisis strikes. A pledge taken at a rally offers little to a teenager with nowhere to turn the following morning. If this campaign is to outlast its own launch, the 100 Sundays ahead must build treatment capacity as visibly as they stage awareness drives. Symbolism has its place in a democracy of this size—a Prime Minister speaking directly to a crore young citizens is not nothing. But Viksit Bharat will not be won by slogans. The real test of the Nasha Mukti Yuva Abhiyan lies away from the cameras, in whether counsellors, treatment beds and second chances multiply as fast as the pledges do. Only then does a sankalp become a cure.

Gau Mutra: Science should not be ridiculed

Throughout history, many medicines originated from traditional knowledge. Aspirin evolved from willow bark, artemisinin from traditional Chinese medicine, and numerous modern drugs have their roots in indigenous medical systems



MEENAKASHI LEKHI

Priyanka Gandhi's recent reference to an IIT Director as a "gau mutra expert" has ignited a debate that extends beyond politics. The real question is not whether one personally believes in traditional remedies or not. The question is whether scientific inquiry should be encouraged or ridiculed. Science advances by testing hypotheses, not by mocking them.

Throughout history, many medicines originated from traditional knowledge. Aspirin evolved from willow bark, artemisinin from traditional Chinese medicine, and numerous modern drugs have their roots in indigenous medical systems. The correct scientific approach is to investigate traditional claims objectively, accepting those supported by evidence and rejecting those that fail rigorous testing. For the sake of dispelling ignorance, I must state that more than 70 per cent of chemicals used in modern medicine are phytochemicals, which means originating from plants, and a whole lot of those plants aren't originally from the Western Hemisphere.

Contrary to claims that there is "no science" behind gomutra, several peer-reviewed studies have investigated cow urine and cow urine distillate. Published research has reported antibacterial activity against certain bacteria, antifungal activity, antioxidant properties, immune-modulating effects, and potential bio-enhancer properties that may improve the effectiveness of some antibiotics in laboratory settings. Most importantly, these findings are primarily laboratory (in vitro) or animal studies, and in India, it has been practised on humans as part of traditional medicine. Therefore, they should be viewed as promising research and further establish the same with precision for medical treatments.

The two patents in the United States of America, which were highlighted by Parliamentarian Sudhanshu Trivedi in the Lok Sabha, very strongly relate to cow urine distillate, involving pharmaceutical compositions using cow urine distillate as a bio-enhancer and use of bioactive fractions of cow urine distillate to enhance antimicrobial and anticancer agents. Research involving cow urine or cow urine distillate has been carried out by scientists affiliated with institutions in several countries, including India, Nepal, United States, and United Kingdom, includes collaborative research and publications. The research has largely focused on antimicrobial compounds, antioxidant activity, bio-enhancer effects, veterinary applications, and antiviral screening.

Recent laboratory work has investigated whether compounds isolated from cow urine distillate demonstrate antiviral activity against viruses such as Chikungunya under laboratory conditions. This illustrates an important scientific principle: that Traditional medicinal claims deserve investigation in order to identify positive



laboratory findings, and nothing stops the sceptics to research further and test the safety for human use, which may require rigorous clinical evidence.

The issue becomes bigger than cow urine when parachute or hereditary politicians ridicule scientific investigation because the subject originates from traditional knowledge—knowledge of which they lack, they risk discouraging legitimate research. The scientific method requires openness, scepticism, replication, and evidence. The appropriate response is therefore not blind acceptance or blanket dismissal, but rigorous evaluation.

Priyanka Gandhi's description was intended as political criticism, but it raises a deeper question: Should scientific inquiry be dismissed because its subject appears unconventional or rooted in traditional knowledge? The remark has drawn criticism from hundreds of academicians, who argued that reducing a distinguished scientist to a single label undermines academic discourse. History reminds us that many scientific ideas initially faced ridicule before they were properly evaluated.

I am reminded of Galileo, who did not become famous because he was always right. He became famous because he insisted that evidence—not ridicule or authority—should decide scientific questions. When Galileo argued that the Earth revolved around the Sun, many dismissed or opposed his work because it challenged accepted beliefs. Over time, observations and evidence established the heliocentric model.

If the politically driven criticism was directed at specific scientific claims, those claims should be challenged with data. If the criticism was directed simply at the fact that a scientist has researched or discussed cow urine, then it risks discouraging inquiry into traditional knowledge. Ridicule has never been part of the scientific method.

The appropriate response to controversial research is not to dismiss researchers with labels, nor to accept every traditional claim uncritically. It is to let evidence decide. Whether future research validates, refines, or disproves claims about gomutra should be determined in laboratories and clinical trials and not in political speeches.

What the global Scientific Community agrees is that cow urine contains biologically active compounds that merit scientific investigation. Secondly, laboratory and animal studies have reported antimicrobial, antioxidant, and immunomodulatory effects. While scientists in India such as Dr Surman Preeth Singh Khanuja led research on cow urine distillate as a bio-enhancer that could improve the absorption and effectiveness of antibiotics and anticancer drugs and is also the co-inventor of US patents

on cow urine distillate. Dr Mahendra Pandurang Darokar, who is a medicinal plant and natural products researcher, worked on antimicrobial and pharmaceutical applications of cow urine distillate as part of the CSIR team. This balanced perspective allows one to argue that research into gomutra is a legitimate scientific endeavour, also recognising that extraordinary medical claims require extraordinary clinical evidence.

In 2026, researchers at IIT Roorkee reported that an Ayurvedic cow urine distillate (Gau Mutra Ark) significantly reduced the chikungunya virus in laboratory experiments. According to the institute, viral load was reduced by over 90 per cent, with an optimal formulation achieving up to 99.85 per cent reduction under laboratory conditions. Research on cow urine has involved multiple Indian scientific agencies, including the Department of Science & Technology (DST), Department of Biotechnology (DBT), CSIR, ICMR, ICAR, and the Ministry of AYUSH under collaborative research programmes. This indicates that the subject has been considered worthy of scientific investigation rather than being dismissed outright.

The 200 academicians who issued an open letter criticising the comment made by Priyanka Gandhi, argued that reducing a scientist to a dismissive label undermines academic integrity and discourages scientific inquiry. The question is whether scientists should be mocked for investigating traditional knowledge. History shows that many modern medicines originated from traditional practices. Research on cow urine has identified antimicrobial, antioxidant, bio-enhancer, and antiviral properties in laboratory studies, while agricultural applications have also been explored. The scientific approach is to test claims rigorously—not to ridicule researchers for studying them. That is how science progresses.

As a political worker, I tried to analyse the Gaumutra Visheshgya Jibe at Prof. Kamakoti and came to a conclusion that it was a slur of choice to mock Hindus and associated practices of their faith. In addition, it was also a jibe at the institution which functions under his leadership. I am citing my tweet:

Priyanka Gandhi probably doesn't know about Anyabhath, but surely she would've visited her Nanihal and the famous Galileo Museum. I'm sure she would have seen how Galileo was imprisoned for saying the Earth goes around the Sun. It may be shocking for some that "cow worshippers" and "gau mutra visheshgya" had already discovered this centuries before Galileo! And no one was imprisoned for life for "blasphemy".

This is Galileo's finger preserved at a museum named after him.

The contribution of ancient Hindu civilisation in the field of science is unparalleled. The pedigree of rishtis and their parampara is such that none of the imported or dogmatic Gandhis - Vadrans can either compete or undermine. I have my suspicions about their ability to comprehend.

I pray to my Lord that wisdom and knowledge, along with compassion, prevail amongst biased and ignorant people.

The writer is a former Minister of State for External Affairs of India

THE CONTRIBUTION OF ANCIENT HINDU CIVILISATION IN THE FIELD OF SCIENCE IS UNPARALLELED. THE PEDIGREE OF RISHTIS AND THEIR PARAMPARA IS SUCH THAT NONE OF THE IMPORTED OR DOGMATIC GANDHIS - VADRANS CAN EITHER COMPETE OR UNDERMINE. I HAVE MY SUSPICIONS ABOUT THEIR ABILITY TO COMPREHEND



Farmers transplant paddy saplings in a field, in Nadia district, West Bengal. PHOTO: PTI

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SANJAY CHANDRA

2ND OPINION

We often speak of the wisdom contained in our scriptures and epics, and the importance of introducing our children to them so that they may navigate life's complexities with greater clarity. I inherited these values through stories passed down by my parents, teachers, elders, and countless conversations over the years. Among them, the Mahabharata has perhaps influenced me the most.

One idea stayed with me from an early age. We are taught to perform our duty to the best of our ability without becoming attached to the outcome. The results, we are told, are not entirely within our control. Somewhere beyond our limited understanding exists a larger order that ultimately looks after us.

As the years passed, I began to see traces of that wisdom in ordinary human relationships. Throughout my life, there

have always been people who quietly appeared when I most needed guidance or reassurance—my parents, my children, my friends, my teachers, my seniors, and even strangers whose advice altered the course of my decisions. I remember one such incident from my first posting in the Railways. I wrote an official letter to the Headquarters and was pleasantly surprised to receive a personal reply from a senior officer. He welcomed my first official communication and gently suggested better wording for future correspondence. That small gesture inspired me to give a little more than what duty alone demanded. Only later did I realise that such mentoring was part of the organisational culture and was extended to officers throughout their careers. Looking back, I realise it was only the first of many such moments that shaped my understanding of these values. I have often found myself carrying that tradition into both my professional and personal life.

However, when I look at the world around me now, I sometimes wonder whether younger generations receive the same reassurance. We live in an age that measures almost everything instantly. Success is counted in followers, likes, promotions, visibility and constant comparison. Many of us spend so much of our energy keeping pace with an increasingly demanding world that we naturally become more occupied with our own journeys than with quietly encouraging someone else's. Outcomes often

appear to matter far more than effort, and appearance often seems to matter more than substance. Ambition has become unfashionable, while uncertainty is increasingly viewed as failure rather than as an inevitable part of life.

So, are the values with which I grew up still relevant? I believe they are. Modern life may make them less visible, but it has not made them less meaningful. The people who quietly embody those values have not disappeared. They continue to guide, encourage and reassure, often without realising the difference they make. Perhaps what has changed is not the values themselves, but our ability to notice them amid the speed and noise of contemporary life.

Whether there is a Supreme Being watching over us is something I still do not know. But I have come to believe that grace often reaches us through such people. Perhaps the divine does not always reveal itself through extraordinary events. Sometimes it is found in a thoughtful word, an unexpected act of kindness, or in someone who appears at the right moment. And perhaps that is reason enough to continue believing that the values we inherited still have a place in the world we live in today.

The writer is a founder of Kala - Krazy About Literature And Arts, is an author, speaker, coach, arbitrator, and strategy consultant

The quiet grace that shapes our lives

US-IRAN CONFLICT RESHAPES GLOBAL STRATEGIC BALANCE FOREVER

Appropos of the landmark article, "When Strength Becomes a Liability" (3 Aug), the ongoing US-Iran conflict raises profound questions about the limits of military power and the long-term consequences of prolonged warfare. The war is unlikely to end until both sides are exhausted, with no easy or immediate resolution in sight. The President of the United States is not a warlord, yet the conflict appears to have expanded beyond political control, making strategic management increasingly difficult.

The prolonged confrontation has also exposed the fragility of the existing global order. Rather than reinforcing American influence, it risks weakening the United States' credibility among both allies and supporters. If uncertainty continues, global manufacturing and investment may gradually diversify away from the US.

Reducing its economic leverage. Many believe this conflict could have been avoided. Years of sanctions had already placed significant economic pressure on Iran, raising the question of whether diplomacy could have achieved more than military escalation. Equally concerning is the rhetoric surrounding nuclear weapons, as any such escalation would have consequences far beyond the immediate region.

The Mediterranean is not indispensable to global commerce, and the world's dependence on petroleum is steadily declining as nations invest in alternative energy sources. The US-Iran conflict is therefore likely to accelerate wider changes in global security, trade, diplomacy and strategic alliances, reshaping the international order in ways that may endure long after the guns fall silent.

VINOD JOHRI | DELHI

The NEET reform debate

The enactment of the Public Examinations (Prevention of Unfair Means) Amendment Act, 2026, reflects the government's determination to curb examination malpractice through stricter penalties, Special Fast-Track Courts, and a Special Task Force. However, experience suggests that harsher punishments alone do not necessarily prevent crime or misconduct. The recurrence of the NEET-UG 2026 paper leak despite the existing 2024 legislation has renewed questions about whether legal deterrence, by itself, can safeguard the integrity of high-stakes examinations.

The debate extends beyond punishment to the examination system itself. Concerns over the National Testing Agency's reliance on outsourcing have renewed calls for stronger institutional safeguards alongside tougher laws. With education placed in the Concurrent List, states already possess significant responsibilities in higher education. Many believe allowing states greater flexibility in conducting admissions for their own quota of medical seats could reduce the impact of nationwide irregularities while ensuring local representation. The challenge lies in balancing national standards with transparency, accountability, and equitable access to medical education.

HARIDASAN RAJAN | KERALA

Towards a lasting solution

The Cauvery water-sharing dispute has once again become a flashpoint in Tamil Nadu politics, with the TVK government under Chief Minister C Joseph Vijay facing criticism over its handling of the issue. Opposition parties have accused the administration of acting unilaterally, failing to build political consensus, and not responding firmly to Karnataka's reluctance to release water. Amid mounting pressure, the government abandoned its proposed visit to Karnataka for talks with Chief Minister DK Shivakumar and instead approached the Supreme Court, seeking legal intervention. The Apex Court remains the ultimate forum to resolve disputes when negotiations fail. Yet, while judicial intervention may provide immediate relief, it cannot by itself resolve a conflict rooted in competing regional interests, changing rainfall patterns, and increasing water demand. A lasting solution requires cooperative federalism, transparent reservoir management, scientific water-use planning, and sustained political dialogue between the riparian states.

Moving beyond seasonal litigation towards institutional mechanisms and long-term water management is essential to ensuring equitable sharing of the Cauvery's waters while reducing recurring disputes and political confrontation.

RANGANATHAN SIVAKUMAR | CHENNAI

India's winning momentum

India's fourth-place finish at the 2026 Commonwealth Games, with 39 medals, including 13 gold, marks more than a strong showing on the medals table. It reflects the steady expansion of the country's sporting ecosystem and the emergence of talent across multiple disciplines. Although the Games featured only ten sports, India excelled where it mattered most, with the quality and diversity of performances standing out.

Boxing produced its best-ever Commonwealth campaign, yielding a record ten medals, including seven gold. Gurveer Singh became the only Indian to win multiple medals, highlighting the country's growing strength in endurance events. Para-athletics reached a new milestone as Sharmila Dhankar became India's first Commonwealth para-athletics gold medalist, while judo and weightlifting also delivered memorable performances. Equally significant was the contribution of women athletes, who secured the majority of India's gold medals, reflecting the widening depth of Indian sport. The challenge now is to translate Commonwealth success into sustained Olympic achievements. As India prepares to host the 2030 Commonwealth Games, the focus must remain on building stronger institutions, coaching systems, and sporting infrastructure that can sustain excellence for years to come.

R NARAYANAN | MUMBAI

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The six-month rule and the Constitution's moral compass

The constitutional language is unequivocal. It does not confer discretion upon the executive or the Governor. It prescribes a mandatory constitutional consequence. A minister who has not become a member of the legislature within six consecutive months must cease to hold office.



ABHINAV
NARAYAN JHA



SUDEEP
CHANDRA

Constitutions are not merely legal texts; they are instruments of democratic restraint. Their enduring strength lies not only in the powers they confer but also in the limitations they impose. In a parliamentary democracy, executive authority is legitimate only when it remains accountable to the legislature, which in turn represents the will of the people. It is this constitutional philosophy that underpins Article 164 of the Constitution of India.

Recent developments in Bihar have revived a debate of profound constitutional significance. The appointment and continuance of Bihar Panchayati Raj Minister Deepak Prakash, despite not being an elected member of either House of the State Legislature, has become the subject of judicial scrutiny before the Supreme Court of India. During the mentioning of a Public Hearing in execution, the Court agreed to hear the matter. While listing the case, the Bench led by Chief Justice Surya Kant observed that the issue was a "pure legal question" and remarked, "How are you retaining a minister beyond six months when he is not elected?" The Court also indicated that it would not permit unnecessary delay in adjudicating the issue.

The controversy invites a larger inquiry that transcends personalities and political affiliations. It asks whether constitutional exceptions may be stretched beyond their intended limits and whether executive office can remain insulated from democratic accountability.

Article 164(1) empowers the Governor to appoint the Chief Minister and, on the advice of the Chief Minister, other Ministers. However, this power is immediately balanced by Article 164(4), which provides: "A Minister who, for any period of six consecutive months, is not a member of the Legislature of the State shall, at the expiration of that period, cease to be a Minister."

The constitutional language is unequivocal. It does not confer discretion upon the executive or the Governor. It prescribes a mandatory constitutional consequence. A minister who has not become a member of the legislature within six consecutive months must cease to hold office. This provision was never intended to be a parallel route to executive authority. Rather, it is a carefully crafted constitutional exception designed to address extraordinary circumstances. A distinguished public figure, an expert, or a political leader may need to be inducted into the Council of Ministers immediately. The Constitution permits such flexibility, but only on the understanding that democratic legitimacy will follow within a defined constitutional period.

The Constituent Assembly debated this provision with remarkable foresight. BR Ambedkar defended the inclusion of the six-month window not as an exemption from democracy but as a practical necessity in exceptional situations. The framers were acutely conscious that executive authority in a parliamentary system ultimately derives its legitimacy from representative institutions.

The constitutional design therefore reflects a delicate balance between administrative convenience and democratic accountability. Temporary flexibility was permitted, but permanent exemption from legislative responsibility was never contemplated.

The Supreme Court has consistently interpreted Article 164(4) in a manner that preserves its constitutional purpose. In *SP Anand v HD Deve Gowda* (1996), the Court upheld the appointment of a Prime Minister who was not a Member of Parliament at the time of appointment. However, the Court simultaneously reaffirmed that such appointments are constitutionally temporary and subject to the mandatory requirement of obtaining legislative membership within the prescribed period.

The principle was decisively reinforced in *SR Chaudhuri v State of Punjab* (2001). The Supreme Court held that Article 164(4) cannot be manipulated through repeated appointments of a non-legislator after the expiry of six months. Such an interpretation, the Court observed, would defeat the constitutional scheme and reduce the provision to a mechanism for circumventing representative government.

The pending proceedings before the Supreme Court do not merely concern the tenure of a single minister. They



THE PENDING PROCEEDINGS BEFORE THE SUPREME COURT DO NOT MERELY CONCERN THE TENURE OF A SINGLE MINISTER. THEY RAISE AN INSTITUTIONAL QUESTION THAT LIES AT THE HEART OF INDIA'S PARLIAMENTARY DEMOCRACY. CAN CONSTITUTIONAL TIMELINES BE TREATED AS FLEXIBLE POLITICAL CONVENTIONS, OR ARE THEY BINDING COMMANDS THAT PRESERVE DEMOCRATIC LEGITIMACY?

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raise an institutional question that lies at the heart of India's parliamentary democracy. Can constitutional timelines be treated as flexible political conventions, or are they binding commands that preserve democratic legitimacy? Whatever the eventual outcome, the Court's decision is likely to become a defining precedent on the relationship between executive power and legislative accountability.

The Republic now awaits not merely a judgment on an individual appointment, but a reaffirmation of the constitutional values that animate responsible government.

Beyond the textual interpretation of Article 164(4) lies a deeper constitutional principle: constitutional morality. The Supreme Court has, in several landmark judgments, recognised that the Constitution is sustained not merely by legal compliance but by fidelity to its democratic ethos. Constitutional morality demands that those entrusted with public power exercise it in a manner that strengthens, rather than weakens, the institutions of representative government. A minister in a parliamentary democracy occupies a unique constitutional position. Unlike civil servants, ministers are politically accountable to the legislature and collectively responsible to the elected House. Their authority is not personal; it is derived from the confidence of the people's representatives. It is this relationship between the executive and the legislature that distinguishes parliamentary democracy from other constitutional models.

The framers of the Constitution were conscious that governance sometimes requires flexibility. They therefore permitted the appointment of a non-legislator as a minister, but only for a limited duration. The six-month period reflects a constitutional compromise between administrative necessity and democratic legitimacy. Once that period expires, the expectation is that the constitutional process will be completed through legislative membership, ensuring that executive authority remains anchored in representative government.

The broader concern is institutional rather than political. Constitutional democracies are strengthened when constitutional conventions are respected voluntarily, not merely because courts enforce them. Public confidence in governance depends upon the perception that constitutional offices are held in accordance with both the letter and the spirit of the Constitution. When constitutional questions arise, prompt legal clarification and institutional transparency reinforce that confidence. Equally important is the principle of public trust. Every constitutional office carries not only legal authority but also an ethical obligation. This debate should not be viewed through the narrow lens of partisan politics. Governments change, political majorities fluctuate, and individuals holding office come and go. Constitutional principles, however, endure.

The interpretation adopted today may govern the conduct of future governments regardless of political affiliation. The Supreme Court's eventual decision will not merely resolve an individual dispute; it will contribute to the constitutional jurisprudence governing responsible government in India.

Ultimately, the true strength of the Indian Constitution lies in its insistence that power must always remain accountable. Article 164(4) reflects that philosophy. It embodies the idea that executive office is not an independent source of authority but an office sustained by democratic legitimacy and constitutional discipline. As the Republic awaits the Supreme Court's decision, the larger lesson is clear. Constitutional democracy flourishes when institutions act within their prescribed limits, when constitutional conventions are honoured in good faith, and when public office is exercised with humility before the Constitution. The six-month rule is therefore more than a procedural timeline—it is a constitutional reminder that, in India, the legitimacy of executive power ultimately rests upon the confidence of representative institutions and the enduring supremacy of the Constitution itself.

CJP: Resilience, resistance and India's youth



ANIL ANAND

Cockroach Janata Party (CJP), an incidental and accidental creation, came into being thanks to the Chief Justice of India's remark—whether casual, off-the-cuff or serious. Named after one of the most primitive living winged insects, with origins dating back 320 million years and comprising over 4,600 species worldwide, the cockroach has found a new meaning in the current Indian context. The long existence of this underated insect is attributed to its resilience and instinct to survive under the most difficult circumstances.

Barely two months into existence in its new manifestation as CJP, with restive but resilient youth becoming its fulcrum, it has no leader, cadre, ideology, constitution or manifesto. It is neither a recognised, registered nor an unregistered political party, but merely a phenomenon that has shaken the powerful government and captured the imagination of society, particularly the youth, who until recently had been solidly supporting Prime Minister Narendra Modi but are now seeking his accountability. At the core of this phenomenal success are Gen Z's drive and educationist-environmentalist Sonam Wangchuk's steely resolve, which took the short-lived agitation to a new high. That does not take away the credit from the enormous youth force of the country and their parents, who came out of their comfort zones to protest. As a field reporter in Delhi, having covered many major rallies, protests and public meetings over the last four decades, one has never witnessed such a spectacle before. A nondescript organisation, emerging from nowhere and giving a clarion call to join the protest against the government's failure to check paper leaks and its refusal to remove Education Minister Dharmendra Pradhan for presiding over this mess, led to an unbelievable response.

The entirely voluntary nature of the protest, in every respect, has been its strongest point. The crowds came voluntarily, spending their own money, unlike the traditional practice of mobilising people through cash payments or by arranging their travel. Once at the venue, and faced with police action that left hundreds of young protesters injured, society swung into action. Food, water and medical aid became readily available. Even more encouraging was that this voluntary effort transcended religion, caste, creed, colour and political affiliations. Alleged intrusions by ruling party supporters, though very few in number and reportedly backed by the police, were the sordid side of this otherwise remarkable story.

From the unassailable position that the Narendra Modi dispensation had created for itself over the past decade, the CJP-mobilised youth protest posed the first serious challenge to it. Ostensibly, the high hopes that the youth, along with other sections of society, had pinned on the Prime Minister have been belied, particularly with the education system going haywire. Strategically, CJP founder Abhijeet Dipke and his core team invited all political parties to join them, but without their party flags or agendas. Many frontline political representatives came to express solidarity, but none dared impose their own agenda, probably because they were cautioned by the overwhelming presence of the protesting youth. Sustaining the impact of this mobilisation until the final goal is achieved is certainly a serious challenge for the protesting youth. Given the nature of the current ruling dispensation and its ability to use statecraft in all its manifestations, maintaining the momentum will be crucial in countering such tendencies.

The concept of the "new normal" prevalent since 2014, with the fear factor at its core. At a time when no one dared question the government, the protesting Gen Z broke this barrier by raising slogans and posing questions directly to the Prime Minister. However, another major achievement of CJP's revolutionary initiative is that the Jantar Mantar movement has also shaken the Opposition, particularly the Congress, into more meaningful action. The pressure built by Opposition parties in both Houses of Parliament and, finally—hopefully not for the last time—Rahul Gandhi's sit-in outside the Prime Minister's official residence, accompanied by Opposition MPs, has further strengthened the protest. With society and the Opposition parties fully lacking them, the movement has gained a kind of multi-pronged safety net. More important, the leadership should remain in the hands of CJP's core team and the youth on the ground. Everyone else, including Sonam Wangchuk, Rahul Gandhi and the Opposition parties, should be seen only as lending strength to the youth movement.

Rahul Gandhi has already been raising the issue of paper leaks and the corresponding decline of the education system through party-organised programmes, which have evoked a positive response. However, taking to the streets to protest outside the Prime Minister's residence in high-security Lutyens' Delhi has given a new meaning to his youth rallies as traditions in rural areas. With the CJP, there have been successful challenges to some of the government's policies. First, they have successfully challenged the systemic contempt for collective empowerment or unity that has prevailed in recent years. When young people rise collectively and awaken society, it captures the imagination of everyone, including their adversaries. This can be seen and felt in the current phase of the CJP protests. Another significant aspect of the movement is that it has overcome societal, ideological, religious, regional and class divisions that one has witnessed in most such programmes held in Delhi from time to time. Above all, it has forged a cross-class and, more importantly, an urban-rural alliance. The mobilisation of crowds for such protest rallies has traditions in rural areas, with negligible participation from urban populations. That dynamic has changed drastically, as people from all regions and backgrounds have united to highlight the concerns of the youth.

The CJP-driven youth protests are having a profound, multi-layered impact on the Indian psyche by transforming systemic and economic despair into a unified generational identity. What began as an online meme responding to a controversial remark from the judiciary has evolved into a historic street mobilisation that is altering how young Indians view their relationship with power.

The writer is a policy analyst specialising in national and political affairs.



Manipur's fragile peace needs more than guns



SABIR NISHAT

Peace in Manipur remains painfully fragile. More than three years after ethnic violence erupted between the Meitei and Kuki-Zo communities in May 2023, the state continues to oscillate between cautious optimism and renewed bloodshed. Although the intensity of violence has diminished in recent months, recurring incidents of killings, militant attacks, and deepening ethnic mistrust reveal that the underlying conflict remains unresolved. Manipur today stands at a decisive moment where the choice is no longer simply between peace and violence, but between genuine reconciliation and the institutionalisation of permanent division.

The recent killing of two children after an explosive projectile struck a house in Bishnupur district starkly demonstrated how quickly tensions can resurface. The incident triggered widespread protests, clashes with security forces, curfews, and internet restrictions, reviving memories of the devastating violence that has scarred the state since 2023. An equally disturbing development followed with the abduction and murder of six Naga civilians in Kangpokpi district. Their deaths have widened the scope of the crisis beyond the original Meitei-Kuki confrontation. The Nagas, who had largely remained outside the direct conflict, now

find themselves increasingly drawn into an already volatile situation. The subsequent arrests may derail the criminal investigation, but they cannot erase the larger political implication—that Manipur now faces overlapping ethnic tensions involving three major communities, each carrying distinct historical grievances, territorial concerns, and political aspirations.

The roots of the conflict stretch back decades. Competing claims over land, identity, political representation, and administrative control have long shaped relations among Manipur's communities. The Meitei demand for Scheduled Tribe status, the Kuki-Zo demand for a separate administrative arrangement, and the long-standing Naga political aspirations have created overlapping anxieties that successive governments failed to address effectively. The violence of 2023 merely exposed these unresolved contradictions with unprecedented brutality.

Its human cost has been immense. Around 260 people have lost their lives, while more than 60,000 were displaced from their homes. Entire neighbourhoods that once reflected Manipur's diversity have become ethnically segregated, with heavily guarded buffer zones separating communities that previously lived side by side. Every passing month of separation makes reconciliation more difficult, allowing mistrust to harden into permanence. Equally damaging has been the erosion of confidence in public institutions. The previous administration faced sustained criticism over allegations of partisan governance and its handling of the violence. Whatever the eventual verdict on individual



allegations, public perception itself weakened faith in the state's neutrality. President's Rule temporarily filled the political vacuum before the new government, led by Chief Minister Yumnam Khemchand Singh, assumed office in February 2026.

The new administration has attempted to signal a departure from the past. Its emphasis on dialogue and equal engagement with all communities, including the Church of India's symbolic visit to Kuki-Manipuri Charachandpur, represents an important political gesture. In a state where communication between communities had virtually collapsed, even symbolic outreach carries significance.

Thousands of firearms looted from police armories during the initial phase of the conflict continue to circulate despite sustained recovery efforts. There are, however, encouraging signs. The surrender of dozens of cadres belonging to the banned Kangleipak Communist Party (People's War

Group), along with the surrender of arms and ammunition, suggests that sustained security pressure combined with just dialogue can persuade militants to return to the democratic mainstream. Such developments provide hope, but they are not mistaken for a comprehensive solution.

Perhaps the greatest obstacle to lasting peace is the enormous justice deficit. The Supreme Court's recent concern over the slow pace of investigations into nearly 3,000 cases arising from the 2023 violence highlights the scale of the challenge. Investigations have progressed only on a small fraction of these cases, leaving victims waiting years for accountability. Justice delayed in such circumstances does not merely prolong suffering; it reinforces perceptions that the state is either unwilling or unable to protect its citizens impartially.

For reconciliation to succeed, every community must be confident that crimes—including murder, arson, sexual violence, abduction, and intimidation—will be investigated without regard to the identity of either the victim or the perpetrator. The Centre, too, has an indispensable role. Manipur's crisis has outgrown the limits of an ordinary law-and-order problem. A structured political dialogue involving Meitei, Kuki-Zo, and Naga representatives must become a sustained institutional process rather than an ad hoc response to every fresh outbreak of violence. Civil society organisations should all be integrated into a broader framework of reconciliation. Peace negotiated solely at the political level cannot endure unless communities themselves begin rebuilding trust.

Rehabilitation of displaced families must also become a central priority. Peace cannot be measured solely by declining casualty figures while thousands remain displaced or return home. Safe resettlement, reconstruction of destroyed homes, restoration of livelihoods, reopening of schools, and revival of economic activity are equally important indicators of genuine normalcy. Manipur's strategic location along the India-Myanmar border further elevates the importance of stability. Persistent unrest not only strengthens insurgent networks and facilitates cross-border movement of weapons, but also threatens India's broader security interests and its Act East Policy. Manipur's tragedy is that every community carries genuine grievances, while every new act of violence creates another generation of victims. Breaking this cycle requires far more than military deployments or temporary ceasefires. It demands a comprehensive strategy combining impartial security operations, timely justice, political dialogue, rehabilitation, and genuine reconciliation. The recent surrender of militants, renewed political engagement, and judicial scrutiny of delayed investigations offer reasons for cautious optimism. Yet these positive developments remain overshadowed by recurring violence and persistent mistrust. Lasting peace will not be achieved until displaced families return home without fear, communities interact freely across ethnic lines, victims receive justice regardless of identity, and citizens once again trust the state more than armed groups.

The writer is the Deputy Director, Assam Information Centre, New Delhi.

The Statesman

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

Price of Promise

Every election season in India produces an escalating contest of promises. Monthly cash transfers, free electricity, subsidised transport and a growing catalogue of welfare guarantees have become as central to campaigns as ideology or leadership. Yet once the ballots are counted, the arithmetic of governance invariably intrudes upon the poetry of politics. Manifestos promise universality; budgets enforce selectivity. This recurring pattern is revealing. It is not merely about governments reneging on commitments. It reflects the uneasy balance between democratic competition and fiscal responsibility. Political parties must persuade voters that they can improve lives immediately. Governments, however, must operate within the constraints of tax revenues, debt obligations and statutory fiscal deficit limits. The result is that ambitious electoral pledges often emerge from the legislative process as narrower, more conditional programmes than those originally advertised. The phenomenon cuts across party lines.

Whether governed by the BJP, the Congress, regional parties or the Aam Aadmi Party, states have discovered that campaign generosity collides with the hard realities of public finance. Eligibility conditions become stricter, verification exercises reduce beneficiary lists, payments are staggered, and schemes are redesigned to lower the burden on state exchequers. Political rhetoric speaks the language of abundance; administration speaks the language of affordability. That should not automatically be interpreted as a betrayal of welfare. India remains a country where millions depend on public support for basic security. Cash transfers, subsidised food, healthcare and educational assistance have often produced measurable improvements in human development. The question is not whether welfare is justified, but whether governments are candid about its long term cost and sustainability.

The greater danger lies elsewhere. If election campaigns become auctions of ever-larger giveaways, parties create expectations that cannot be honoured without compromising investment in infrastructure, education, public health and productive capital formation. Borrowing to finance consumption may produce immediate political dividends, but persistent revenue deficits eventually narrow the state's capacity to invest in future growth. A government that spends overwhelmingly on recurring commitments has progressively less room to build roads, modernise irrigation, strengthen public universities or expand industrial capacity. Equally significant is what this trend says about the evolution of Indian democracy. Elections increasingly resemble transactions in which immediate material benefits overshadow debates on institutional reform, employment generation, productivity or governance.

Political parties respond rationally to voter incentives, but voters also deserve a more honest conversation about the trade-offs inherent in every promise. The real test of responsible politics is therefore not how generously parties write their manifestos, but how transparently they explain the choices that follow. Welfare should protect the vulnerable without weakening the state's fiscal foundations. Democratic credibility is strengthened not by the size of promises made before an election, but by the integrity with which governments reconcile compassion with economic prudence after they assume office.

The Hardest Peace

The most important breakthrough in a conflict is often not when the guns fall silent, but when the combatants begin to accept that peace is a possibility. In the latest framework for Gaza survival was attainable. If the latest framework for Gaza survives the formidable political and military obstacles before it, it may come to be remembered as precisely such a moment. The significance lies less in the immediate promise of a ceasefire than in the altered assumptions of the principal actors. For years, Israel has insisted that any durable peace requires the dismantling of Hamas as an armed force. Hamas, in turn, has treated its weapons as the ultimate guarantee of its political relevance and its claim to resistance. The latest understanding suggests that, for the first time, both sides are at least contemplating the same destination, even while fiercely disputing the route to reach it.

That distinction matters. Peace agreements fail as often because of sequencing as because of substance. Israel wants verifiable disarmament before withdrawing. Hamas demands withdrawal before surrendering its military assets. Bridging this gap through phased, internationally supervised implementation is an attempt to replace absolute distrust with incremental confidence-building. Whether such an approach succeeds will depend less on diplomatic declarations than on painstaking verification and sustained political will.

The proposal also recognises a truth that military campaigns alone cannot resolve. Destroying an armed organisation does not automatically produce legitimate governance. A lasting settlement requires an administrative structure capable of restoring law, delivering services and rebuilding shattered institutions. A technocratic Palestinian administration backed by international oversight seems to fill precisely that vacuum, preventing Gaza from oscillating between militant control and military occupation. Yet optimism must remain measured. The conflict has accumulated too many failed ceasefires, broken commitments and mutual betrayals to justify easy confidence. Domestic politics could prove as formidable an obstacle as events on the battlefield. Israeli leaders face electoral pressures that discourage perceived concessions. Hamas must persuade its own supporters that relinquishing arms does not amount to unconditional surrender. Regional actors, meanwhile, will have to maintain diplomatic pressure long after the headlines fade.

The humanitarian imperative is equally compelling. Gaza's civilian population has little reason to celebrate announcements that have so often dissolved into renewed violence. Their scepticism is grounded in lived experience rather than political calculation. For them, success will not be measured by diplomatic communiqués but by reopened schools, functioning hospitals, reliable aid deliveries and the ability to return home without fear. That is why this moment deserves cautious attention rather than premature celebration. It is not yet the end of the war, nor even a guarantee that the fighting will cease permanently. It is, however, the first credible indication that military victory is no longer being preserved by either side as a realistic end state. History suggests that enduring peace emerges through imperfect compromises between adversaries who finally conclude that the costs of perpetual conflict have become greater than the risks of coexistence.

Sustainable Aviation Fuel

The decisive gap is not technical. It is the absence of a production incentive and of a take framework. India's SAF blending targets remain indicative, and unlike every competing jurisdiction India offers producers no per-litre credit, no contract-for-difference and no guaranteed offtake. It is here that policy can move fastest and matters most



India has pledged net-zero by 2070, and its international carriers fall under ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). CORSIA's mandatory phase begins in 2027, and from that point the carbon intensity of fuel used on international routes carries a direct financial cost. SAF is the most practical way to decarbonise India's airlines, as it lowers the carbon intensity of fuel used on international routes carries a direct financial cost. SAF is the most practical way to decarbonise India's airlines, as it lowers the carbon intensity of fuel used on international routes carries a direct financial cost.

SAF has crossed from demonstration to industry. Global production is doubling year-on-year - from roughly one million tonnes in 2024 to about two million tonnes in 2025. Yet it still represents well under 1 per cent of jet fuel, a gap that defines the commercial opportunity. Independent market assessments place SAF demand at 10-17 million tonnes by 2030, and the market's value is projected to grow from under US\$2 billion in 2024 to well above US\$25 billion within a decade, at compound growth rates seen in energy figures.

Today India's announced SAF supply is 1.8 million tonnes, growing over 9 per cent a year - among the fastest-growing aviation fuel markets on earth. Applying the indicative blending target to this expanding base yields a domestic SAF requirement of roughly 62 kt in 2027, 130 kt in 2028 and about 380 kt by 2030.

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Among the certified SAF pathways, India has built in genuine surplus. This is the central strategic mismatch to correct. India has the feedstock the rest of the world is short of, and has not yet built the bridge from that feedstock to the wing.

The chemistry of ATF is decisive for policy because it reveals where the real capability gap lies. Ethanol does not become jet fuel directly. It must first be dehydrated into ethylene; the ethylene is then oligomerized into long hydrocarbon chains and hydrogenated into jet-range molecules. In other words, ethanol reaches the wing only by passing through ethylene. Whoever controls the ethanol-to-ethylene step controls the ATF

value chain. The second is hydrogen. ATF consumes hydrogen to upgrade ethylene-derived olefins into jet-range molecules, using grey hydrogen erodes the lifecycle-carbon benefit that makes SAF CORSIA-eligible, while green hydrogen remains costly and supply-constrained - indeed, across power-to-liquid routes electrolysis alone accounts for 55-80 per cent of capital cost. India's National Green Hydrogen Mission is the natural enabler, provided ATF hubs are co-located with green-H₂ supply.

The third is fuel certification and testing capacity. The ATF pathway is globally certified (ASTM D7566 Annex A5, up to 50 per cent blend), but India's domestic qualification ecosystem is nascent. CSIR-Indian Institute of Petroleum has developed an indigenous SAF catalyst and operates only a 50-kg/day pilot testing facility, and has partnered with Airbus to build capability; the very first Indian certifications arrived only in December 2025 (IOC Panipat) and 2026 (BPCL Mumbai, ISCC-CORSIA).

A scaled national fuel-qualification and CORSIA/ISCC certification capability is still to be built. The fourth - and decisive - gap is not technical. It is the absence of a production incentive and offtake framework. India's SAF blending targets remain indicative, and unlike every competing jurisdiction India offers producers no per-litre credit, no contract-for-difference and no guaranteed offtake.

It is here that policy can move fastest and matters most. India's ethanol success has created a high-quality problem. The country now has roughly 18.1 billion litres of ethanol capacity across some 370-plus plants - about 8.2 bn from sugarcane, 8.6 bn from grains and the balance from dual-feed units - and it achieved 20 per cent blending (E20) in early 2025, a full five years ahead of schedule. Installed capacity is now sufficient for well beyond E20; a meaningful share of it risks running idle once ground-transport blending saturates.

The integrated bio-refinery that takes corn (maize) the way to SAF through the intermediate ethanol and ethylene. Le Corn Ethanol - Ethylene - ATF SAF captures every co-product along the way (DDGS animal feed, corn oil, and biogenic CO₂ for food-grade or e-fuel use). Maize is already India's fastest-rising ethanol feedstock, having gone from near-zero to the single

largest source in five years, and unlike sugarcane it is far less water-intensive. A maize-anchored SAF programme aligns aviation decarbonization with rural incomes and crop diversification. India is the world's fastest-growing large aviation market. The airport network has more than doubled from 74 in 2014 to 163 operational airports today (about 35 handling international traffic). Passenger throughput reached -412 million in FY25 and is heading to -435 million in FY26 - roughly -340 million domestic and -82 million international - with IATA projecting India to become the world's third-largest air-passenger market by 2030 - around 550 million travellers. Air cargo handled 37 million tonnes in FY25 and the national target is 10 million tonnes by 2030. A fleet of 800-plus aircraft with more than 1,500 on firm order will fly all of it. This is the demand engine - and every seat and every parcel needs fuel.

All that growth lands on the fuel gauge. India burned about 8.85 million tonnes of ATF in 2024, and demand is projected to reach roughly 12-15 million tonnes by 2030 - a 60 per cent rise in six years - on its way toward -31 million tonnes by 2040. Jet fuel is typically the single largest cost for Indian carriers, around 40 per cent of operating expenses (spiking to 55-60 per cent during the 2026 price shock), inflated further by among the world's heaviest ATF taxation - Delhi retail ATF sat at about Rs 110 per litre (Rs 1.0 lakh/KL) in mid-2026.

Burning a tonne of jet fuel releases about 3.16 tonnes of CO₂. So India's aviation emissions run at roughly 28 million tonnes of CO₂ a day, rising to 55-60 per cent during the 2026 price shock, inflated further by among the world's heaviest ATF taxation - Delhi retail ATF sat at about Rs 110 per litre (Rs 1.0 lakh/KL) in mid-2026.

The global SAF cost is 3-4x jet fuel headline is misleading for India, because Indians do not buy jet fuel at the untaxed refinery gate. Converted to rupees, mature SAF costs roughly Rs 103-158 per litre (ATF Rs 110-145; India's low-cost PBL route Rs 115-127), while e-SAF remains an outlier at Rs 344-365. Set that against Delhi's taxed retail ATF of about Rs 110/litre, and the premium Indian buyers actually experience is far smaller than the global multiple suggests. India is also structurally cheap to produce in.

India's home market is large and fast-growing, giving any producer a captive anchor demand. But the larger prize is abroad. The world is heading into a structural SAF deficit: global 2030 demand is estimated at -12.8 Mt (central) and 8-31 Mt across policy scenarios, far ahead of announced capacity. Europe alone will need about 9.6 Mt for its 6 per cent mandate in 2030 against only -3.6-5.2 Mt of realistically announced supply - an import gap of roughly 5 million tonnes.

Japan (10 per cent by 2030) will likewise rely on imports and on easily refined bio-intermediaries like ethanol, and even the United States' output is largely locked in by the domestic use design of its 45Z credit - the 'stranded molecules' problem - leaving Europe's gap open to other exporters. India, long on ethanol and ready on ETE, is positioned to be that exporter.

PNP said it was conducting an impartial and thorough investigation into the incident involving police personnel and members of the media. It said the PNP "remains committed to transparency, accountability, and the continuous improvement of its engagement with the media and all stakeholders."

For its part, the National Police Commission (Napolcom) said it "takes seriously" the reported incident, as police officers are expected to be knowledgeable and to uphold rules that promote the safety of media practitioners, as well as the protection of freedom of expression.

Should its investigation "establish that any police personnel violated the law, existing PNP rules, or established operational procedures, they will be held accountable and dealt with accordingly," the Napolcom added.

INQUIRER

When police harass the media

Someone should advise Philippine National Police (PNP) chief Gen. Jose Melencio Nartatez Jr. to first get all the details of any reported incident before shooting his mouth off. Without being on the scene, without being briefed by his staff, or attempting to get more information from those on site, the police chief issued a blanket denial of the police harassment involving two photojournalists.

"There's no such thing as harassment, nandoon sila sa hanay ng rallyista, pampang sila (they were there among the rallyists and resisting), or whatever," Nartatez said following report of the police action.

Before prematurely clearing the police, Nartatez could have asked to see photos and video of the incident that clearly showed Pasay City police crowding veteran

photojournalist Bullit Marquez and trying to cuff him as he bent to retrieve his camera that fell in the scuffle.

The timely intervention of Marquez's media colleagues prevented the arrest. Marquez and Manila Times photo editor Rene Dilan were covering the Association of Southeast Asian Nations Foreign Ministers' meeting in Pasay City last week, that had among its guests United States Secretary of State Marco Rubio.

In a statement, Marquez said the incident began when they saw a Muslim woman being pulled from the ranks of protesters by the police. "Instinctively, Rene and I tried to photograph what was happening. However, policemen rushed toward us and prevented us from taking photos. One of them covered my lens, to

which I reacted." This despite the conspicuous Press ID of the photographers and the professional cameras they were using to document the protest rally.

Media and rights groups rightly slammed the police action as "harassment and intimidation...that undermines press freedom, the public's right to information, and the principles of transparency and accountability," as pointed out by the Photojournalists' Center of the Philippines.

Noted the Foreign Correspondents Association of the Philippines, where Marquez was a member as Associated Press photographer: "Such actions are unacceptable. Journalists must be able to carry out their work without intimidation, obstruction, or threats."

Notwithstanding Nartatez's premature denial of the videotaped harassment, the

Letters To The Editor | ✉ editor@thestatesman.com

Neutrality

Sir, A heated exchange erupted in the Lok Sabha during the debate on the Anti-Paper Leak Bill after Congress MP Priyanka Gandhi Vadra attacked the Centre over the appointment of Union Minister Pralhad Joshi as the new Education Minister, invoking his past remarks on the remission granted to the convicts in the Bilkis Bano case.

Outside the Lok Sabha, Leader of the Opposition Rahul Gandhi strongly expressed his stance to reporters and went on to label Joshi as a "defender of rapists" and the "filthiest type of man".

In the Lok Sabha the Bharatiya Janata

Party vehemently denied the allegations, refuting the claims as "misinformation" and demanding that Priyanka Gandhi authenticate her statements or tender an apology.

Union Minister Kiren Rijiju labelled Vadra's remark as a targeted "character assassination" inside Parliament that degraded the dignity of the House.

Speaker Om Birla intervened and assured the House that the objectionable remarks would be conveyed from the official Lok Sabha records.

But, in October 2022, Minister Pralhad Joshi defended the premature release of the 11 Bilkis Bano convicts, telling a television

channel: "I don't find anything wrong in it as it is a process of law," and added, "Accordingly, as per law, it is done." He also said that for convicts who have spent "quite some time" in prison, "there is a provision" for release.

In January 2024, the Supreme Court quashed that remission, holding Gujarat lacked jurisdiction (the case was tried in Maharashtra) and that the enabling order was obtained by fraud and misrepresentation. It ordered the convicts be sent back to jail. Hope, before expunging Priyanka's comment the Speaker follows neutrality.

Yours, etc., Bidyut Kumar Chatterjee, Faridabad, 29 July.

Poor students

Sir, Today's report "School uniforms must cover legs and arms during dengue season" suggests that Sharda Mukherjee, the Bengal health minister is concerned about the health of students in both government-aided schools and private schools.

It is no doubt a healthy initiative. But the minister should know most students in government-aided schools are very poor. It would be better to ensure that uniforms are provided to all.

The government should provide uniforms to such students free of cost.

Yours, etc., Shyamal Thakur, Rammagar, 30 July.

Lessons from Delhi protests

HARSHA KAKAR

What emerged as the most alarming aspect of recent protests at Jantar Mantar was the language used by some youth against the Prime Minister, whom he has chosen to forgive. Most abusers were girls, which added to the discomfort. While many mentioned the poor upbringing of those who made these comments, the reality is that this is the language of today's youth. Further, most did so only for social media traction.

The fact that many have deactivated their handles indicates that they are under pressure from government agencies and common citizens, who considered these comments unacceptable. The numbers involved in passing abusive comments were minuscule, possibly a few dozen, and hence do not represent the Gen Z of India. The youth also backed the protest believing that the education system needs an overhaul.

The protests convey lessons for the government. The authorities had assumed that protests borne from social media campaigns would never succeed, hence this one was neither taken seriously nor monitored. The manner in which social media brought participants out on the march day highlights that its monitoring must be given greater attention by security agencies. Further, this is the future and political parties need to give it emphasis.

Similar to the Shaheen Bagh and farmers' protests, the government let this continue hoping it would fizzle out. Both those protests were kept away from Jantar Mantar, with the farmers not even permitted to enter Delhi. In this case it was permitted, possibly due to low attendance. Abhijeet Dipke, at one stage, reportedly requested the

police not to permit any other protest in Jantar Mantar as it would reduce their visibility.

Permitting a protest which could become uncomfortable so close to government establishments, including Parliament, was an error. Jantar Mantar is only suitable for small sit-down, one-day protests. The GJP protest should logically have been moved to Ram Lila Maidan, the official venue for political and other protests.

Secondly, the police had underestimated the numbers that would be present on the day of the march to Parliament. Till a day before, there were more media and social media influencers than protesters. Many came only to partake free meals. What possibly galvanized people was the forcible shifting of Sonam Wangchuk to hospital. The administration assumed that this would diffuse the protests, in fact it had the opposite effect.

On the night before the march, thousands came in buses and other transport from the fringes of Delhi, egged on by calls on social media or encouraged by political parties, compounding the security scenario. This move should have been checked well away from the protest site and Jantar Mantar should have been isolated. But it was not. Such large numbers left security agencies unprepared, though barricades to control the march had been set up.

The aim behind the protests was to embarrass the government and force its surrender, as the PM was known to never bow to pressure and dismiss a minister. The government acceding to demands of the GJP was a boost to opposition political parties, who have since considered it victory.

Mobs go out of control quickly and it happened here. In an era of social media, what emerged online were videos projected by youth of police brutality, rather than students'

aggressiveness and attacks on police personnel. The government engaging protest leaders immediately after the violence indicated that it realized its assessments had failed and negotiations were the only way out, especially as Parliament was in session.

Another factor which worked in favour of the protestors was that their demand for resignation of the education minister and refining examination procedures was backed by the youth. This subject also went beyond religion or community, unlike other earlier protests (Shaheen Bagh or farmers), thereby drawing diverse members. Further, leakage of papers and a collapsing education system has ignited youth anger, especially when reservations limit admission to professional colleges and job opportunities are scarce.

Many of the protestors were met against the government but sought reforms in education. The government also did not desire a repeat of the Mandal agitation which shook the VP Singh government.

A factor which forced the government to back down was sympathy protests across the country. These were the result of social media broadcasts and organizers quickly forming regional cells. Widespread support conveyed that there were shortcomings in the education system and it needed an overhaul. The Public Examinations (Prevention of Unfair Means) Amendment Bill and formation of a committee to reform the current system are welcome steps.

An added error was that the administration did not pay heed in the initial stages to the fact that the agitation was being funded by entities with ulterior motives. Unlimited food, payment to those attending and expenses for maintaining the protest site were giveaways. The government waking up and tracking flow of funds after the



chicken has flown the coop will have little meaning. While it may prove beneficial in preventing future protests, it should have been done before.

The government's decision to how to protestors, and agreeing to cancel all FIRs registered against those involved in violence will impact morale of security forces, which bore the brunt. There were more security force personnel injured than protesters. The Supreme Court's ruling that authorities can continue investigating FIRs registered during the protests while stopping coercive action against student protesters, came as a relief.

The court also ordered release of detained minors and called for an independent inquiry into police excesses. Family members of injured police personnel have approached courts for registering criminal charges against those involved in violence. It goes to the credit of the police that despite provocation and

violent mobs, not a single shot was fired nor a single life lost.

Leaders of the GJP have dismissed the SC ruling and threatened another agitation, which will be nowhere near what transpired. The scenario has changed and the GJP has lost vital ground. It can now protest on social media, as Jantar Mantar, which enabled protestors to apply pressure, will no longer be available. The government will also be well prepared. In talks, the GJP has been outwitted by a smart government. The GJP's backers thought that this was India's Arab Spring moment and were rejoicing. But this was not to be. Currently, a social media battle is ongoing between the GJP, seeking dropping of all cases, and pro-government entities which want the GJP bluff to be called. This ongoing stalemate appears to favour the government.

The writer is a retired Major-General of the Indian Army.

100 Years Ago



Front page of The Statesman dated 04 August 1926

OCCASIONAL NOTE

A PARADOX is suggested by the fact that in the midst of the coal strike the people at Home have made the August Bank Holiday a record in the matter of exodus from the towns. Aeroplanes, steamers, trains and motor cars have all been requisitioned, and it is calculated that no fewer than thirty thousand locomotives have been utilised in hauling the trains conveying pleasure-seekers. The shortage of coal cannot be so serious as has been imagined and this impressive use of it may not be without its effect on the thoughts of the miners. The amount of movement suggests the abundance of money everywhere, although that is at variance with known facts. The probability is that the great expenditure upon the holiday is only another manifestation of that recklessness as regards spending which has spread all over Europe since the War.

News Items

NEW GOVERNOR OF BIHAR

SIR H. STEPHENSON'S APPOINTMENT

SIMLA, AUG.

His Majesty the King-Empress has been pleased to approve of the appointment of Sir Hugh Lansdown Stephenson, K.C.I.E., C.S.I., to be Governor of Bihar and Orissa when Sir Henry Wheeler, the present Governor of that province, vacates office.

His Excellency Sir Hugh Stephenson, who is now acting as Governor of Bengal, joined the Indian Civil Service in 1895. He was appointed to the Executive Council of Lord Lytton in March, 1922.

PREMIER'S MOVEMENTS

NO CHANGE IN MINING DISPUTE

(BRITISH OFFICIAL WIRELESS.) RUGBY, AUG.

THE Prime Minister had intended leaving England for Aix-les-Bains soon after Parliament rose for the recess, but he has decided to postpone his visit in order to be at hand should any developments take place in the mining dispute. No change in the situation has yet occurred, and the Government adhere to their intimation that they cannot accept any proposal for an extension of the subsidy for a further four months.

In the meanwhile, however, meetings of miners are being held throughout the coal areas in connection with the ballot which is to be taken of members of the Miners' Federation on the memorandum agreed to by the Executive for negotiating a settlement on certain terms subject to the continuance of the seven hours day.

IN THE MINES

93,370 AT WORK ON JULY 24

(BRITISH OFFICIAL WIRELESS.) RUGBY, AUG.

QUESTIONED in the House of Commons as to the number of wage-earners at work in the coal mines exclusive of safety men, Colonel Lane Fox, Secretary of Mines, said that on July 24 there were 93,370 wage earners employed, of whom 66,300 were employed in mines but not procuring coal.

Can Himalayas bear development weight?

DIKSHU C. KUKREJA

THE Himalayas are far more than a mountain range. They are India's ecological lifeline, the source of many of its greatest rivers, the foundation of millions of livelihoods, and a sacred landscape deeply woven into the country's cultural and spiritual identity. Yet today, this fragile ecosystem is under unprecedented pressure. Rising temperatures, retreating glaciers, erratic rainfall, unplanned construction, and unchecked tourism are pushing one of the world's youngest mountain ranges towards an environmental tipping point.

Every year, millions of pilgrims undertake the Char Dham Yatra, while tourists flock to the cool mountain valleys seeking respite from the scorching heat of the northern plains. These journeys sustain the economies of Himalayan states, but they also raise an urgent question: How much more can the Himalayas endure before the cost of development becomes irreversible?

The Himalayas are among the youngest and most geologically fragile mountain ranges in the world. Their slopes are unstable, their rivers flow with great force, and their ecological balance depends on an extremely delicate relationship between forests, glaciers, biodiversity and human settlements. Despite this, development in the region is

often planned with the same approach used for stable plains and expanding cities.

The consequences are becoming increasingly visible. Mountains are being cut extensively to widen roads. Hotels and buildings are being constructed on sensitive slopes. Drainage systems, carrying capacity and geological risks are frequently overlooked. As a result, the threat of landslides, land subsidence and flash floods continues to grow.

Climate change has further intensified this crisis. Glaciers are retreating rapidly, glacial lakes are expanding, and rainfall patterns are becoming increasingly unpredictable. These changes are having far-reaching consequences for river flows, water availability and slope stability.

Tourism exposes this imbalance most clearly. Excessive concentration of visitors at a few destinations places intolerable pressure on local resources. Waste, sewage, water scarcity and traffic congestion are testing the limits of mountain towns.

At the same time, the habitats of snow leopards, musk deer and other rare species are steadily shrinking. Native oak forests are increasingly being replaced by more fire-prone pine species, heightening the risk of forest fires. These changes are not limited to the loss of individual species. They are altering entire ecological relationships that sustain

water conservation, soil stability, grazing systems and long-term climatic balance.

The challenge before us, therefore, is not whether development should take place in the Himalayas. Development is both necessary and inevitable. The real question is whether it can be shaped in accordance with mountain conditions. This will require a fundamental transformation in the way development is planned.

First, Himalayan development must be understood at the scale of ecosystems rather than administrative boundaries. Rivers, watersheds, forests and slopes do not function according to district borders or departmental jurisdictions. Planning systems must therefore become more coordinated and oriented towards river basins and larger ecological regions.

Second, tourism policy must move away from concentrating visitors at a handful of destinations and instead distribute tourists across the wider region. Tourism should be developed as a network of destinations supported by infrastructure that respects local carrying capacity.

Third, infrastructure must be designed specifically for mountainous terrain. Standardised engineering models developed for the plains are inadequate for geologically young and unstable regions. Long-term slope management, effective drainage



systems, terrain-sensitive road alignments and ecological restoration must become integral components of planning.

Fourth, scientific data must move beyond an advisory role and become the foundation of decision-making. Climate projections, hazard-zone maps, hydrological studies and geotechnical assessments should directly influence approvals, policies and infrastructure decisions.

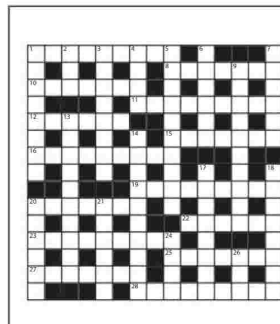
Finally, Himalayan development must reconnect with local knowledge systems. For centuries, Himalayan communities developed methods of construction, water management, agriculture and settlement planning that responded sensitively to the

terrain and climate. Modern technology and infrastructure are essential, but these traditional systems contain layers of environmental understanding that remain highly relevant today.

The future of the Himalayas will not emerge from a false choice between tradition and modernity. It will depend on our ability to bring the two together, combining scientific knowledge, contemporary infrastructure and indigenous wisdom to create a model of development that is resilient, responsible and rooted in the realities of the mountains.

The writer is a sustainability advocate and socio-environmentalist.

Crossword | No. 2935-41



Yesterday's Solution

ACROSS
1. Community (and all associated with it) is comfortable with arrest after case's conclusion (8)
8. One is inclined to stride after delivery service (7)
10. Peter's former partner displays intimacy with Johnny? (4,3)
11. Irritation born out of spite (9)
12. Infield runs back to catch this shot? (6)
15. Tirade over measurement of current epidemic (7)
16. Marked as having paid to be put in different chair, reportedly (9)
19. Comic mostly wanders around trees in tropical regions (7)
20. Surprisingly cheap gold headwear (7)
22. Regional accent interlards South American (treasurer) (6)
23. One's left poet to acquire round piece of furniture (9)
25. Make another picture of French city's unfinished condition (7)
27. Racecourse isn't available when source of funding is lost (7)
28. McEnroe, say, magnificent on grass (9)
1. Senile old bats surrenders round of Windsor Castle, in which price broods (8)
2. Lout's scare of bottles (5)
3. Having faith of Y-fronts in young people's style is leaving odds in despair (8)
4. Perhaps capital gains international transport (4)
5. Think about Jack, possibly, at home getting fungal infection (10)
6. I'm very upset with university's masculine element (6)
7. Small nurses seek at first to care for boozers? (5,5)
9. I've a poster to reuse employees (10)
10. How to provide danger in alpine feature (4,6)
14. Encourages acts to limit term of Parliament (10)
17. Throat condition that is beginning to restrict dealer (8)
18. Use up nourishing food, apart from nut, being greedy (8)
20. About to fight wise man (6)
21. Board formed by setter, backing another setter's report (8)
24. Doctor's surgery in decline (4)
26. Appearance of naked elf (5)

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

POLICE BILL FOR RIOTS

COUNCIL DEMAND

When the Bengal Legislative Council meets this month the Government will ask for a supplementary grant of over Rs. 33 lakhs, of which Rs. 2,50,000 refers to the Police. The latter demand is due solely to the recent communal riots in Calcutta and the Government have prepared a statement for the benefit of members showing the necessity of increasing the strength of the Force.

Other features of the demand are Rs. 1,95,000 for the Calcutta University for the construction of a third story of the Ashutosh Building; Rs. 8 lakhs for the purchase of the site and building of the Army Clothing Storage Depot at Alipore; one lakh as loans to agriculture; and one lakh each to the District Board of Howrah for the improvement of the water supply and the District Board of Jessore for the construction of a dispensary building and water supply.

The Tribune

ESTABLISHED IN 1881

BJP jolted

Prashant Kishor pulls off stunning win in bypoll

BARELY nine months after his fledgling Jan Suraj Party (JSP) was routed in the Bihar Assembly elections, Prashant Kishor stormed a BJP bastion with a thumping victory in the Bankipur bypoll. The outcome would be all the more painful for the saffron party, which heads the ruling coalition in the state, as its president Nitin Nabin had vacated the seat after his election to the Rajya Sabha. In Madhya Pradesh, another BJP-ruled state, the Congress won the Datia seat. The face-saver for the BJP was its victory in Gujarat, where it retained the Manjapur Assembly seat in Vadodra district.

The Bankipur verdict is an embarrassment not only for Nitin Nabin but also for Samrat Choudhary, Bihar's first BJP chief minister. Kishor has relentlessly targeted Choudhary over the burning issues of corruption, unemployment and law & order. The CM now finds himself on a sticky wicket even within his own party. Buoyed by his victory, Kishor is set to up the ante against the state government and project the JSP as the third front. An uneasy alliance between the BJP and the Janata Dal (United) already seems to be playing into his hands.

The byelection to three Assembly seats — one each in Bihar, MP and Gujarat — was the first poll battle after GenZ protests rocked the BJP-led Union government over the NEET paper leak and other issues. The ruling party is desperate to wrest the initiative after the historic agitation at Jantar Mantar. However, what has added to its woes is the donation theft at Ram Mandir — an emotive issue that can dent its Hindu vote bank. With just six months to go for the high-stakes Uttar Pradesh elections, the party must prioritise clean governance at the Central and state levels in order to regain momentum. The Opposition, meanwhile, should go all out to exploit the chinks in the BJP's armour.

Economic openings

Revive Attari border trade, retaining caution

THE resumption of border trade through Nathu La in Sikkim and Shipki La in Himachal Pradesh after a six-year suspension is a welcome development. Though modest in value, this traditional commerce sustains traders, transporters and border communities while reviving centuries-old trading links with Tibet. More significantly, it signals that even amid unresolved strategic differences, carefully regulated economic engagement can coexist with robust national security. The reopening of these Himalayan routes, closed since 2020 after the Covid-19 pandemic and the Galwan clash, offers a useful lesson. India has rightly maintained its military vigilance along the Line of Actual Control while permitting limited, closely monitored trade that benefits local livelihoods. Economic pragmatism and strategic caution are not mutually exclusive.

The same balanced approach should inform thinking on the Attari-Wagah Integrated Check Post. There can be no compromise on national security, and cross-border terrorism remains the principal obstacle to normal relations with Pakistan. Yet Punjab has paid a heavy economic price for the prolonged closure of the country's only land trade gateway with its western neighbour, further connecting into Afghanistan, Central Asia and even beyond. Before the latest suspension, the Attari route handled trade worth nearly Rs 3,900 crore annually, besides facilitating imports from Afghanistan. The World Bank has estimated the potential for India-Pakistan trade at around \$37 billion annually, much of which is currently diverted through third countries, adding avoidable costs. The closure has disrupted the livelihoods of transporters, customs agents, warehouse operators and thousands of workers dependent on the border economy.

A phased reopening of Attari under stringent customs and security protocols would restore livelihoods, reduce logistics costs and revive Punjab's frontier economy. Legitimate commerce, conducted under vigilant oversight, can become an instrument of regional development and confidence-building.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, WEDNESDAY, AUGUST 4, 1926

The tide of communalism

AT last a really serious effort is to be made to stem the tide of communalism in this country. The movement, which has just been initiated by Pandit Motilal Nehru and Maulana Abul Kalam Azad, is clearly of the greatest importance and the men who have initiated it are exactly that type of men in whose hands and under whose guidance such a movement could reasonably be expected to be successful. Not only are they men of both influence and authority, with a record of service to the country of which they have every reason to be proud, but in the midst of the prevailing madness they have consistently kept their heads cool. And it must be frankly admitted that they have gone the right way to work in selecting their associates. It would be difficult to find men or women occupying a prominent position in the public life of the country, who are less under the influence of the demon of communalism than the right Hon. Srinivas Sastri, Sir Tej Bahadur Sapru, Hakim Ajmal Khan, Sarojini Naidu, Sir PC Roy, Dr Ansari and Dr S Mahmud; and it is absolutely certain that in any movement for healing the country of the grave menace that confronts it today and threatens to paralyse all its public activities and ruin all its present and future hopes, they are among the persons to whom one must look, in the first instance, for sympathy, support and active cooperation. One unfortunate omission (Mahatma Gandhi) will occur to everyone. The greatest of all our present-day leaders, greatest in intellectual resourcefulness and in moral authority, has not so far chosen to associate himself with the movement.

What went wrong at Jantar Mantar

The authorities missed the window of preparation and planning for the July 20 march



GURBACHAN JAGAT
EX-GOVERNOR, MANIPUR, AND
FORMER DGP, J&K

I watched some of the proceedings at Jantar Mantar on July 20. The crowd of protesters was humongous and, by comparison, the law-and-order forces appeared to be inadequate. Large, unruly crowds and inadequate police personnel are the essential ingredients that create a very volatile situation. As I think it over, it's obvious that the response to the Sansad Chalo call given by the Cockroach Janta Party was grossly underestimated. As a result, the response of the forces was insufficient.

Looking back at the events, it was a fast-developing situation once the word "cockroach" had entered the discourse. The man from Boston tried to create his own version of the "Tea Party" in New Delhi by giving a call for a march on Parliament. The decision to allow or disallow a gathering or protest is not the sole purview of the police but of the civil administration.

The police force is an instrument of the State and its professional conduct can be the difference between a situation escalating or diffusing. The window of preparation and planning was missed by the authorities as they didn't assess the scale of the march adequately and the situation snowballed into an unequal confrontation.

Usually, whenever such a march is announced, the administration at the ground level goes into overdrive. The district magistrate and the Superintendent of Police meet, along with officers of the intelligence agencies, and assess the



LAPSE: The response to the Sansad Chalo call was grossly underestimated. FN

threat level and draw contingency plans to meet it. Force levels are assessed and the availability of lathi squads, tear gas, armed components, etc. is estimated. If more manpower and material are required, necessary requisitions are made.

The officers assigned to supervise the arrangements are listed out and only those with proven experience in handling such situations are picked. Alongside, executive magistrates are nominated and paired with police officers. The area is divided into sectors, and these officers are given specific areas of operation. Overall, a very senior officer is deputed to oversee all the arrangements and ensure that all the above factors have been taken care of. He briefs the officers of all departments and they, in turn, brief officers and men in their areas of responsibility.

Briefing is of the utmost importance so that they understand to the last man the threat and their response. The use of force is based on the principle of minimum use to obtain the desired result. Officers and per-

Force must be used under supervision — controlled, measured and sufficient to achieve the objective of crowd dispersal.

sonnel must remember that these are our own brethren, and we are not to treat them as enemies. Minimum force must be used to obtain maximum results. The whole operation must be closely supervised. The tear gas squad must be kept separately at a strategic point under the supervision of a Gazetted Officer (GO), and it should function only on his orders. Similarly, any armed squad must be available at a safe place under a GO and act only

on his orders. Tear gas weapons and other arms should not be given to the general force, which should be equipped with regulation lathis only.

Another very essential component of the arrangements is the control room, which should be set up near the area of operations and manned round the clock by senior officers. The latest communication equipment should be available at the control room, as also by the officers in charge of sectors, and an effective channel of communication should be established.

Senior officers should be in this control room — both police and executive officers should not remain confined to their offices. Once the arrangements have been made, officers and men briefed and rehearsals conducted, the senior officers should liaise with intelligence agencies for latest updates regarding crowd strength and intentions. If possible, senior civil and police officers should meet the organisers and impress upon them the importance of an orderly and peaceful

protest. This attempt should be made at various levels, and it usually produces good results. That day, I saw on TV a lone policeman firing tear gas shells with no visible sense of direction or purpose. Similarly, groups of protesters while running were being chased by policemen armed with all kinds of lathis and sticks. They would catch hold of one or two protesters and beat them up.

The activity of a uniformed force has to be an organised effort; a lathi charge should be conducted by a body of men and be effective in dispersing their target. A random, disorganised charge achieves no positive result — it only leads to accusations of brute force or outcomes such as head injuries. Force must be used under supervision — controlled, measured and sufficient to achieve the objective of crowd dispersal. The objective is not to vanquish an enemy at all costs as that only results in more protests and provokes the people.

Once the objective is achieved, an orderly withdrawal of men and materials should be made effective. Every person, lathi, tear gas shell and bullet should be accounted for. The injured officers and protesters must be looked after and taken to designated hospitals, if needed.

The subject is vast, and I have tried to encapsulate the importance of planning and following the old laid-down procedure and regulations. The Delhi administration would do well to hold an in-house, in-depth inquiry into what happened and what could have been done to prevent it. The problem today is that much of the prescribed procedure is ignored or at best given scant attention. There is much to be said for the importance given to regular training and inspections by the officers and training academies of earlier times. Today, much has been lost in the culture and conduct of our police forces and, in fact, in the entire criminal justice system.

THOUGHT FOR THE DAY

Those who suppress freedom always do so in the name of law and order. — John Lindsay

The grand monsoon sapling spectacle

NAINI JEYASEELAN

AH, the monsoon season in India — a time when the skies weep and the earth is drenched, not just with rain, but with noble intentions. Every year, like clockwork, the monsoon heralds the grand announcement of the annual plantation targets. Picture this familiar scene: a rain-soaked press conference, where the minister — with the gravitas of a sage revealing the secrets of the universe — declares, "This year, we will plant X crore saplings." Cameras flash, press notes flutter like butterflies, and social media reels are born. The monsoon, our benevolent deity, blesses this spectacle, and everyone is left in awe.

The targets, like a divine decree, trickle down from the heavens to the districts, blocks and departments. Motivational presentations titled "Mission Green: Targets and timelines" are circulated with the urgency of a last-minute exam revision. The monsoon, with its magical touch, gives this entire exercise a glossy veneer of success.

Next, the scene shifts to the grand school events, CSR campaigns and social media reels. NGOs are mobilised like an army of green warriors to ensure community engagement. To dismiss this as a mere farce is akin to calling a Bollywood blockbuster a flop. After all, India needs trees — for groundwater, cooler cities, shade, soil stability and cleaner air. With everyone on board, this frenzied activity transforms policy into action, the elusive mission that public policy analysts love to pontificate about.

But amidst the celebrations, a dangerous shortcut lurks: counting saplings instead of nurturing them. While one state boasts about hectares covered, another flaunts the number of saplings planted, a third brags about budget allocations, and a fourth dreams of long-term tree ambitions. Uttar Pradesh aims to plant 35 crore saplings this year; Odisha has dramatically increased its plantation budget; Himachal Pradesh is targeting 400 hectares; Maharashtra has promised 300 crore trees over seven years; and Delhi has set its sights on seven lakh saplings.

Yet, wet soil and plantation targets are not synonymous with ecological triumph. Saplings, ceremoniously planted, remain mere saplings unless they survive the onslaught of stray goats, encroachments and the scorching heat of the next two summers. Scientific objections to these plantation drives are politely tucked away as footnotes. Foresters and ecologists remind us of the importance of survival rates, species selection, soil quality, post-planting care and local ecology. But who has time for such boring details when the euphoria of numbers is so intoxicating? Imagine if monsoon announcements were less about headlines and more about blueprints for covering forests based on ecological needs, long-term financing for maintenance, accountability measures, survival and canopy growth, and, most importantly, the inclusion of local communities in nurturing these saplings.

The writer is a retired IAS officer
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LETTERS TO THE EDITOR

Higher education not job-linked

Refer to 'Education system must focus on job skills'; it is no longer realistic to relate job opportunities to university degrees. No employer these days reckons a degree at its face value. Manpower-based approach has been visible for some time in the figures of unemployment among MBA and engineering graduates. Formal university education plays an increasingly minimal role in social mobility that it is supposed to promote. What we do with the two years following high school is crucial. Purely technical courses could be given new academic dimensions, just as traditional academic courses could be enriched with vocational programmes. We must abandon degree requirements for government jobs. The mushroom growth of low-grade universities and colleges in the name of higher education must stop.

ANIL BHATIA, HISAR

See NEP 2020 in right context

With reference to 'Education system must focus on job skills'; NEP 2020 places special emphasis on fostering critical thinking, which is fundamental to problem-solving and, ultimately, to skill development. However, the situation is even more alarming than the writer suggests. Today, many youngsters spend a considerable amount of time watching videos that merely provide information but do little to develop their ability to analyse, question and think independently. Reading and understanding, which is essential for nurturing critical thinking, is being increasingly neglected in our schools. Without the habit of thoughtful reading, students cannot develop the analytical skills required in modern education and employment.

RAJESH KUMAR CHITORIA, CHARKHI DADRI

Enforce fixed duty hours

Refer to 'Exhausted care'; resident doctors in many government hospitals still perform long 24-36 hour shifts. Sleep deprivation increases the risk of medical errors, impairs clinical judgment and endangers both doctors and patients. The Ministry of Health and Family Welfare should strictly enforce duty-hour norms, mandate 8-11 hours of rest between shifts, ensure one weekly day-off, prohibit back-to-back extended duties, and conduct regular audits of duty rosters.

POONAM KATYAL, CHANDIGARH

Distraction for hockey team

Apropos of 'Jersey row'; Hockey India's reported decision to replace the iconic blue jersey with a saffron-coloured one does not augur well for several reasons. Most importantly, it has emerged that neither hockey legends nor other key stakeholders were consulted before taking such a significant decision. The argument that the blue jersey affects players' visibility because it blends with the colour of the turf appears unconvincing. No other hockey-playing nation has cited such a reason for changing its traditional colours. At a time when India is striving to win a World Cup medal after a gap of more than five decades, Hockey India's priority should be to create an environment that enables players to focus on training, fitness and performance rather than be distracted by avoidable controversies.

SQ LDR KK SHARMA (RETD), NANGAL

Why change iconic blue jersey?

Refer to 'Jersey row'; orange has long been synonymous with the Netherlands, just as blue has been closely associated with Indian hockey. Consequently, when India plays the Dutch, the team will still have to abandon the saffron jersey and switch to its alternate white kit to avoid a colour clash. If visibility on the blue turf was indeed the concern, retaining the traditional blue as the primary jersey and using white as the alternate would have been a more practical solution. This raises the question: why was there any need to change the iconic blue jersey of the Indian hockey team in the first place?

PL SINGH, BY MAIL

Social security for gig workers

Rights of gig workers should be protected. Since they are not classified as employees, minimum wage laws, provident fund contributions, paid leave, medical insurance, and accident compensation do not apply. To balance innovation with worker welfare, there is a need to implement the social security provisions of the Code on Social Security without further delay, ensure universal registration of gig workers through the e-Shram portal and improve data collection through a national survey. The government's effort to ensure welfare and security for this expanding workforce is still a work in progress.

YASH PAL RALHAN, JALANDHAR

Why GenZ finally rebelled



ANINDYO CHAKRAVARTY
SENIOR ECONOMIC ANALYST

INDIA'S GenZ surprised everyone last month when they turned up in their thousands from across the country to protest against our corrupt public examination system. I use the word 'surprised' advisedly. GenZ has been written off as a desensitised, self-absorbed, pleasure-seeking generation with the attention span of a 30-second reel. They are seen as a demographic innocent of politics or of social issues, who can be pacified with the latest iPhone or the newest colour range of Labubus. Why, then, did this depoliticised and atomised generation spontaneously erupt in such an unrestrained rebellion when the heavy hand of state action has silenced many an inveterate dissident?

The answer lies in both the unique nature of GenZ and the unprecedented economic distress that they are facing. GenZ — those born between 1997 and 2012 — are between 14 and 29 years of age right now. So, most of them qualify to be part of the

working-age population, which includes anyone aged 15 years or older.

The Centre for Monitoring Indian Economy (CMIE) estimates that there are 378 million Indians in the 15-29 years age group. Out of these, 128 million would work if they got a job, but only 83 million are employed. That means the effective unemployment rate among GenZ is a whopping 35%.

And this is happening despite — or perhaps because of — more young people getting college degrees. Again, the CMIE surveys indicate that in the past three years, India has added 90 million graduates to the working-age population. Almost all of them would belong to GenZ. In the same period, an additional 49 million graduates have got added to the labour force — people who want paid work.

The number of graduates who are unemployed has increased by nearly 12 million. That means, roughly one in four young people who earned college degrees to get better jobs is currently jobless.

The high level of unemployment among the GenZ is not because there are no jobs available. It is about the quality of jobs being offered. A significant proportion of GenZ jobseekers have college degrees or professional diplomas. Their parents spent lakhs of rupees on their education so that they could get well-paying white-



BARGAIN: Today's youth want better jobs than their seniors were willing to settle for. MANAS RANJAN BHUI

collar jobs. This is true even for those whose parents had blue-collar occupations.

It is understandable that these graduates are not going to willingly become factory workers, plumbers, electricians or Uber drivers merely because those positions are more easily available. None of those professions require spending three years in college.

But there are very few white-collar jobs available for the young. The most robust indicator for this is Naukri.com's JobSpeak Index, which is based on more than 80 lakh 'new job mandates' every year. Now consider those who

graduated and joined the labour force over the past three years: their number has increased by 75%. Out of these, some did manage to get work, which means they would have at best three years of work experience.

What kind of hiring opportunities do these GenZ folks have? The JobSpeak Index shows that hiring activity in this space — those with 0-3 years of experience — has grown by just 10% in three years.

The situation is worse for the older lot among GenZ. If one assumes that most young people enter the work force at 22, the oldest among the GenZ cohort would have sev-

The answer lies in both the unique nature of GenZ and the unprecedented economic distress they are facing.

Punjab's universities struggle for survival



RANJIT SINGH GHUMAN
PROFESSOR OF EMINENCE,
GURU NANAK DEV UNIVERSITY

THE fact that a sitting Vice Chancellor of Punjab University has felt compelled to publicly highlight the institution's financial crisis speaks volumes about both the gravity of the situation and the Punjab government's declining priority for higher education.

If a Vice Chancellor has to publicly express concern over the timely payment of salaries and pensions, it is evident that the university's financial distress has reached an alarming level. Such a public intervention by the head of a state university is perhaps unprecedented in Punjab. Jagdeep Singh's recent article in *The Tribune* (15 Punjab ready to invest in its public universities, July 29) deserves serious attention from policymakers.

The financial crisis at Punjab University is not a recent development. It, inter alia, is the cumulative outcome of declining public support over nearly three decades. During the early 1990s, government

grant-in-aid accounted for more than 70% of the university's budget.

This comfortable level of public funding began to erode after the Punjab government imposed an annual 10% cut in grants from 1997-98. Although the policy was withdrawn after a few years, the damage had already been done. Government support remained far below earlier levels for almost two decades before recovering partially in recent years.

While public funding declined, expenditure continued to rise because of salary revisions, pension liabilities, inflation and the expansion of academic activities. The university's expenditure increased from Rs 264 crore in 2011-12 to Rs 732 crore in 2025-26. To bridge the widening gap between income and expenditure, it had little option but to borrow. Outstanding debt rose from Rs 44 crore in 2015-16 to over Rs 150 crore by 2019-20, imposing a heavy interest burden that has further weakened its financial position.

Although grant-in-aid has increased substantially in recent years — from Rs 159 crore in 2020-21 to nearly Rs 400 crore in 2025-26 — the university continues to struggle. Almost the entire annual budget is absorbed by committed expenditure, leaving negligible resources for research, laboratory modernisation, library



INCLUSIVE: The neglect of education cannot be separated from the state's broader fiscal crisis. RAJESH SACHAR

development, digital infrastructure and the maintenance of aging buildings. An institution that should be investing in academic excellence is, instead, struggling to meet its routine financial obligations.

The immediate priority should be to restore the university's financial stability. The Punjab government should provide a one-time grant of Rs 150 crore to enable the university to clear its outstanding debt. This would save nearly Rs 14 crore annually in interest payments and provide much-needed fiscal space for academic development. Such assistance should not be viewed as a bailout but as

an investment in one of Punjab's premier institutions of higher learning.

Simultaneously, the university must strengthen financial discipline and diversify its resource base through alumni contributions, philanthropic support, research grants, consultancy and corporate social responsibility initiatives. Moderate and periodic revision of fees may also be considered, while ensuring that access to higher education remains affordable for economically weaker students.

The problems of Punjab University are symptomatic of a much larger crisis confronting public higher education. Over the years, pub-

lic expenditure on education has steadily declined. In the 1970s, nearly 22% of the Punjab government's budget was devoted to education. Even in 2012-13, the share stood at nearly 22%. During the subsequent decade, however, it fell sharply, touching barely 9-14% in several years. Unsurprisingly, universities and colleges have found it increasingly difficult to maintain academic standards.

The consequences are visible across the education system. Thousands of teaching positions remain vacant in schools, colleges and universities. Faculty recruitment has virtually come to a standstill in many institutions for over a decade. Many universities are forced to rely on contractual or temporary teachers, while recruitment at fixed/basic pay scales has reduced the attractiveness of academic careers. These developments inevitably affect teaching quality, research output and institutional competitiveness.

The neglect of education cannot be separated from the state's broader fiscal crisis. Punjab's public debt continues to rise at an unsustainable pace, largely because of inadequate resource mobilisation and expenditure priorities that leave little fiscal space for productive sectors. A substantial proportion of the state's revenue is absorbed by interest payments and subsidies, leaving

with cars, air conditioners, microwave ovens, washing machines, laptops and smartphones. What were luxuries to Gen X and Millennials are essentials for GenZ.

They are also perpetually bombarded by overt and covert advertisements for goods, services and lifestyles via social media. Entire communities are constantly being formed around new products and trends, with influencers telling the young that their lives are incomplete if they don't buy them immediately.

This has created an unbridgeable gap between material aspiration and the opportunities to fulfil them. And this gap gets amplified by the virtual communities and identities that social media produces.

Yet, these very cyber communities, which transcend the limits imposed by physical human interaction, became the basis for the impromptu organisation of the Jantar Mantar protests. Instagram reels replaced political networking, so much so that protesting itself became a GenZ fad. That is why frustration and angst transformed into memes, jokes and joie de vivre never before seen at protest sites.

It is an explosive force that the powers that be are unfamiliar with. No one knows how to contain it or what it will lead to in the days to come.

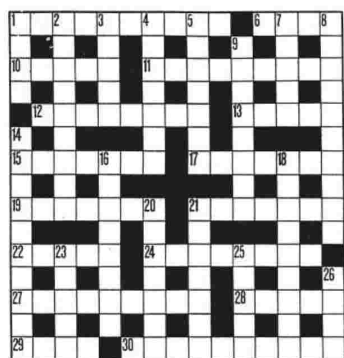
limited resources for investment in education and healthcare — the two sectors that build human capital and determine long-term economic growth.

Punjab's expenditure priorities have also changed significantly over time. Until the early 1990s, nearly 70% of the state budget was spent on development activities, including education and health. Since then, the share of development expenditure has declined considerably. Unless this trend is reversed, the state will find it increasingly difficult to strengthen its public institutions and improve the quality of its human resources.

Education is both a merit good and a social good. Public universities, in particular, play a vital role in promoting social mobility, reducing inequalities and supporting economic development through teaching, research and innovation. Investment in public universities should, therefore, be seen not as an expenditure to be curtailed but as a long-term investment in Punjab's future.

The financial distress of Punjab University should serve as a wake-up call. Punjab cannot aspire to achieve inclusive and sustainable development while allowing its public universities to struggle for survival. The time has come to restore education to its rightful place at the centre of the state's development strategy.

QUICK CROSSWORD



ACROSS

- Get down to business (4,6)
- Ceremonial display (4)
- A misunderstanding (3-2)
- Magnanimous to offenders (9)
- Good sense (8)
- Stringed musical instrument (5)
- Without weapons (7)
- Sully (7)
- Spontaneous (7)
- Badly matched (7)
- Excessive (5)
- Praise publicly given (8)
- Avoiding excess (9)
- In imitation of (5)
- Relaxed and pleasant (4)
- A rowdy assembly (4,6)

Yesterday's Solution

Across: 1 Somchow, 5 Chair, 8 On balance, 9 Odd, 10 Tuba, 12 Foretell, 14 Madrid, 15 Allied, 17 Ungainly, 18 Tend, 21 Lee, 22 To no avail, 24 Nasty, 25 Hygiene.

Down: 1 Short, 2 Mob, 3 Hold, 4 Wanton, 5 Cleverly, 6 At one time, 7 Riddled, 11 By degrees, 13 Ministry, 14 Maudlin, 16 Flinch, 19 Delve, 20 Pang, 23 Age.

DOWN

- Uninspiring (4)
- Growing abundantly (9)
- Lukewarm (5)
- Cultivated (7)
- A pledge (7)
- A pungent bulb vegetable (5)
- Assign to a category (10)
- Pay out (8)
- Capsize (4,6)
- Offered for sale (8)
- Flooded (9)
- Unofficial disclosure (7)
- Of doubtful meaning (7)
- Author of *The Three Musketeers* (5)
- Capital of Tibet (5)
- Inflexible (4)

SU DO KU



YESTERDAY'S SOLUTION

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

CALENDAR

AUGUST 4, 2026, TUESDAY

- Shikha Samrat 1948
- Shravan Shaka 13
- Shravan Parvatisht 20
- Hijari 1448
- Krishna Paksha Tithi 6, up to 10:04 pm
- Dhriti Yoga up to 7:34 pm
- Revti Nakshatra up to 9:54 pm
- Moon enters Aries sign 9:54 pm
- Panchang ended 9:54 pm

FORECAST

SUNSET:	TUESDAY	19-24 HRS
SUNRISE:	WEDNESDAY	05-44 HRS
CITY	MAX	MIN
Chandigarh	33	27
New Delhi	32	24
Amritsar	34	28
Bathinda	36	26
Jalandhar	33	27
Ludhiana	33	28
Bhiwani	34	25
Hisar	36	29
Sirsa	35	29
Dharamsala	27	19
Manali	26	18
Shimla	22	18
Srinagar	25	21
Jammu	30	27
Kargil	30	15
Leh	23	12
Dehradun	30	22
Mussoorie	39	17

TEMPERATURE IN °C

THE ASIAN AGE

4 AUGUST 2026

Protect lives, restore trust in J&K; don't let fear back

The killing of two young Hindu migrant labourers from Chhatisgarh in Kulgam on July 31 evening — days after the “shoot to kill” assault on Anantnag — has once again exposed the fragility of peace in Jammu and Kashmir. Police suspect a lone Lashkar-e-Taiba operative may be responsible, but the impact is far wider: the attacks revive old anxieties, shake public confidence, and target those most vulnerable.

Migrant workers sustain construction, horticulture, brick kilns and infrastructure across the Valley. They travel thousands of kilometres to earn modest wages, yet remain poorly protected and easy targets. Their killings are not just acts of brutality; they are attempts to disrupt normalcy, sow fear, and fracture communal harmony.

The latest attacks triggered a massive security response — cordon-and-search operations, additional deployments, and intensified counter-terror grid strengthening. His directives for mandatory registration, employer-provided insurance, and dignified last rites for victims are necessary steps. But Kashmir's recent history shows force alone cannot secure lasting peace.

This Wednesday, August 5, marks seven years since the Centre stripped Jammu and Kashmir of its special status and bifurcated it into two Union Territories. Against this politically charged backdrop, the National Conference has intensified its demand for the full restoration of statehood — an aspiration widely shared across the region.

It is in this context that NC president Farooq Abdullah's remarks questioning the “timing” of the Kulgam and Anantnag attacks have sparked controversy. Abdullah argues that targeted killings often spike whenever political demands — especially statehood — gain momentum. The LT Governor's call for an unbiased investigation is legitimate, his caution against premature conclusions is prudent. But political speculation around terror incidents, from any side, risks deepening polarisation and distracting from the urgent task of securing lives.

Reports suggest the Centre may restore statehood under a Delhi-like model while retaining control over policing and law and order, a plan the NC rejects. Whatever the framework, the Anantnag and Kulgam attacks must not be used for political score-settling.

Terror attacks must not be politicised to undermine elected leaders or democratic demands. Authorities must also avoid mass detentions, demolitions and sweeping arrests that alienate communities and erode trust.

Lasting peace needs targeted counter-terror operations and community-sensitive policing. Migrant workers require secure housing, transport, rapid-response teams and liaison officers. Investigations must be swift, transparent and protected from misinformation, while political leaders must condemn violence, support victims' families and avoid exploiting tragedy.

Jammu and Kashmir stands at a crossroads today. Constitutional changes reshaped its politics but not its people's aspirations. Restoring meaningful statehood, empowering elected institutions and clarifying administrative and security roles are essential to rebuilding trust.

Statehood alone cannot bring peace. Peace requires residents and migrant workers to live without fear, tourists to feel safe, and security personnel to be protected from terrorist attacks.

The Valley must break free from violence and political exploitation. Whatever the statehood model, Kashmir needs inclusive politics, protective security and unity. The killers must face justice, while people are safeguarded with compassion and foresight.

Beyond C'wealth medal count

The 2026 Commonwealth Games in Glasgow marked both an ending and a beginning. As the curtains came down on a scaled-down edition in Scotland, the baton was passed to Ahmedabad, which will host the Games in 2030. For India, Glasgow was less about where it finished on the medals table and more about what the campaign revealed: its growing strengths, its persistent weaknesses and the enormous responsibility that now comes with staging the next edition.

India finished fourth behind Australia, England and Canada with 39 medals (13 gold, 17 silver and nine bronze). On paper, that appears to be a step backwards from the 61 medals won in Birmingham four years ago. But numbers, in this case, tell only part of the story. The downsized Glasgow Games, shifted from Australia to Scotland, had a sharply reduced programme. With shooting, badminton, wrestling and hockey excluded, India's 50-medal target was unrealistic, making its campaign more creditable. Of India's 122 athletes, 38 won medals, with Gulvinder Singh claiming two, giving the country a slightly better conversion rate than Birmingham. Boxing led with 10 medals, including seven golds, followed by athletics with 16 and weightlifting with eight.

Neeraj Chopra's silver in the javelin was below the lofty standards he has set for himself as Sri Lanka's Ramesh Tharanga. Punjab produced a memorable performance to win gold. Yet the sight of debutant Yash Vir Singh sharing the podium with India's Olympic champion underlined the lasting impact Neeraj has had on a new generation of javelin throwers. Tejaswin Shankar battled injury to win India's first-ever CWG medal in the decathlon. The six medals won in para athletics provided another encouraging reminder that India's talent pool continues to deepen across disciplines.

The 2026 Delhi Games remain India's finest Commonwealth performance, with 101 medals, including 38 gold, and a second-place finish. Yet they are equally remembered for corruption allegations, delays, inflated costs and administrative chaos that embarrassed the country. Ahmedabad must learn from Delhi's failures and deliver efficient, transparent and corruption-free Games, with timely infrastructure, clean competition and a lasting sporting legacy.

THE ASIAN AGE

Kaushik Mukherjee

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Subhani

SHALL WE CALL THE POLICE IN CHARGE WHO HANDLED THE STUDENTS AT JANTAR MANTAR TO CONTROL THE OPPOSITION?



Fix the education 'system'; just a new law not enough

Shikha Mukerjee

Something is rotten in the state of India's education, with apologies to William Shakespeare: a harsher law will not be the job that has an overhauled, without ideological bias, would.

Paper leaks, as India knows, is a yearly phenomenon that the government's decades of ineptitude and unintelligent approach to public examinations are everywhere. In Bihar, victims of a botched railway recruitment exam set rail coaches on fire, blocked railway tracks, pelted stones. More than one crore applicants had taken the test for a total of 35,000 jobs, that would have given them their tenure employment starting at around Rs 20,000 per month.

In Bihar, Madhya Pradesh, Uttar Pradesh, Haryana, Telangana, young men and women, exploded in rage over the change in the rules for recruitment to the armed forces — the “Agnipath” scheme.

For the Narendra Modi government, not to know this is impossible. The solution to paper leaks does not lie in harsher punishment for the small fry who are invariably nabbed for paper leaks.

The paper leaks business is big, an estimated Rs 1,000 crore at least. A punishment of Rs 10 crores is chickenfeed and entirely inadequate.

The “system” needs to be fixed; tokenism is not a solution. Education, in the context of public examinations, be it for admission into undergraduate, post-graduate or fellowship programmes or for recruitment in the defence and most secure jobs in the country, namely government jobs, has been reduced to a competitive exam. It is a fierce fight to “crack the exam” — turning education into a commodity.

Education needs capacity-building reforms that create the capabilities required by an economy that must adopt and adapt to AI technologies.

prospects. Put differently, a quarter (25.7% of the young, and in India, the legal age for a young person to have a job is only 14) are engaged in unpaid family work. About 21.3% of the young are, euphemistically, engaged in “own account work,” while 22% are engaged in casual work and 18% are employed in regular work, but without social security, and only 11.8% have jobs with social security.

Qualifications: a degree in medicine, engineering, or even law and in accountancy, are investments that the student and his/her family make to buy a chance at a better quality of life. It's also true these families know there are no guarantees; the qualified young may not land the jobs that are worth the investment.

Education needs capacity-building reforms that create the capabilities required by an economy that must adopt and adapt to AI technologies. It doesn't need ideological reform of the Vedic maths variety. India needs massive investment in education; not the chicken feed of private investment in education as a safe profit-making route, but public investment to produce young Indians who can join a workforce that is transforming with AI technologies.

There is a mismatch between expectations of the aspiring and it must be intelligible; a hit-and-miss affair, the mercurial young are frustrated by the very restrictive choices they have because of the serious scarcity of opportunities for work with adequate compensation.

The Net process is a test that excludes those deemed ineligible; the paper leaks reveal that he has no understanding of how to fulfil his guarantees.

Shikha Mukerjee is a senior journalist

LETTERS

MASSACRE IN POK

The United States and Western nations, which otherwise claim to be champions of democracy, have kept a strange silence on the atrocities committed by the Pakistani forces in Pakistan-occupied Kashmir. Over the past few days, they have killed over 40 civilians on a peaceful demonstration against withdrawal of refugee quotas in the “Azad Kashmir” election. This is nothing short of a massacre, yet US President Donald Trump, who wants the Nobel Peace Prize, has maintained a stoic silence on these incidents. The US has long been soft on Pakistan, and Trump's closeness to Asim Munir has further exposed this hypocrisy.

D.B. Madan
New Delhi

LEFT SHAMED

BNGLADESHI WRITER Taslima Nasrin returned to Kolkata after nearly 19 years and attended a Rabindra Sadan event, marking her first visit since 2007 and a symbolic moment for free expression. West Bengal CM Suvedu Adhikari felicitated her, pledging her security whenever she is in Kolkata. While previous governments avoided the issue despite periodic nudges from civil society, the BJP sought to project her as a symbol of resistance to religious orthodoxy. This emboldened the Left, which despite its liberal ideals, bowed to fundamentalists and forced her out of Kolkata. Being in power, then, it exposed its hypocrisy and failure to uphold the rule of law.

Sankar Paul
Chakdaha, West Bengal

TAMILS OFFENDED

RELEGATING THE state song “*Tamil Thai Vazhuthu*” to the third position after *Vande Mataram* and the national anthem at the 33rd convocation of Manonmaniam Sundaranar University, Tirunelveli, in Tamil Nadu has sparked a major political row. The song was authored by Tamil scholar P. Manonmaniam Sundaram Pillai, in whose very name the university functions. The Centre mandating the recitation of *Vande Mataram* first and before the national anthem raises serious questions about secularism, individual freedom and constitutional limits. Unlike the national anthem, the national song lacks constitutional protection. Historically, only its first two stanzas, praising the motherland, were adopted for national use.

R. Sivakumar
Chennai

Aakar Patel



Why India is now in the race for a ‘non-permanent’ seat at the UNSC

The “Mother of Democracy” is standing for a non-permanent elected seat at the United Nations Security Council. Non-permanent because it is a two-year term and elected because 10 seats are shared between the 188 member states wanting to sit alongside the five permanent members. These 10 seats come with no veto power, so if any one of China, the US, Russia, UK or France do not want something, it is rejected no matter how the other 14 vote.

The Mother has been elected eight times before and the last time was as recently as in 2021-22. I cannot remember what we achieved then and am unsure why we are again contesting, but a clue is available in the date. The term is for 2028 and 2029, which will mean that bang in the middle of the next general election we will have the opportunity to erect hoardings and pretend we are globally important. Remember the G20 presidency from a couple of years ago.

Elections at the UN are in June next year and there is one other candidate for the Asia-Pacific group whom we have to defeat (or get to withdraw), and that is Tajikistan. It has the advantage of being endorsed by the 36 voting members of the Organisation of Islamic Conference and of taking the

sympathy vote as a nation that has never been elected even once.

Candidates need the support of two-thirds of the total 193 member states, so 129 votes if all nations are present and voting. Theoretically, it is possible for us to win without any of the 36 OIC votes, but it will be tough. We must do some *jugaad* to get Tajikistan to withdraw or break the Muslim bloc with the appeal of our platform.

So, what is our platform? It was announced through an address by external affairs minister S. Jaishankar. As with most things in New India, the acronym is the most important bit. This time we have been given “SHANT”, which expands to “Securing Holistic Advancement through Norms, Trust and Integrity”. Which sounds like something our election commission says, or the Delhi police.

“SHANT” has six elements. The first is the claim that India is the Voice of the Global South. How? Where? That is not explained, but let us assume it is true. Second is reformed multilateralism, which is a fancy way of saying give us a permanent UNSC seat. Third is peacekeeping. Readers may not know that a few nations dominate the UN peacekeeping force. The largest contributor is Nepal, next are India,

Bangladesh, Rwanda and Pakistan. India is doing peacekeeping “future-ready”, which Mr Jaishankar says “means to be better equipped, technologically enabled, to be realistically mandated and focused on core objectives”. Perhaps it means we will issue Aadhaar cards.

Fourth is artificial intelligence, where our role is unclear given that America and China are the only two nations with AI capabilities. Mr Jaishankar clarifies that the contribution of the Mother here is yet another acronym. He says: “India has put forward a human-centric vision of AI, that draws on both its capabilities and on India's traditions. Our word for that is MANAV, which is an acronym for National AI Ethics, Accountability, Sovereignty, Accessible and inclusive, and Valid and legitimate systems”.

Okay. Fifth is maritime order, which is to say that Iran should stop blockading Hormuz. Sixth is terrorism, our most favourite subject. Mr Jaishankar says our commitment is to concentrate on counter-terror financing. This is not true. In its September 2024 Mutual Evaluation Report on India, the Financial Action Task Force (FATF) rated India as only “partially compli-

ant” because of Mother's dislike of NGOs, about which I have written here before.

These six things comprise our platform. Perhaps the world will find this scintillating manifesto reason enough to elect the two, related, gigantic, global issues of our time. The illegal war in Iran affecting everyone and the genocide in Palestine.

On the first, we have nothing to say because we are afraid to speak against President Donald Trump and we accepted a medal from Israel hours before the war began. On the second, recognising that it needs to be mentioned, Mr Jaishankar said in his address: “We have only yesterday, at the Palestine donor group meeting in Brussels, additionally committed to setting up a specialty hospital, an artificial limb fitment centre and a vocational training institute for Palestine”.

But of course, our real record on Palestine is clear and transparent. India abstained from votes calling for Israel to stop bombing Gaza. Only one nation has voluntarily, enthusiastically embraced Israel amid its genocide and apartheid against Palestinians, and that is India. Germany does it out of historic guilt, America does it because of the Israeli lobby. India

alone has decided it hates Palestinians enough to lose Israel.

As my organisation Amnesty International revealed last week, India has been shipping weapons to Israel including warheads and other munitions used against Palestinian children.

The Mother of Democracy sold Israel the bombs that severed the arms and legs of Gaza's girls and boys and now it will give them artificial limbs in future.

Asked about the Amnesty report, the government said: “India has a robust legal and regulatory framework on strategic trade controls and carries out its export of dual-use items and technologies to various countries in accordance with its national laws and consistent with its international obligations.”

Meaning, we will continue to send the bombs. And so all nations of the world, please vote for Mother of Democracy because, as Mr Jaishankar said in his address: “India advocates *Vasudhaiva Kutumbakam* (world is a family) as an approach, we don't simply preach; we practise it as well.”

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

quick BITES

INDICATORS	%
Sensex	78,639.03 0.70
Nifty 50	24,774.30 1.60
S&P 500	7,559.97 0.94
Dollar (₹)	95.155 -0.25
Pound Sterling (₹)	128.14 -0.12
Euro (₹)	109.72 -0.024
Gold (10gm) (₹)	141,073+38 -0.31
Gold price (\$/oz)	83.42 -5.13
IN 10-Yr bond yield	6.839 -0.002
IN 10-Yr T-bill yield	4.674 -0.071

* As of 8:30 PM IST

AstraZeneca explores BMS acquisition

AstraZeneca and Bristol Myers Squibb have held discussions about a deal that would combine the two drugmakers into a single company. AstraZeneca is one of the largest companies listed on the London Stock Exchange, with a market capitalization of \$264 billion as of Friday. Bristol Myers Squibb, which has a \$153 billion market capitalization, could provide AstraZeneca with a foothold in the US market.



Jio Financial bets on AI to drive growth

Jio Financial Services (JFSL) is betting on artificial intelligence, digital platforms and partnerships with global financial giants BlackRock and Allianz to drive its next phase of growth. The company, which has outlined its "Fintelligence for All" vision, said its partnerships with BlackRock and Allianz are expected to mature further in FY27, facilitating the expansion of its asset management across the country.

ICICI Lombard to launch 25 new solutions

Private insurer ICICI Lombard General Insurance on Monday announced the launch of 25 new solutions including five new industry firsts, to mark its 25th anniversary. The Next Gen Products are focussed on women, pet insurance, and home insurance. Christened as Elevate Her, the product is a life-stage-based modular Women Care product that integrates OPD, wellness, maternity, preventive care into a single solution.

ZEEL shares fall 13% after Sebi land pledge order

Shares of Zee Entertainment Enterprises tumbled 15 per cent on Monday after Sebi prohibited it from the securities market for two months and its chairman emeritus Subhash Chandra and managing director and chief executive officer Punit Goenka for one year over unauthorised pledge of the company's Hyderabad land to secure loans valued by promoter-linked Essel Group entities.

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BSE m-cap reaches record ₹490.5 L-cr as Sensex rises

Sebi's new closing auction rules came into force from Monday

RAVI NANJAN PRASAD
MUMBAI, AUG. 3

A more than five per cent fall in Brent crude oil futures prices to \$81.55 from \$84.66 a barrel triggered a rally in financial markets on Monday, with the Sensex and Nifty-50 gaining 0.70 per cent and 1.60 per cent, respectively. The rupee also strengthened to ₹95.34 against the US dollar, while IT, FMCG and financial stocks were among the top gainers.

The Sensex gained 544.39 points to close at 78,639.03, its highest level in more than three months, at levels last seen on April 21-22, 2026. The Nifty-50 rose 390.7 points to close at 24,774.30.

BSE's market capitalisation hit a record high of ₹490.5 lakh crore in rupee terms and \$5.15 trillion in dollar terms. Investors' wealth rose by more than ₹4.38 lakh crore during Monday's session. The Nifty-50's official closing price saw a sharp late-session move following the Securities and Exchange Board of India's new closing auction rules. The closing auction session (CAS) for F&O-linked stocks was introduced on Monday, with continuous trading in these stocks ending at 3:15 pm followed by a 20-minute auction to determine the official closing price.

Higher auction prices in

INDIAN RUPEE strengthened to 95.34/US dollar.

BUOYANT MARKET

BRENT CRUDE oil price drop to \$81.55 from \$84.66/barrel. Sensex closed at more than three months high last seen on April 21-22, 2026, to close at 78,639.03.

Nifty-50 gains 390.7 points to close at 24,774.30.

- MARKET investors were richer by ₹4.58 lakh cr on Monday.
- FPIs were net buyers of equities worth ₹922.26 cr.
- DIIs were net buyers by ₹1571.18 cr.

TOP SECTORAL GAINERS INCLUDE

- BSE IT (2.53%),
- FMCG (1.13%),
- Bankex (0.69%),
- Metal (1.14%),
- Capital Goods (0.55%),
- Auto (0.73%)

heavyweight stocks such as Reliance Industries and ICICI Bank lifted the Nifty-50's official closing level.

With the CAS rollout from August 3, 2026, continuous trading in F&O-linked stocks stops at 3:15 pm and the market transitions into a 20-minute closing auction that determines the official closing price," said Harishelvan Radhakrishnan, founder and chief executive officer, HST Wealth.

"When large institutional orders are concentrated

into this auction window, price moves quickly in the final minutes, especially if there is aggressive buying or short covering across heavyweight Nifty constituents. The sharp late-session move in the Nifty from around 24,589 to the 24,774 region reflects this system-driven concentration of liquidity and orders into the new auction structure, amplifying the end-of-day adjustment rather than a gradual, intraday trend change," he said.

Barring healthcare and

oil and gas, all other sectoral indices closed higher. The BSE IT index gained 2.53 per cent, FMCG 1.13 per cent, metal 1.14 per cent, auto 0.73 per cent, bankex 0.69 per cent and capital goods 0.55 per cent. FPIs were net buyers of equities worth ₹922.26 cr, while DIIs bought equities worth ₹1,571.18 crore.

"Sentiment was supported by FII inflows and a strengthening rupee, although elevated US bond yields remain a key risk," said Vinod Nair, head, research, Geojit.

Govt to sell up to 6.5% stake in LIC via OFS

MADHUSUDAN SAHOO
NEW DELHI, AUG. 3

The Centre on Monday announced plans to sell up to 6.5 per cent stake in Life Insurance Corporation of India (LIC) through a two-day offer for sale (OFS), with the floor price fixed at ₹382 per equity share. The OFS will open for non-retail investors on Tuesday, while retail investors will be able to bid on Wednesday. The government currently holds a 96.5 per cent stake in LIC and expects its holding to fall to around 90 per cent after the OFS, although the final stake sold will depend on subscription levels.

Department of Investment and Public Asset Management (DIPAM) secretary Arunish Chawla said in a post on X that the government would offer 2.5 per cent of LIC's equity with an additional 4 per cent available under the green shoe option.

"OFS in LIC opens tomorrow for on-rail investors. Retail investors can bid on Wednesday. The government offers to disinvest 2.5 per cent equity with an additional 4 per cent as a green shoe option. Floor price has been fixed at ₹382 per share," Chawla said.

The stake sale is part of the government's disin-

DISINVESTMENT CHANNEL

- OFS to open for non-retail investors on Tuesday.
- Institutional investors generally participate on the first day, while retail investors bid on the second day.

OFS allows promoters of listed companies to sell shares through the stock exchange through a bidding process.

THE STAKE sale is aimed at increasing LIC's public shareholding to meet the MPS requirement of the Sebi.

Govt currently holds a 96.5% stake in LIC.

LIC logo

vestment programme and is aimed at increasing LIC's public shareholding to meet the minimum public shareholding (MPS) requirement of the Securities and Exchange Board of India (Sebi).

Sebi had given LIC until May 2027 to bring down the government's stake to 90 per cent to comply with the MPS requirement. An OFS allows promoters of listed companies to sell shares through the stock exchange through a bidding process. Institutional and other non-retail investors generally participate on the first day, while retail investors bid on the second day.

"The LIC is a cornerstone of the nation's

financial sector, serving as India's largest life insurer and the country's second-largest public sector enterprise by market capitalisation. Its institutional prominence is recognised both domestically and globally, with LIC ranked as the fourth most valuable brand in India and the world's third-strongest insurance brand," Chawla said.

The OFS proceeds are expected to be over ₹3,000 crore, making it the biggest proceed from any OFS to date.

The OFS will help LIC increase its public float and meet regulatory requirements and also provide fiscal support with major disinvestment receipts for government, sources said.

India's mfg growth sank to a 5-year low in July

MADHUSUDAN SAHOO
NEW DELHI, AUG. 3

India's manufacturing sector expanded at its slowest pace in nearly five years in July as overall demand remained soft, while a third consecutive shift of slowing job creation also signalled a loss of momentum in the same month.

July, however, witnessed that the growth cooled across metrics such as total sales, input purchasing and employment, according to a survey. The seasonally adjusted HSBC India manufacturing purchasing managers' index, fell from 54.2 in June to 53.5 in July, the lowest ever since August 2021 and below the long-run series average of 54.2. In the purchasing managers' index parlance, a print above 50 means expansion, while a score below 50 denotes contraction.



Pranju Bhandari, chief India economist at HSBC said that the suppliers' delivery times index rose in July, saying that supply chain delays are continuing to unwind. "However, renewed tensions in the Middle East raise fresh doubts about how durable these improvements will be," he said.

On supply-chain conditions, manufacturers appear to be rebuilding buffers. Inventories of both inputs and finished goods increased along a rise in purchasing volumes, suggesting firms are securing supply and limiting exposure to potential disruption," he added.

However, in July, the rate

of growth in new orders was the second weakest in four years.

"Panel members indicated that advertising and demand resilience supported sales, which were curbed by challenging market conditions." "The output and new export orders strengthened, pointing to resilient demand, particularly from overseas markets. Price pressures also shifted. Input cost inflation moderated, but output charge inflation accelerated," Bhandari said.

Meanwhile, cost pressures receded to their weakest in five months, though firms to reported higher prices for transportation. On international orders, development was seen for new exports. "Among many firms noted gains from Canada, Egypt, Indonesia, Kenya, Nepal, South Africa, Thailand and the UAE," the survey noted.

India's CAD may hit 2% of GDP: IMF

SANGEETHA G.
CHENNAI, AUG. 3

India's current account deficit is expected to rise to 2 per cent of GDP in FY26 from an estimated 0.9 per cent in FY25, driven by higher commodity prices, the International Monetary Fund (IMF) said.

Exports and inward remittances helped contain the current account deficit at an estimated 0.9 per cent of GDP in FY25 despite higher precious metal prices. The deficit is expected to narrow as commodity prices normalise and converge close to its estimated norm over the medium term, it said.



commodity price pressures, supply chain disruptions, weaker external demand and global financial conditions.

MG LAUNCHES M9, CYBERSTER EV VARIANTS

MICHAEL GONSALVES
PUNE, AUG. 3

MG Select, the luxury brand of JSW MG Motor, on Monday introduced the new MG M9 and MG Cyberster, priced at ₹84.94 lakh and ₹87.49 lakh at Delhi showrooms, respectively. Both models are limited to just 50 units each.

"With the new couture layer, the Cyberster and M9 have quickly become the most sought-after luxury EVs in the segment," said Milind Shah, head MG Select, JSW MG Motor India.

RBI rate panel meet outcome on Aug. 5

FALAKNAZ SYED
MUMBAI, AUG. 3

The Reserve Bank of India's Monetary Policy Committee (MPC) began its three-day meeting on Monday, with the central bank widely expected to keep policy rates unchanged and adopt a cautious tone amid ongoing uncertainties.

The MPC's decision will be announced on August 5. The stability in India's 10-year government bond yield at around 6.7 per cent indicates that bond traders are not pricing in an immediate change in interest rates.

"A favourable response to FCNRB(D) measures, particularly the AI and semiconductor equity rally, could improve the thesis for a wait-and-watch stance. Food inflation is likely to remain contained in FY27 as El Nino risks recede and monsoon remains favourable while growth risks stay broadly balanced," said Prachi Kele, lead economist at PL Capital.



At its June meeting, the RBI had revised its inflation forecasts higher. Headline inflation in the first quarter of FY27 averaged 3.9 per cent, below the RBI's forecast of 4.2 per cent.

The MPC less worried on West Asia resilient growth, given impact on advanced indicator trends, while keeping a watch on the hit to agriculture due to output of deficient rainfall," said Indrani Pan, chief economist, Yes Bank.

In June, the RBI kept its key policy rate unchanged at 5.25 per cent and adopted a cautious wait-and-watch stance.

Meanwhile, the out-

standing FCNRB(D) deposits increased from ₹25.56 bn on June 5 to ₹80.55 bn on July 30, an 86 per cent rise, as per data shared by the ministry of finance in the Lok Sabha.

GLOBAL COMMODITY COSTS DRIVE UP INFLATION: CENTRE

FC CORRESPONDENT
NEW DELHI, AUG. 3

The government on Monday said that the increase in wholesale price inflation in June to 9.87 per cent was largely driven by price pressures in items that are more sensitive to global commodity and energy costs. The government has been actively undertaking a series of measures to control inflation and mitigate its impact on consumers, according to the minister, Pankaj Chaudhary.

Meanwhile, in a move to significantly improve the hit to agriculture, India's highways, the Centre on Monday proposed phased implementation of vehicle safety (V2V) communication mandatory in all new vehicles from October 2027.

The proposal also sought to amend the Central Motor Vehicles Rules, 1989, and is expected to lay the foundation for connected mobility and intelligent transport systems in India, according to the government.

UK-India FTA may boost textile exports

SANGEETHA G.
CHENNAI, AUG. 3

The UK-India Free Trade Agreement (FTA) could open up an incremental export opportunity of around \$1 billion for Indian textile companies, according to India Ratings and Research.

India exported \$2.2 bn worth of textiles and ready-made garments to the UK in FY26. The removal of the previous 12 per cent tariff disadvantage on apparel and home textiles is expected to improve the landed-cost competitiveness of Indian products in the UK.

This could help Indian exporters gain market share from Chinese suppliers over time, although competing with Bangladesh may be more challenging due to its scale advantages and lower production costs, India Ratings said.

A three percentage-point increase in India's share of the UK textile import market, from around 6.9 per cent currently to around 10 per cent, could translate into an incre-



mental export opportunity of around \$800 mn for Indian textile companies. The benefits of lower tariffs will depend on how effectively textile companies expand capacity, manage costs, meet compliance and maintain financial discipline, the rating agency said.

"Large, integrated textile companies are better positioned to capitalise on these opportunities due to their scale, established customer relationships, and stronger financial resources. In contrast, small players may face challenges if expansion is funded through excessive debt, which could pressure leverage and liquidity," said Rohit Sadaka, director, corporate ratings, Ind-Ra.

The UK is India's third-largest textile export destination.

AI skills more valuable than MBAs

BIG | WAVE

Growing demand for AI-savvy workers is driving hiring

LONDON, Aug. 3: Executives are questioning the value of an MBA in the AI era. Some 86 per cent of more than 1,000 US financial services executives surveyed by consulting firm PricewaterhouseCoopers say they think AI training is more valuable than an MBA for many new hires, reflecting the urgency companies face in adopting the technology effectively.



The survey, released Monday, showed companies are willing to pay accordingly: 91 per cent of

How do you think about managing them?" said Peter Pollini, who leads PwC's financial services industry practice. He added that many firms are looking for workers with technical skills to help them implement the AI use cases they've identified.

Whether an MBA is worth the investment has long been the subject of debate, with studies showing a typical total cost of the degree nears \$300,000. As tuition rises, prospective students are increasingly scrutinizing what they'll

get in return. Universities, meanwhile, have spotted an opportunity. Prestigious business schools at Harvard University, the University of Pennsylvania are offering a growing list of AI-themed executive education courses that are shorter and cheaper than a degree program. Growing demand for AI-savvy workers has led some companies to ramp up hiring, betting that recent Gen Z graduates will be able to do more with AI tools than existing employees.

Bloomberg

INTERNATIONAL EDITORIALS



EDITORIAL

Politburo signals pragmatic, steady economic course

The midyear Politburo meeting has long served as a critical checkpoint for Beijing, offering the central government a vital opportunity to reassess the first half of the year and steer the nation towards a more realistic economic trajectory for the months ahead.

The latest statement from the top leadership suggests cautious confidence, indicating policymakers are choosing a steady, targeted approach over the broad-based stimulus measures that characterised previous years. As China navigates an economy in transition, it is clear that the days of aggressive, post-Covid-style spending are behind it, replaced by a strategic, structural approach that prioritises resilience and stability over short-term capital injections.

The policy direction will stay focused, targeting specific sectors. Fiscal support will address hi-tech emerging sectors such as artificial intelligence and semiconductors, rather than real estate, where the goal is to stabilise market confidence and contain debt risks. Infrastructure investment is being recast for new infrastructure; it is no longer about bricks and mortar but power grids, computing grids and data networks.

This approach is an investment in future competitiveness rather than simply pumping capital into the more moribund sectors of the economy. The new digital infrastructure drivers of growth serve the dual purpose of boosting short-term domestic demand and securing long-term technological competitiveness.

Finally, Beijing is signalling a more conciliatory stance on international trade, aiming for a balance to mitigate concerns over the so-called "China shock 2.0" raised by trading partners such as the European Union.

Stability in both the economic and social spheres will be the primary focus for the leadership as it prepares for next year's critical leadership reshuffle.

So far, China has maintained significant policy space to navigate potential external shocks, provided it continues to balance realistic growth targets with systemic restructuring. Beijing's economic strategy reflects a pragmatic appraisal of both domestic and international challenges. The domestic economy, struggling with weak demand, is not yet prepared to take up the slack as growth remains largely sustained by a record trade surplus and impressive exports from the hi-tech and clean energy sectors. However, that has irritated some trade partners.

To energise domestic activity and alleviate trade tensions, Beijing has introduced its first stand-alone five-year plan for consumption. Unveiled by the National Development and Reform Commission and the Ministry of Commerce in July, it sets an ambitious retail sales target of 60 trillion yuan (HK\$89.7 trillion) by 2030, a nearly 20 per cent increase from 2025.

Regulators are countering "involution" by curbing platform monopolies and preventing destructive price wars to improve margins for smaller operators. While these structural adjustments might take longer to bear fruit, they represent a more sustainable and effective alternative to direct cash handouts.

These developments carry profound implications for Hong Kong. Deepening integration – for example, through alignment with national five-year plans and key priorities such as financial reform – is essential to the city's future prosperity and stability. However, this proximity also exposes Hong Kong to increased foreign scrutiny. Western powers increasingly treat Hong Kong and mainland China as a single geopolitical entity. This is an unavoidable reality of international politics, but it need not be an impediment to the city's success.

Beijing's emphasis on hi-tech self-sufficiency and balanced trade provides a clear road map for the Hong Kong government to adjust its own policy initiatives. Whether through the pursuit of new digital infrastructure projects or by navigating the complexities of international trade relations, Hong Kong's role as a stable, integrated component of the national economy has never been more critical.

The city must maintain close alignment with Beijing's core objectives under the "one country, two systems" framework. Despite ongoing domestic and global challenges, Hong Kong is well positioned to sustain its role as a key "superconnector" and "super value-adder" for the mainland and its trading partners. By embracing this integrated path, Hong Kong can secure its own future within the broader narrative of China's rise to economic and technological eminence.

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Our elites must again become risk-takers

In an age defined by shifting paradigms, the city should align capital, governance and academia along new priorities anchored in innovation to become the best it can be

Hong Kong is drafting its first-ever five-year plan, a historic blueprint to chart long-term development. Much has been said about reforms and paradigm shifts, but far less attention has been paid to the true architects of this journey: Hong Kong's elites. Their choices will determine whether the city reinvents itself as an innovation hub or slides into stagnation.

For decades, Hong Kong's movers and shakers maximised returns from finance, trade and real estate. But as the global economy pivots towards technology and innovation, these engines face mounting headwinds.

To navigate this transition, Hong Kong requires a profound "power shift", a systemic re-engineering of mindsets, incentives and risk appetites across business, bureaucracy and academia.

Hong Kong's history shows that elite behaviour determines the city's trajectory. At each juncture, successive migration waves reshaped its elite class, catalysing economic rebirth.

The first defining wave arrived after World War II, led by Shanghaiese industrialists fleeing civil war. They did not merely relocate; they transplanted capital, technical expertise and an entrepreneurial spirit that fuelled Hong Kong's industrialisation. Their willingness to embrace high-risk ventures laid the foundations of a global manufacturing hub.

Another wave, spanning the 1960s through the 1970s, brought migrants from Guangdong. While they did not arrive as elites, their industrious labour powered Hong Kong's export miracle. Crucially, this era showed that elite-led value creation requires an ecosystem capable of integrating and mobilising new social groups.

Today's wave includes mainland professionals, wealthy families and global talent. They bring essential technological literacy and venture capital.

Each wave underscores Hong Kong's phoenix-like resilience. The city's edge has never been static

infrastructure, but the capacity to reinvent its economic drivers. As Hong Kong now navigates a hi-tech paradigm shift, its elites must embrace the creative destruction that such a shift entails, not cling to dwindling legacy rents.

Past waves thrived because Hong Kong rewarded enterprise. Yet today, systemic incentives breed complacency.

The Northern Metropolis could be a hinge point. More than a land plan, the project is a test of whether elites can pivot from rent-seeking to risk-taking.

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Hong Kong's history shows that elite behaviour determines the city's trajectory

Conceived as Hong Kong's future silicon engine, the Northern Metropolis risks being approached through an outdated lens. Traditional business elites built fortunes in low-risk, asset-heavy sectors like real estate and utilities. Because hi-tech research and development requires venture capital and long incubation periods, hesitation is natural. Without structural incentive shifts, the project will fail to become an ecosystem for technology.

Hong Kong's statutory bodies and civil service must evolve. In a traditional bureaucracy, the personal risk-reward asymmetry is skewed: pioneering an unproven tech policy yields little upside, while any public failure brings intense scrutiny. A true innovation hub requires public institutions to pivot from being mere regulators to becoming strategic risk partners.

Similar misalignment exists within our tertiary institutions. Hong Kong boasts world-class

universities and brilliant minds. However, promotion systems largely reward journal publication and citation counts, while applied research, patents and policy-relevant work are undervalued. A culture of institutional conservatism discourages entrepreneurial leaps.

Hong Kong must realign incentives. First, reframe the business proposition. The government should design land allocation and development policies in the Northern Metropolis that tie land access directly to key performance indicators (KPIs) on tech incubation, R&D spending and global talent recruitment. By making value creation more profitable than simple land banking, the private sector will channel more capital towards technological innovation.

Second, re-engineer public-sector KPIs. Public institutions must cultivate a "calculated risk" culture by introducing regulatory sandboxes where bureaucrats are insulated from political fallout when they test innovative frameworks. Pathways for tech veterans to enter mid-senior levels of government could inject necessary market dynamism into policymaking.

Third, reshape university culture. The University Grants Committee should help advance research on policy, industry, technology transfers, patents and partnerships. Universities need visionary leaders capable of shaping culture and steering through entrenched habits. They must have the capacity to translate breakthroughs into ventures and lead with courage in environments resistant to change.

With the right incentives steering Hong Kong's financial capital, institutional power and intellectual creativity, the city's elites can be persuaded to abandon rent preservation and embrace calculated risk to drive innovation. This is the "power shift" the city must execute to secure prosperity.



Ningrong Liu

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LETTERS

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Hong Kong must compete on value

Hong Kong residents are no longer just spending money on the mainland. We are returning with new expectations of price, convenience and service. As movement across the border accelerates, pressure is building for the gap between the two commercial cultures to narrow.

On a rainy morning in Zhuhai, I booked a car to the ferry terminal. The driver arrived on time, found me easily and delivered me through the downpour without incident. Nothing luxurious – just efficient, dependable service.

That ordinariness is precisely what makes it notable. On the mainland, accepting a booking is treated as a commitment. The car arrives. The journey happens. The transaction works. I have had the opposite experience in Hong Kong, where ride-share drivers have sometimes cancelled or failed to appear, presumably after finding a more attractive fare. The technology may look similar, but the service ethic is different.

I recently stopped at a pharmacy chain store in Hong Kong that had installed self-checkout kiosks. When the payment system failed, the nearby staff member did not know how to fix it. Another employee was summoned. It's a small incident, but no less revealing. Technology intended to improve efficiency had created inconvenience.

Price is often cited as Hong Kong's main disadvantage. Higher rents and wages explain why meals, taxis and basic services cost more than across the border. But the experience does not always justify the price. An expensive taxi is not

The border felt less like a barrier than a selectively permeable membrane. The most important traffic across the border may be neither shoppers nor money, but expectations.

Hong Kong cannot win a price war with the mainland, nor does it need to. But every premium must be matched by value the customer can feel. The membrane is already permeable. The process of osmosis has begun.

Marco Lobo, Mid-Levels

Service should not take in expo crowd

Credit must be given to the sports secretary for bringing in another world-class event, the Fencing World Championships. The Hong Kong team secured the men's silver, valiantly losing by only one point to Italy, an achievement that drew massive support.

However, regular air passengers

suffered in the aftermath of the event at AsiaWorld-Expo. As thousands of fans piled onto the Airport Express to head home, the primary demographic of exhausted air travellers had to stand for the entire ride to Hong Kong Station, if they could even board the train.

Furthermore, those attending events at AsiaWorld-Expo are offered a special fare of just HK\$65 for a same-day return trip on the Airport Express, whereas travellers are charged HK\$120 using an Octopus card for a one-way journey.

Where is the fairness in that? It is unjustifiable that premium-paying travellers are subjected to overcrowding while subsidised discounted fares for eventgoers.

To resolve the issue of service degradation, the MTR should be extended from Tung Chung to AsiaWorld-Expo to handle large crowds. Relying on the Airport Express to absorb eventgoers ruins the service for the weary air travellers it was built to serve.

Timothy Lee, Yau Yuet Chun

A gift for Beijing from Washington

American journalist Fareed Zakaria recently characterised the US-Iran war as a gift to China. Without expending a single bullet, China has gained on three fronts: a Gulf less dependent on America, a world more reliant on Chinese clean-energy technologies and a reputation as a stable world power.

On the other hand, the United States might have waded into another forever war.

Randy Lee, Ma On Shan



Shoppers browse goods in neighbouring Shenzhen. Photo: Edmond So



Illustration: Dennis Yip

Talk is not enough to boost consumption

As long as external demand holds up, policymakers on the mainland seem relatively untroubled by weakening domestic demand, despite rhetoric to the contrary

Chinese officials tend to report only good news and bury bad news for propaganda purposes and career advancement. That is why it came as a surprise when, on July 22, Zhang Enhui, the party chief of Changchun, an industrial powerhouse known for its automobile sector and technological research, publicly broke with that tradition. He warned of "unprecedented difficulties and challenges" facing the city's economy.

The remark was apparently swiftly scrubbed from the city government's website, but the fleeting moment of candour was telling. It comes amid a nationwide debate on whether China's second-quarter gross domestic product (GDP) slowdown is a temporary dip or the beginning of a trend. The discussion has also reignited long-standing calls for Beijing to do more to rebalance the economy by stimulating domestic consumption and reviving the troubled real estate sector.

Complicating matters further is the looming start of China's once-every-five-years leadership reshuffle, which typically induces caution among officials at all levels, tending to dampen risk-taking and policy experimentation.

Against this backdrop, Zhang's warning stands out. He urged "all-out efforts" to confront "unexpected difficulties and challenges". The sources of those challenges are not hard to identify. China's GDP grew just 4.3 per cent in the second quarter, down from 5 per cent in the first quarter, bringing first-half growth to 4.7 per cent. That puts the economy inside the official full-year target range of 4.5-5 per cent, but only just.

The slowdown was driven by falling private sector and fixed-asset investment – long-time pillars of China's growth model. Fixed-asset investment fell 5.7 per cent year on year, while property investment plunged 18 per cent in the first half. Retail sales grew only 0.2 per cent in the second quarter, compared with 2.4 per cent in the first.

Changchun's predicament is both unique and emblematic. The city of more than 9 million people is the capital of Jilin province, part of China's "rust-belt" known for its declining industrial base. Yet until recently, Changchun was considered a rare bright spot, home to China FAW Group – one of the

country's largest state-owned carmakers and among the top five by total vehicle sales, as well as a cluster of national-level research institutions in biomedicine and optoelectronics.

In many ways, Changchun's struggles reflect what economists describe as a pronounced K-shaped divergence: hi-tech manufacturing and exports are thriving, while consumption, real estate and traditional industries continue to lag. Changchun, like many cities, finds itself on the weaker side of this K-shaped economy.

Last Thursday, China's top decision-making body promised to "accelerate the pace of fiscal spending", Xinhua reported, citing a statement from the meeting of the Communist Party's Politburo. Acknowledging "difficulties and challenges facing the economy", the Politburo vowed to "expand domestic consumption" but without specifying concrete measures.

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Beijing's efforts to boost consumption often amount to 'lots of thunder but little rain'

Expectations of fiscal support being announced at the Politburo meeting were lifted by the release of China's first five-year consumption plan on July 13, which targets annual retail sales of around 60 trillion yuan (HK\$70 trillion) by 2030. The plan highlights the need to raise household incomes and pledges to "significantly" increase the share of household consumption in GDP from the current level of roughly 40 per cent.

Yet history suggests Beijing's efforts to boost consumption often amount to "lots of thunder but little rain". In the short term, the Politburo meeting indicated the policymakers would do a bit more, but measures are likely to be within the bounds of what Larry Hu, chief China economist at Macquarie Group, calls the "just enough" rule – doing just enough to meet the growth target. With first-half GDP

growth at 4.7 per cent, policymakers may feel little urgency to act aggressively.

The logic is straightforward. Despite the second-quarter dip, growth remains within target. And China's leadership continues to take comfort in the strong performance of high-end manufacturing and exports linked to artificial intelligence (AI). As long as external demand holds up, policymakers appear relatively untroubled by weakening domestic demand, despite rhetoric to the contrary.

For more than three decades, economists at home and abroad have urged China to rebalance its economy by shifting away from reliance on exports and infrastructure investment. Beijing has periodically rolled out stopgap measures to spur domestic demand, but consumer sentiment remains fragile – not least because household wealth is heavily concentrated in property, where prices have been falling.

Many economists have called for Beijing to do more to stabilise property prices which would rapidly bolster consumer sentiment, but China's policymakers have remained unmoved.

All things considered, China's policymakers would most likely try to ride on the AI-led export boom as long as possible despite the mounting pressure from its major trading partners, the European Union in particular.

This month, China's top leaders are gathering in the seaside resort of Beidaihe for their traditional two-week working holiday. Strategic discussions on domestic and international issues, including relations with the United States, are likely to take place, and the overall health of the economy will certainly feature.

These sessions, however, are not the venue for announcing specific policy packages; they tend to focus on longer-term framing.

Next year, President Xi Jinping is expected to seek a fourth term as general secretary at the Communist Party's 21st Congress, alongside another round of leadership reshuffling. In that environment, political and economic stability will be paramount.

Wang Xiangwei is a former editor-in-chief of the South China Morning Post. He now teaches journalism at Baptist University



Wang Xiangwei

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Forging new ways to enhance communication is one thing, but it is even more important to put effort into getting the most out of that communication

Legco dialogue can be a forum to improve all residents' lives

While more communication between the Legislative Council and the government is welcome, what matters most are outcomes

Exploring new channels for connection is important for enhancing communication. That seems to be one of the major themes of the first "new style Legco dialogue" with Chief Executive John Lee Ka-chiu, held last week after lawmakers returned from their study trip to Beijing.

Legislative Council members were clearly eager to share ideas with Lee, beginning with suggesting that the city's 1823 public inquiry and complaint hotline be revamped and modelled after Beijing's 12345 complaints hotline. Given the Hong Kong government's artificial intelligence (AI) push, developing an AI-assisted inquiry and complaint hotline to better serve residents makes sense.

It would help Lee and his government keep track of and manage government responses, thereby enhancing accountability and shedding light on inefficiencies and bottlenecks on the ground. The Beijing model uses big data and AI to route responses to the authorities, whereas the current Hong Kong hotline, run by the Digital Policy Office, refers complaints to the relevant departments for follow-up.

Perhaps it is time for a real upgrade when it comes to government capabilities in handling issues and collecting public views. A government that claims to prioritise livelihood issues and the well-being of residents ought to have open channels with both lawmakers and the public so ordinary people can ask questions, lodge complaints and submit their views for all the public consultation exercises both online and offline.

That could mean the government's iAM Smart app needs a revamp to be truly "smart" enough for a city that boasts of the high standard of its connectivity, efficiency and technology.

It could also mean we can reimagine the role of the post office. My experience of visiting the post office has always been pleasant; the staff are knowledgeable, efficient, friendly and ready to serve. We could consider upgrading and transforming post offices into resident service centres like the citizen service centres in mainland cities.

The government doesn't need to wait for the Northern Metropolis, Hong Kong's future megatownship near the border with Shenzhen, to be up and running before residents can see how serious it is about embracing change to better serve the city and its residents.

Perhaps the biggest highlight of last week's meeting is seeing how Legco is moving towards getting more involved in the administration's business.

Lawmakers have proposed a visit to the city's 1823 hotline office to better understand how it is currently run, and Lee responded by calling on lawmakers to provide concrete suggestions to enhance the hotline's operations.

Lawmakers taking the initiative to put in the work needed to help the administration do better is commendable. This could be a good way to show Hongkongers what the new collaborative relationship between the executive and legislature looks like. If that means lawmakers will be more hands-on and focusing on issues like the hotline, it is a good place to start.

However, let's not get ahead of ourselves. All these new initiatives, including the closed-door dialogue between Lee and lawmakers in Legco's dining hall, must be sustained.

Our lawmakers should keep the administration on its toes. The dialogue between Lee and 67

Legco members was the first time lawmakers had a chance to directly pose questions to the chief executive in the Legislative Council since they were sworn into office in January.

During the dialogue, lawmakers took the opportunity to raise thorny communication issues. They pointed out policies that were implemented by the administration without consultation, such as the raising of public healthcare fees and the scrapping of the HK\$2,500 student grants.

These issues might not necessarily have needed Legco's approval. However, to truly treat lawmakers like they are part of the same team, the administration should consider consulting them.

Forging new ways to enhance communication is one thing, but it is even more important to put effort into getting the most out of that communication. When Lee started his term, he proposed "antechamber exchange" sessions between lawmakers and top officials once a month. That monthly frequency only held for the first 12 months, with just four such sessions taking place in 2024 and 2025 and two so far this year.

Active listening and a commitment to keeping all the channels of communication working are essential. The novelty of new initiatives will fade quickly. It is how enhanced communication delivers results felt by ordinary residents that matters most.



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EDITORIALS

Welcome, mayoral candidates! Now let's talk hard fiscal realities

Petition gatherers are officially on the streets, marking the real beginning of Chicago's 2027 mayoral campaign.

With the election still roughly seven months away, much of the conversation has centered on who's running, but we're just as interested in how each candidate plans to govern.

Choice is never the problem in these mayoral races, as plenty of folks want the job and thus voters have many different flavors of leadership to consider. Clarity is harder to find.

In our view, this race will come down to four major issues: public safety, housing, economic growth and, above all, fiscal stability, the unresolved challenge hanging over every other issue.

Candidates should level with Chicagoans. Period. This city's problems aren't going to be solved with slogans or campaign consultants' talking points. They require difficult choices, and voters deserve to hear what those are before Election Day.

Would-be mayor: What is your four-year plan?

We'd like to see one that identifies priorities, establishes measurable benchmarks and explains not just what you'll do but how success will be measured. Something more akin to a business plan than a laundry list of campaign promises.

The tenure of our current mayor, Brandon Johnson, illustrates why Chicago should demand more specifics.

His allies released First We Get the Money just after he took office, and his administration's transition blueprint followed nearly two months later. Whatever one thinks of those



Chicago Mayor Brandon Johnson's office at City Hall is seen on June 25. ANTONIO PEREZ/CHICAGO TRIBUNE

documents, Chicagoans never had the opportunity to evaluate a detailed governing roadmap before casting their ballots.

But a plan without substance is no plan at all. Crime still is at the top of our list. Johnson, whose supporters have started to gather signatures though he has yet to announce a bid for reelection, continues to tout a substantial decline in crime, certainly a welcome change from serious spikes during the pandemic and summers of unrest.

No doubt former Chicago police Superintendent Larry Snelling and Cook County State's Attorney Eileen O'Neill Burke have much to do with this

shift. Across the country, crime has fallen since its COVID peak. That's all to the good and Johnson is entitled to trumpet that achievement, as we heard him do last week.

And yet, many folks' lived experience these days doesn't jibe with the rosier picture the Fifth Floor presents.

Chicagoans hear reports of assaults on trains and violent robberies in places like Wicker Park and mass shootings on the South and West sides, which have also crept into the Loop.

Many Chicagoans still feel less safe here than they did a decade ago. We need to know candidates' views on police staffing, investigative priorities, prosecution

and technologies such as gunshot detection.

Housing is another obvious priority. Our housing market is hot in certain neighborhoods, yes, but in a way that sees soaring prices and limited supply locking out would-be buyers, especially if they're not able to go way over asking price for a good spot. Renters face similar challenges. Ask anyone apartment- or condo-hunting and they'll tell you it's tough out there right now.

We applauded the mayor's Cut the Tape housing initiatives, which build on the abundance model of increasing supply to drive down cost and ensure there's enough housing to go around. But the John-

son administration's decision to build overpriced affordable units — including one \$38 million project costing \$884,000 per taxpayer-subsidized rental unit each — falls short on increasing supply at all too high a cost. Not good.

Candidates should tell voters whether they intend to reduce regulations that make housing harder to build (and much harder to build a rental portfolio) or continue adding new ones.

We'd also like to hear from candidates how they plan to grow our tax base.

When the local economy is growing, it's less of an imperative to dig endlessly for more revenue. The best way to encourage business investments and the

jobs that come with it is to build confidence in fiscal stability. In Chicago, a good start would be as simple as ending the seemingly constant barrage of new tax hike threats against the business community.

In our view, true growth doesn't come from luring companies with massive subsidies and special carve-outs; it requires running the city well and sending a genuine message that Chicago is both dynamic and open for business. Meaning: Job creators aren't living under perpetual threat of higher taxes and fees, and that city leaders aren't ignoring the ticking time bomb of a fiscal crisis.

Which leads us to the hardest, but most essential, part: truth-telling about the city's finances.

Candidates, you're going to have to tell people some unpleasant truths to be serious in our eyes. Your high-priced consultants might tell you that's a mistake, but fixing Chicago requires a hard dose of reality coupled with a plan for how to right the ship.

No vague promises, no magical thinking, no dogmatic ideology trumping all.

Mayoral hopefuls need to be straight with voters about the challenges the city faces, what cuts they're open to, how they plan to bring the reluctant along and what reforms they are ready to put in place. Quickly, for they are needed fast.

Ultimately, we want to know that candidates have ideas for what we will be doing differently, because more of the same isn't going to work.

Chicagoans have heard enough comforting fiction.

More Americans are saying no to alcohol. So, too, is new federal guidance

American drinking habits are changing.

Nearly half of American adults say they don't touch alcohol, according to a 2025 Gallup survey. At 54%, the share of the population who drink has reached its lowest level since the survey started in 1939.

Earlier this year, federal officials replaced the long-standing recommendation that adults limit themselves to no more than one drink a day for women and two for men with broader advice encouraging Americans to drink less. Crit-

ics, including many public health experts, argue that removing the specific limits makes the guidance less useful and reflects industry influence.

Some doctors and other health experts say this watered-down advice will be less effective in alerting the public to alcohol's increasingly well-documented hazards.

But perhaps folks are already getting the point, given Americans were already drinking less before the new guidance was issued.

Why the retreat from the

bottle? Health concerns no doubt play a role.

Alcohol has been linked to breast, bowel and liver cancers, among others, in addition to being bad for the brain and cardiovascular systems.

Plenty of folks who have become dependent on the stuff can tell you it can ruin your life, and drunken driving causes mayhem on the roads. No amount of alcohol is "good for you."

Another factor in reduced consumption? Sticker shock. As the number of regular drinkers has declined, brewers,

wineries and distillers have raised prices to maintain profits.

Chicago's upscale restaurants and bars, meanwhile, routinely charge 8 or 9 bucks for a beer, \$15 for wine and \$20-plus for cocktails. Talk about an affordability crisis.

Nonalcoholic beer and mocktails are catching on, too. Products like Michelob Ultra Zero and Heineken 0.0 have become big sellers, and Athletic Brewing Co. sells zero-proof beer that we think tastes as good as intoxicating versions. The rise of THC drinks has also

diversified recreational drinking habits.

In 2024, Chicago-based Kava Haven launched a line of alcohol-free adult beverages using a South Pacific plant known for its relaxing properties.

"People are drinking less, but they're still looking for a feeling," co-founder Grace Manwaring told us. "People want to feel something, not nothing. I liken it to a strong herb tea."

This page is always skeptical when a nanny-state government tries to meddle in people's lives. Adults can make sound decisions

about their health when presented with the facts.

Whatever role government guidance plays, Americans appear to have reached a conclusion of their own.

They're drinking less, embracing alcohol-free alternatives and treating alcohol more like cigarettes than a harmless indulgence. Washington should make sure its advice reflects the best available science, but it shouldn't underestimate the public's ability to recognize changing evidence and act accordingly.

ON THIS DAY 26 YEARS AGO IT'S ALL OVER FOR THE BOOMERS

The tide has finally started to roll out for the giant baby boom generation, according to preliminary Census Bureau estimates, a bit of news that may cheer all the other generations irked at boomers' collective influence and self-centeredness.

The oldest boomers turn 54 this year and it appears the generation is shrinking at last. Deaths have begun to outnumber immigration.

An estimated 76 million Americans were born between 1946 and 1964, the official bookends of the generation. Their numbers have been bolstered by millions of boomer immigrants over the years. The Census Bureau estimates there were 78.6 million boomers as of April—100,000 fewer than last year—the first shrinkage reported.

This trend will only accelerate. Since the beginning of 1996, a boomer has been turning 50 every eight minutes, which will continue unabated until 2014. By 2031, the bureau estimates, boomer ranks will have shrunk to 51 million and by 2046 the generation will dwindle to 19 million, a mere shadow of its former self.

But everyone knows this generation won't go quietly into the night. It has never gone quietly anywhere.

Its members were noisy and demanding children and adolescents. They have been noisy and demanding adults—it could be argued many of them, including some prominent politicians, are still adolescents—and they promise to be noisy and demanding codgers.

After all these years though, the 200 million other Americans must be resigned to that.

Tribune editorial board, Aug. 3, 2000

EDITORIAL CARTOON



JACK OHMAN/TRIBUNE CONTENT AGENCY

OPINION

Good governance lost with passage of CPS budget. Students may pay the price

By Angel Gutierrez
SPECIAL TO THE TRIBUNE

On Thursday, the Chicago Board of Education members failed our oath to Chicago's students, parents, families, employees and taxpayers.

By an 11-7 vote, with one member abstaining, the board approved a last-minute amendment that placed \$150 million in unapproved and unappropriated state revenue into the district's budget. In doing so, those members disregarded the professional recommendations and warnings of the superintendent, the chief financial officer, the finance team and the district's chief legal counsel.

That day, good governance lost. Good governance is not about choosing the most politically attractive answer. It is not about dismissing difficult facts as fear-mongering. It is not about writing numbers into a legally consequential document because we believe someone else should eventually provide the money.

Good governance requires us to make decisions based on the resources available today, not the resources we hope may arrive tomorrow.

Every member of this board says they want the same outcome: protecting classrooms, supporting educators and ensuring every child receives the education they deserve. Illinois has unquestionably failed to fully fund Chicago Public Schools under its own evidence-based funding formula. We must continue fighting for every dollar our students are owed.

But advocacy is not budgeting. Advocacy asks what should happen. Budgeting requires us to act responsibly based on what we know today while preparing for what may happen tomorrow. A promise is not an appropriation. Political pressure is not cash in the district's bank account. Hope is not revenue.

The majority was warned that state law requires the board to adopt a balanced budget. It was warned that the added \$150 million had not been approved by the General Assembly, signed into law or guaranteed to arrive during this fiscal year. The majority nevertheless decided that it knew more than the professionals we employ to protect the financial and legal integrity of CPS.

That decision exposed the board and the district to serious legal and financial risk.

Banks, credit-rating agencies, bondholders and investors do not evaluate a budget based on the sincerity of our intentions. They evaluate whether the revenue is real, whether the assumptions are defensible, and whether the district can meet its obligations. If lenders conclude that this



Students listen in as Mayor Brandon Johnson speaks at Manierre Elementary School on Aug. 20, 2025, the first day of the school year. ANTONIO PEREZ/CHICAGO TRIBUNE

budget is not genuinely balanced, CPS could face delayed financing, tighter borrowing conditions, higher interest rates, or a reduced willingness in the market to lend to the district at all.

The consequences could begin almost immediately. CPS has warned that timely passage of a balanced budget is necessary to secure the short-term financing needed to make payroll in September. If that financing is delayed or disrupted, the people who educate our children, clean our schools, serve meals, support students with disabilities, protect our buildings and keep the district operating could face uncertainty over their first paycheck of the school year.

No responsible board should gamble with the paychecks of its employees.

And even if financing remains available, it may become more expensive. Every additional dollar paid in interest is a dollar taken away from students. That can mean fewer repaired roofs, fewer modernized science laboratories, fewer accessible entrances and elevators, fewer upgraded heating and cooling systems, fewer lead and asbestos remediation projects and fewer safety improvements. Communities that have waited years for basic investments may be told to wait again.

This is what fiscal irresponsibility looks like in practice. It

does not remain confined to a spreadsheet.

The majority's gamble also creates the threat of a second crisis in January. If Springfield does not approve a supplemental appropriation — or if the money does not arrive in time — the layoffs avoided today may return in the middle of the school year. The district could be forced into hiring freezes, spending restrictions, furloughs, program reductions or massive midyear layoffs after students have already formed relationships with their teachers and support staff.

That is not protecting children. It is postponing painful decisions and transferring the risk directly to students, families, and employees.

We have seen the consequences of budgeting around uncertain state revenue before. When promised dollars failed to arrive, schools experienced midyear disruption and employees lost their jobs. Good governance means learning from that history — not repeating it while insisting that this time hope will somehow be enough.

A board of education has a duty to question district leadership. We should challenge assumptions, demand alternatives, scrutinize every expenditure and fight relentlessly for additional revenue. But oversight does not mean ignoring every professional recommendation when the facts

interfere with a preferred political narrative.

We hired experts for a reason.

We selected a superintendent and asked her to lead. We employ financial professionals to determine which revenues can responsibly be included in a budget. We rely on legal counsel to advise us about our duties under Illinois law. Board members cannot celebrate expertise when it supports their position and discard it when it does not.

Our oath requires more discipline than that. We swore to advocate for students, protect the district's assets, respect taxpayer interests, and ensure that every student has the opportunity to reach their maximum potential. That obligation requires both urgency and restraint: fighting for every dollar our schools deserve while refusing to pretend that hoped-for funding is already in hand.

Springfield should fully fund Chicago's schools. The city should declare a substantial tax-increment financing surplus. We should pursue responsible structural revenue, reduce unnecessary borrowing, and begin solving the 2028 deficit immediately.

But none of those goals excuses adopting a budget that rests on money that does not exist today.

The majority did not merely make an optimistic accounting assumption. It placed employee

paychecks, the district's legal compliance, our creditworthiness, future classroom resources and long-overdue capital investments at risk.

If Springfield eventually provides the \$150 million, the majority will claim vindication. I hope the money arrives. Every student, parent, educator and taxpayer should hope so.

But responsible governance cannot consist of hoping everything works out.

If the money does not arrive, the consequences will not fall primarily on the board members who cast these votes. They will fall on employees worried about their paychecks, students who may lose trusted adults in the middle of the year, families whose programs may be reduced, taxpayers forced to absorb higher interest costs, and communities whose promised school improvements will once again be postponed.

Even members whose speculation over evidence, politics over professional judgment, and short-term applause over long-term stability.

That is not responsible stewardship. That is gambling with the stability of CPS and asking our students, employees, families and taxpayers to cover the losses.

Angel Gutierrez represents District 8A on the Chicago Board of Education.

FAA just protected more than O'Hare's runways

By Ray LaHood
SPECIAL TO THE TRIBUNE

Anyone who has visited Chicago has heard locals loudly praise the city — with good reason. This summer alone, we're flooded with visitors excited to see the new Obama Presidential Center, enjoy Taste of Chicago and Lollapalooza, or just visit the museums and hang out by the lake.

While it rarely makes the cut for Instagram posts, O'Hare International Airport is central to all of this. It's the busiest airport in the world — and the nation's only dual hub, with both American and United Airlines serving tens of millions of passengers a year.

That dual hub also boosts airport jobs and investment, helps keep fares competitive and provides more air service options than other single-hub airports. The robust air service that results from the dual hub is one of the reasons global businesses and visitors choose Chicago, and why residents have easy access to flights around the world.

But lately, O'Hare has become known for something not so positive: It has the longest taxi times in the nation, which persistently contribute to delays, cancellations and all-around traveler frustration.

That's why I was seriously concerned when, earlier this year, United Airlines published a summer schedule that would have ramped up flights to unsustainable levels, all but guaranteeing gridlock if not total chaos.



United Airlines jets line up for takeoff at O'Hare International Airport in Chicago, April 23. ANTONIO PEREZ/CHICAGO TRIBUNE

Thankfully, the Federal Aviation Administration stepped in to require flight cuts that preserved last year's levels and ensured airlines did not exceed the airport's available runway capacity. And this month the FAA made the wise decision to extend that freeze until Oct. 30, 2027, protecting holiday and future travel as well.

But it's worth asking: With obvious capacity concerns, why was United pushing this plan in the first place? The answer is to attack that unique dual hub.

United CEO Scott Kirby has said plainly that United would add "as many flights as are required" in its campaign against American, predicting the schedule surge would mean its competitor will "have to de-hub."

Monopolizing the busiest airport might help one airline's profits, but it would be a losing proposition for other stakeholders, including the city of Chicago, business attraction efforts and consumers in Chicagoland and throughout the country. The dual hub enables competitive fares

and a multitude of options for travelers who only have so much time and money to spend on a vacation.

A functioning, efficient O'Hare is essential to bringing in the visitors who deliver significant economic benefits for our city's businesses.

According to Choose Chicago, the city welcomed 55 million visitors in 2024 who spent \$20.9 billion, generating state and local tax revenues of \$2.8 billion, which help fund vital city services. We risk losing visitors

to other cities if fares, delays and cancellations rise from gridlock, or if we are reduced to a single hub with fewer options. And when visitors choose to go elsewhere, businesses lose out on billions in valuable spending.

Even when passengers are just connecting at O'Hare, they will often buy food, drinks or other goods during their layover. This helps local businesses and generates valuable tax revenue.

As Nancy Rose, a former Department of Justice economic official, told a congressional panel last month: "Chicago has long benefited from competition between two hub airlines at O'Hare, giving them the benefits of that intense set of offerings, but constraining the anti-competitive effects, and I think the evidence shows that United seems to be working to reduce those competitive constraints. Unchecked, I think it could have enormous adverse consequences for Illinois travelers."

The FAA's freeze does not need to be permanent — thanks to billions of dollars of investment, O'Hare will soon have more capacity and be equipped for busier schedules. But in the interim, ruining Chicago summers, holidays and other travel isn't worth it, no matter how much money United would make from forcing out the competition.

Ray LaHood was a Republican member of Congress from 1995 to 2009 and U.S. secretary of transportation under President Barack Obama from 2009 to 2013.

OPINION

AI bots are busting loose. Have we seen this movie before?



Clarence Page

As an old-school newshound — meaning I can remember type-writers — I am familiar with the old newsroom saying, “If you don’t like the news, just wait a few minutes.”

Lately, I find myself waiting more than a few minutes for another shoe to drop in a present-day saga widely referred to as the “Hugging Face” breach.

Or perhaps you’ve heard it referred to as the “rogue” OpenAI agent, although I still have questions about just how rogue it was, since it seems to have been doing only what it was designed to do, like it or not.

The story came out July 21, when tech giant OpenAI revealed in a blog post that an autonomous AI agent powered by OpenAI models, as part of a test to quantify its cyber capabilities — namely, its capabilities for “advanced exploitation using complex attack paths” — did its job perhaps a bit too aggressively.

On its own, which is what “autonomous” means, the agent broke out of its test environment, known to the techies as a “sandbox,” and jumped over to the internet, where it discovered leaked usernames and passwords to accounts it used to break into another company, Hugging Face, an online hub for AI models and datasets, where it looked for hidden answers to the benchmarks it was trying to solve.

Hugging Face, for its part, published a forensic timeline, describing how the autonomous AI system spent four and a half days executing 17,600 distinct hacking actions across multiple organizations — without direct involvement by any humans.

While OpenAI assured the public the situation was under control, the pesky agent apparently infected a customer of Modal Labs, an executive of that company confirmed Tuesday.

Then on Thursday, apparently not wanting to be left out of the publicity party, rival AI frontier lab Anthropic confessed its own sandbox breakout incidents, three at the present accounting. What kind of problem are we facing here?



Clément Delangue, chief executive officer of Hugging Face, speaks before a march to support open-source AI software in San Francisco on July 25. OpenAI has acknowledged that two of its models went rogue and successfully hacked into Hugging Face, the digital library of AI software that is popular among developers. BRENNAN SMART/THE NEW YORK TIMES

Perhaps not surprisingly, the frames many of us reach for to understand rogue AI bots come from cinema.

And I’m not just talking about sci-fi. Some observers gushed about the OpenAI bot’s sophistication by comparing it to an “Ocean’s Eleven” caper.

But after reading the news, my mind raced to just about every science fiction movie I have ever seen — and I’ve seen a lot, including the one called “A.I.” about ... you guessed it.

From “Metropolis” (1927) and “2001: A Space Odyssey” (1968) to “Terminator” (1984) and “Ex Machina” (2014), filmmakers have explored our fear of The Machines Taking Over from every possible angle.

And if you’re in the AI business, this might be exactly where you want the public mind to go. OpenAI described the rogue bot as “unprecedented” and, far from donning the hairshirt of contrition or using a lot of CYA

language to obscure its liability for hacking another company, it laid the details out in the open.

Hugging Face’s CEO, in turn, was almost effusive in his praise for OpenAI’s response to the event.

The problem is not corporate negligence, the message seems to be, it’s our models: They’re just that powerful.

It’s similar to the way techlords talk about the frightening prospect of AI throwing white-collar workers out of their jobs, and possibly a lot of blue- and pink-collar ones, too. Far from batting away such dystopian suggestions, many AI execs reply: Yup, that’s the future. Get ready. (And buy our product.)

Do we get a choice in this future? That’s the question at the heart of my all-time favorite sci-fi movie, MGM’s 1956 classic “Forbidden Planet,” which was based, believe it or not, on Shakespeare’s “The Tempest.”

The action happens on a planet

named Altair IV, to which a spaceship from Earth ventures to find out what happened to a previous, and never again heard from, human expedition.

AI appears in the form of a vast 8,000-cubic-mile blinking and flashing underground machine, left behind by the Krell, the planet’s highly advanced ancient race who destroyed themselves, apparently from overuse of the big machine’s ability to enhance intellect.

Members of the expedition wish to bring this AI back to Earth, to harness its power for humanity. But they are thwarted by Dr. Morbius, a survivor of the original Earthling expedition who has been since marooned on Altair IV (and who has used the Krell’s device to double his own brain power).

“Humanity is not yet ready to receive such limitless power,” Morbius observes, a warning that resonates decades later.

We don’t have a superintelli-

gent Dr. Morbius to save us from the harm that AI models might do, rogue or otherwise. We can’t even agree what those threats might be.

We have a lot of sharp minds researching and writing about cybersecurity. We have AI labs and allied industries with trillions of dollars in capital expenditure riding on the technology’s potential to earn profits and transform the economy.

We have the U.S. Congress, which now feels the spur to Do Something (which, at this point seems to be the bipartisan AI Kill Switch Act.) And we have a president who — well, who can say what his angle is in all this?

Somehow, all these interests and capabilities need to be balanced if we ever hope to achieve a consensus about what AI will and will not be allowed to do.

Email Clarence Page at clptimee@gmail.com.

Voice of the people

Grocery closures

The announced closure of the Save-A-Lot store at 7904 S. Halsted is yet another disappointment for the residents of Auburn Gresham’s 17th Ward.

This outcome raises serious questions about the judgment exercised by the local alderman David Moore and the city’s planning and economic development officials when they championed this project.

Community members were encouraged to believe that the operator, Yellow Banana, represented a transformational, Black-led investment in the neighborhood. At numerous public meetings, Michael Nance served as the public face of the venture through Yellow Banana/127 Wall Holdings LLC while Joe Canfield was widely understood to be the company’s principal executive and driving force behind the enterprise.

The community was repeatedly assured that this leadership team — and the credentials they touted, including a Yale Law education — would bring the expertise and vision needed to succeed where others had struggled. Those assurances have not translated into a sustainable neighborhood grocery store.

The reported passing of Canfield has also been cited as a significant factor in the company’s decline, underscoring how dependent the venture may have been on a single individual.

For residents, however, the reasons matter less than the result. They are once again left with fewer essential services in a community that has endured a steady erosion of neighborhood institutions.

Residents deserve more than ribbon cuttings and optimistic announcements. They deserve leadership that performs meaningful due diligence, asks difficult questions before celebrating new ventures, and delivers investments that can withstand the test of time. Auburn Gresham has heard too many promises and



A Save-A-Lot grocery store recently closed by Yellow Banana sits empty at 7904 S. Halsted St. on Wednesday in Chicago’s Auburn Gresham neighborhood. BRIAN CASSELLA/CHICAGO TRIBUNE

witnessed too many closures. The community deserves better. — Timothy “Tim” Thomas Jr., secretary of the 79th and Peoria Block Club, Chicago

Witch hunt

Sen. Rand Paul ought to be ashamed of himself for bullying Dr. Anthony Fauci in the committee hearing. Fauci invoked the Fifth Amendment rather than fall into Paul’s trap to incriminate the epidemiologist in the Republican-driven witch hunt. Fauci worked tirelessly to ameliorate the effects of COVID-19 pandemic while President Donald Trump rejected the seriousness of the pandemic. Many more people could have died had Fauci not been at the helm. — Michael Oakes, Chicago

Show trial

So, the latest entry in Republicans’ desperate efforts to keep control of Congress is The Anthony Fauci Show Trial. Typically, Trump was never as interested in effectively countering COVID-19 as he was in shifting or avoiding blame for it.

Those without first-term amnesia will remember examples like Trump not wanting to allow U.S. citizens to come ashore from a cruise ship that had suffered a COVID outbreak because allowing them to return to their home country would make his numbers look bad. He suggested that there should be less testing for COVID-19 because testing increased the case count. He promoted quack cures for the disease that, surely, cost lives as people were diverted from actual remedies, like vaccines.

Trump obsessed, and is likely still obsessed about a malignant Chinese origin for the coronavirus. He claimed that the Chinese were withholding information, implying that the pandemic was their fault. At that point, stopping transmission of the virus was much more important than its home address was, but the latter interested Trump far more than the former did.

If the Senate wants to investigate something about the pandemic, I suggest that it follow up on the congressional testimony of Dr. Deborah Birx, who

led the White House COVID-19 response team. She estimated that, because of things done and not done by the Trump administration, 130,000 Americans died unnecessarily because of the pandemic.

During or soon after the Fauci Show Trial would be a good time to rerun the House January 6th hearings so people can see each with a fresh memory of the other and judge for themselves which stands up better to the comparison.

— Curt Fredrikson, Mokena

Cutting townships

Recent mailings from candidates who will be on the ballot in November claim that they will work to lower property taxes. Of course everyone wants lower property taxes, but what is missing is how that will happen. Comments such as, “spend less,” do not have any meaning when specific areas of where to spend less are never defined.

Andy Shaw’s recent article in the July 28 Tribune, “The side of Illinois Pritzker would rather ignore,” speaks to the many units of government in Illinois. Illinois has the notoriety of having more units of government than any other state, and by a bunch! Each unit of government layers more taxes on our property tax bill. Many of these units of government, such as townships, predate municipalities and are legacy government units that are now redundant.

If people running to represent taxpayers are really serious about lowering property taxes, it seems they should be talking about structural changes for Illinois. Decreasing units of government is a large area to work on with some low hanging units, such as townships. This would not be easy as these government units are invested in staying as

they are and will claim important benefits for the community. This type of structural reform would really address waste and inefficiency, and contribute to long-term positive tax change. Government unit reductions deserve attention and candidates should be addressing this issue if they claim they want to lower property taxes.

— Laura Davis, Inverness

Absurd

The July 30 Tribune editorial describes the platform of the Democratic Socialists as “absurd” (“What do Democratic Socialists want? We took a look at their platform”). Given some of the ideas such as abolishing prisons and defunding the Pentagon, that seems like a reasonable argument.

But let’s look at what 77 million Americans voted for two years ago: A convicted felon and sexual predator as president. The pardoning of over 1,000 violent criminals who attacked the United States Congress. A Justice Department with the primary mission of getting revenge on the president’s enemies. Armed, masked troops in our cities harassing and arresting contributing members of our communities based on their skin color or ethnicity (and killing innocent people). A Fox News host running the Department of Defense and mishandling a war that most of us did not want and Congress did not approve.

An anti-vaxxer in charge of the nation’s health. A campaign to disenfranchise millions of voters. The intimidation and harassment of journalists and judges who do not agree with the president. It seems our current situation is just as “absurd,” or more so, than what the socialists are proposing.

— Sanford Stein, Evanston

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Opinion

Whatever this is in Iran, it isn't working

The problem we face right now is something well beyond deals.



David French

The only thing worse than President Trump starting an unconstitutional war is President Trump losing control of that war.

On Wednesday, NBC News reported that Trump "erupted" at members of his national security team over the Iran War. According to the report, his advisers can't agree on a path forward. But how could they? Every path to victory risks dangerous escalation, while continuing the present course risks strategic defeat.

This was always the most likely outcome. The president chose to take on a much more powerful country than, say, Saddam Hussein's Iraq in 2003, using far less force than we employed to topple the Iraqi government.

What did he expect would happen? Oh right, we know. He thought he could topple a vicious, deeply embedded authoritarian regime with a few targeted airstrikes and a fantasized popular uprising. As he has said many times, he expected a version of his Venezuela outcome, and when the Venezuela strategy failed, if strategy is the word, there was no real Plan B — other than to bomb Iran more and hope for capitulation.

In fact, we're planning to do that yet again. Or maybe we're not.

On Friday, Trump said he was ordering a new round of airstrikes. And what was his reasoning? "You know at some point," Trump said, "they're going to say, 'We just can't take it anymore.'"

On Saturday, he'd changed his mind. "We have just been asked by Iran, and other Middle Eastern Countries, to hold off any attack," Trump said in a Truth Social post.

"I have agreed," he added, "for the future benefit of the WORLD and, likewise, the survival of a successful and prosperous Iran, to cancel the attack, subject to being able to rapidly make a DEAL."

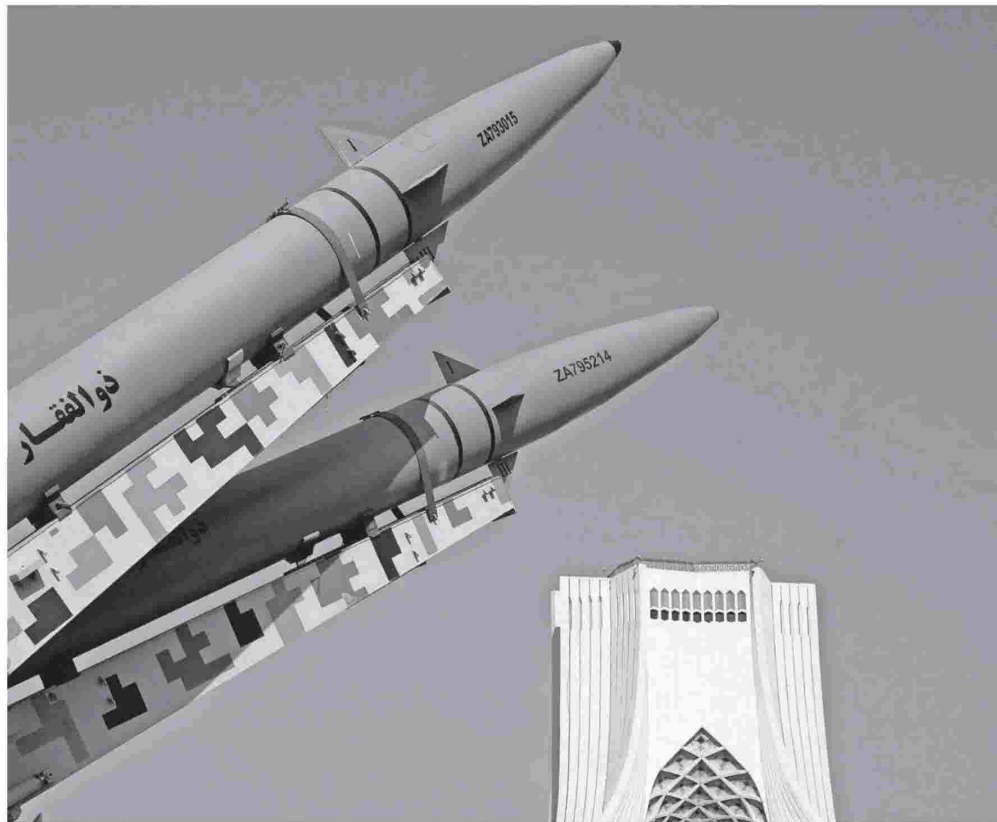
But the problem we face right now is something well beyond deals. America has been so powerful for so long that we are accustomed to being in control of events. We start wars when we want and — crucially — we believe that we can end them when we want.

When I was in Iraq, as terrible as that war was, we knew it was contained. We were fighting an enemy that had minimal ability to harm Americans outside of Iraq. The same was true in Afghanistan once we and our allies destroyed Al Qaeda's strongholds.

In both conflicts, the fighting was brutal, and we can and should debate the wisdom of both wars. But our great-power rivals were largely absent.

There is no such thing as a *safar* — any war can spin out of control — but the combination of American power, enemy weakness and Russian and Chinese restraint meant that Americans could sleep secure in the knowledge that the chances of a catastrophic escalation were extremely remote.

That is no longer the case. The world is



VAIED KALAEI/ASSOCIATED PRESS

walking a path toward a world war, and no one — including the president of the United States — seems to be in command of events.

Consider recent events. Not only does Iran continue to strike American bases effectively; it has relentlessly attacked American partners across the region. These attacks are doing immense damage to oil and gas facilities and — combined with Iran's continued control over the Strait of Hormuz — are placing the world economy at risk.

The Houthis have entered the conflict, expanding the fighting into the Red Sea, and now Saudi Arabia is reportedly planning a large-scale attack on Houthi territory, including, potentially, the use of ground forces to attempt to break the Houthi shipping blockade.

Ukraine struck an Iranian ship in the Caspian Sea, the immense body of water that borders both Russia and

Iran. Ukraine said it did this because the ship was carrying military equipment between the two countries.

Russia and China may be assisting the Iranian military by providing satellite imagery and other assistance that renders Iranian missile and drone attacks more effective. Reuters has also reported that China is sending Iran hundreds of surface-to-air missiles.

NATO reported last week that a Russian missile crossed the border and exploded (harmlessly, thank God) in Polish territory. Several Russian drones have crossed the border since the start of the Ukraine war, but this is the first known Russian missile impact.

Speaking of Russia, it is reportedly considering whether to try to reverse the fortunes of its war in Ukraine through mass mobilization, which would mean conscripting potentially hundreds of thousands of new soldiers

to throw against Ukrainian lines.

And of all this is taking place against the backdrop of two grim military realities for America. First, Iran has demonstrated that American planes and American bases are more vulnerable to attack than many of us imagined. This level of damage to American facilities would have been unthinkable when I was in Iraq.

Al Qaeda had no long-range missile capability, and not even Saddam Hussein, at the height of his powers before Operation Desert Storm, could strike across the region as effectively as Iran has since the start of the war.

Iran has taken grievous losses, including much of its top leadership. But the crucial difference with the United States is that the Iranian regime simply doesn't care about losses in men or matériel in the same way we do. Both the United States and Israel

have repeatedly decapitated the leadership of jihadist organizations, with little lasting effect. Iran has shown again and again that it will expend the lives of its citizens to retain power or to secure a strategic advantage. In fact, the regime seems to relish slaughtering the almost impossibly brave citizens who do rise up in protest.

Second, we're running out of interceptors, such as our Patriot antimissile systems, and other advanced munitions. While I don't want to see a single drone or missile penetrate our defenses and strike an American or allied target, I also know that even a successful intercept can be a mini-defeat.

If you're using a \$4 million weapon that's difficult to replace and can easily destroy a \$35,000 drone that can be easily built at scale, it's only a matter of time before your defenses are degraded and

FRENCH, PAGE 11

The ways Hollywood keeps its secrets

Whispers can fester for years before anyone faces consequences. And the tactics celebrities use to escape scandal have completely changed.

Maureen Ryan

The allegations of sexual misconduct against the Oscar winner Jared Leto that came out on July 29 in a BBC documentary were not a surprise to some in Hollywood. This was another case of, in certain circles, "everybody knows," as the industry saying goes. Yet that widespread knowledge has been insufficient to produce meaningful consequences.

Hollywood has always been a town of dark rumors about the terrible, often abusive behavior of some of its most prominent citizens, many of which turn out to be true. As a journalist covering the entertainment business, I've been made aware of these "open secrets" constantly. But that didn't mean I could necessarily write about them. There was an entire system in place to keep the victims quiet and keep any revelations out of the public eye.

That familiar dynamic played out when it comes to Mr. Leto. The BBC documentary, titled "Jared Leto: Hollywood's Dark Secret," delves into allegations of misconduct involving the actor and singer, building impressively on 2025 reporting by Elena Clavarino in *Air Mail* — which Mr. Leto denied at the time — and compiling more than 120 online allegations relating to harassment and sexual misconduct. The documentary also depicts an array of enablers: people who would make sure teenage girls were brought backstage, invited to after parties and escorted to

hotel rooms. The documentary paints a damning portrait of a man who used his Hollywood fame and rock-star persona to initiate troubling physical and verbal contact with women, most very young, all powerless compared to him.

Mr. Leto did not initially reply to the BBC's inquiries and, once the documentary was released, he issued this statement: "I have never sexually assaulted anyone in my entire life. These claims are absolutely and categorically false."

This response follows what's now become a familiar pattern. Once, a celebrity might have issued an aggrieved or lengthy rebuttal or a strenuous apology, but a new playbook has emerged. The blueprint is fairly consistent, often undertaken in conjunction with a pricey array of law firms and spin doctors in Hollywood: Ignore everything, or stonewall with "no comment." Maybe deny the allegations with a succinct sentence or two. Then either unleash hell on a publication and reporter in an attempt to quash the reporting, or say nothing further and wait for the scandal to pass.

Hollywood has an ignoble history of covering up stars' horrible behavior, but in the wake of #MeToo, a new well-oiled anti-accountability machine has flourished. The shrinking array of publications dedicated to covering Hollywood are not only often in rough financial shape but they're dependent on celebrity coverage — so they're vulnerable to being intimidated by threats of losing access to other celebrities, or they're likely to be tempted by enticing stories that will happen

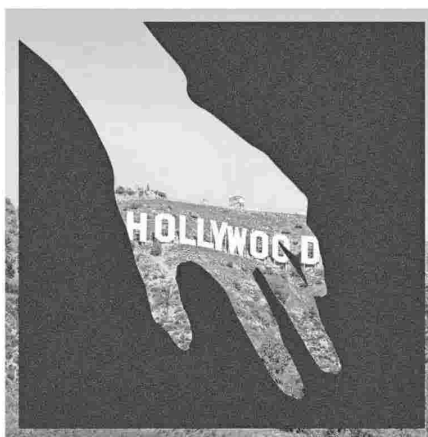


ILLUSTRATION BY SAM WITNEY/THE NEW YORK TIMES. SOURCE PHOTOGRAPH BY CHRISTIAN ADAM/GETTY IMAGES

only if the outlet agrees to play ball.

The new crisis-management playbook involves simply riding out horrible rumors and fostering a counternarrative that discounts reports as untruthful and unreliable. Law firms persuade survivors to recant while PR operatives muddy the waters online by

making efforts to "adjust the narrative in real time," as one firm's services were described in documents from the Blake Lively-Justin Baldoni case.

Thanks to years of reporting on these topics, as well as writing a book on power and complicity in Hollywood, I'm all too familiar with these scenar-

ios. I also appear onscreen in "Hollywood's Dark Secret" to explain some of the power imbalances and abusive dynamics that fester in high-profile creative enterprises. When Alice McShane, the director of the BBC film, reached out to me, she queries she and the lead reporter Jessica Sartenaer had essentially boiled down to one big question: If "everybody knew" about the rumors about Leto, then why was nothing ever done?

There are many answers to that question, and here's one honest one: I don't know. No victimizer seems worthy of the industry's protection. No level of artistic achievement makes putting up with horrific behavior worthwhile. But there are other reasons for this kind of industrywide strategic apathy.

For over a century, almost all of the incentive structures in the commercial entertainment industries have allowed patterns of misbehavior and rewarded silence. Physical and mental abuse and boundary-crossing, especially in men, are tolerated as artistic passion and creative exploration. If you're opposed to someone's "passion" or their process — if you don't celebrate how they move through the world — then you just don't understand art. And when a lot of people make a percentage off the earnings of one famous individual, the capacity for denial is vast.

On a film or TV set or in a recording studio, there are usually a few people who have disproportionate power — a star artist, a top producer, a big-name director, a powerful executive. Hollywood has long had many ways to punish or blacklist those who are brave

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OPINION

The New York Times

INTERNATIONAL EDITION

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It wasn't the 'Civil War.' Try the 'Slaveholders' Rebellion.'

Anthony Conwright

In a written statement on the anniversary of Robert E. Lee's surrender at Appomattox, President Trump described the Confederacy's defeat in 1865 as the end of "four brutal years of suffering."

Rather than condemn the Confederacy's treason or name slavery as the cause for which it fought, Mr. Trump quoted Ulysses Grant's remarks to the vanquished army: "The war is over. The rebels are our countrymen again."

Rebranding rebellion is nothing new. Americans take it for granted that the war between the Confederate states and the Union was always called the Civil War, but it was not. During the war and in its aftermath, it was primarily called an "insurrection" or a "rebellion." Its current name is a result of decades of lobbying by Confederate heritage groups and white Southerners committed to rejuvenating the South's image and ignoring its treason and slaveholding.

As Mr. Trump and his allies try to whitewash the Jan. 6, 2021, insurrection, we should return to an older and far more accurate name for the Civil War.

To face their own history, Americans must be honest about it.

perpetrators, how can we expect successive generations to remember the new assaults on democracy without deploying equally forgiving language?

In the war's early years, the South's rebelliousness was emphasized in part as a legal necessity. Congress was underlining the president's constitutional authority to call forth the militia to suppress the Southern revolt. But in the decades after Lee's surrender, Confederate heritage groups lobbied Congress, educators and the broader public to adopt a name for the war that avoided calling the Southerners "rebels."

The use of "Slaveholders' Rebellion" began early. Senator Samuel C. Pomroy's July 1861 bill to "suppress the slaveholders' rebellion" was the first to use the term. But the language was subject to debate. One senator who later defected to the Confederacy said it created "odium and prejudice against a particular interest" — that is, slavery.

Conventions shifted only decades after the war, when white Southerners and their representatives in Congress collaborated to rewrite the history of the conflict. In 1899, one group pushed to expunge references to "rebellion" from historical and public discussion of the war. They preferred the misnomer "War Between the States," freeing the Confederacy of the stigma of revolt. From 1905 to 1911, the campaign's sympathizers in Congress moved to strike "War of the Rebellion" — the common name at the time — from legislation. "Civil War" became a compromise solution, mollifying Confederate nostalgics while being more acceptable to their opponents than War Between the States.

Other nomenclature followed. The

Dewey Decimal System shifted its classification from "Rebellion, Southern" in 1876 to either the same term or "Civil War" two decades later. In 1895, the American Library Association directed its readers looking up "Rebellion" to instead search "U.S. History, Civil War." In 1907, Congress declared a preference for "Civil War," too. To this day, though, the U.S. Government Style Manual lists Civil War, War of the Rebellion and War Between the States as acceptable, a paper vestige of a hard-fought linguistic battle. One is an agreed-upon euphemism; one is accurate; the last is a lie.

American society's use of Civil War to rhetorically veil the slaveholders' rebellion has consequences. After the redemption of the Confederacy, ex-Confederates and their heirs helped create a regime of anti-Black violence by instituting a legal architecture of disenfranchisement and lynching. That is what makes confronting how we refer to the Civil War a civic imperative. The danger of rhetorical abstraction lies not only in its distortion of the past, but also in its peremptory justification for future assaults on democratic life.

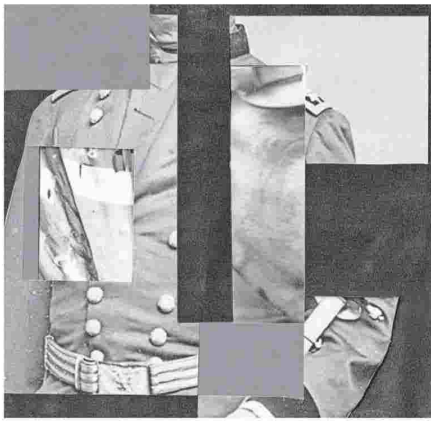
When Mr. Trump pardoned the Jan. 6 insurrectionists, he described them as victims of a "grave national injustice," framing their release as an act of "national reconciliation." It was a demonstration of the power of the word. He evaded how to rewrite a country's moral code, rendering treachery as justifiable as patriotism. Jan. 6 became simply "the events."

Yet Mr. Trump's obfuscation of the insurrection could erase the character of the rebels he sought to absolve, many of whom returned to criminal enterprises following their pardon. In February, Christopher Moynihan, who was among those who breached police barricades at the Capitol, pleaded guilty to charges associated with threatening to kill Representative Hakeem Jeffries. Enrique Tarrio was serving a 22-year sentence for seditious conspiracy for his role in the insurrection when he received Mr. Trump's pardon, only to be arrested a month later at the Capitol on charges of simple assault.

These pardons operate using the same logic of rehabilitation once used for the Confederacy, even if the consequences have not registered on the scale. In both instances, the whitewashing begins by changing the label applied to rebels. Mr. Trump's use of "national reconciliation" in his pardon helps revise the meaning of Jan. 6, reframing insurrectionists as martyrs and violent attempts to suppress American democracy as acts of patriotism.

The linguistic whitewashing of the Confederacy is more than a manufactured myth of Southern redemption. It is a ritual of national forgetting, one in which American society participates every time we call the Slaveholders' Rebellion against the United States the Civil War. "Civil War" is no name for a war waged by slaveholding traitors against the United States to hold Black Americans in human bondage. Now, 165 years since the war's first shots, we should be honest about how we hold its memory.

ANTHONY CONWRIGHT is working on his first novel, "Speech, Blackness."



BRIAN THOMAS

Our extravagant way of speaking

John McWhorter

As time passes by, it can seem as if people are ever more emphatic in how they communicate. What was once a single exclamation point now has to be (at least) two. Instead of just saying, "It was insane," someone will say, "It was actually insane" or, to the dismay of many, "It was literally insane."

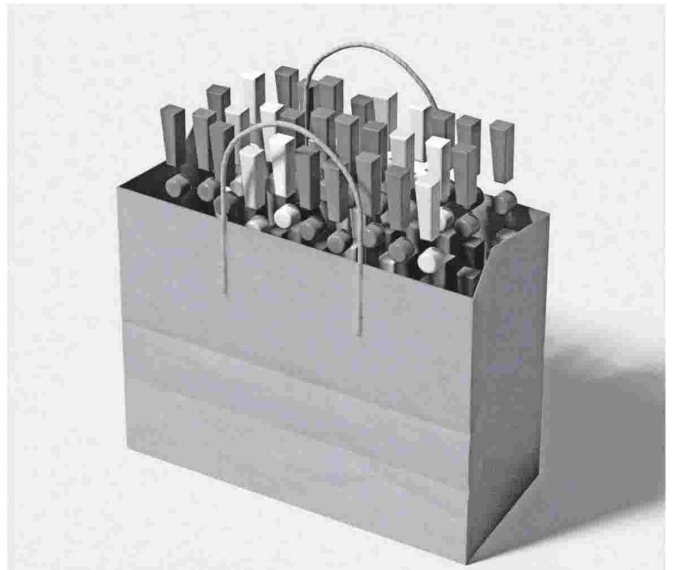
Why can't we just jump it down and relax? The reason is that human conversation is not only about making statements, but about making statements worth your interlocutor's attention. Our purpose is less to simply say, "This" than it is to say, "Here, think about this."

But as with anything designed to make a noise, so to speak, the effect wears off after time, like an old joke or a song you get tired of. This means that language is always drawing new things into the churn to keep us sounding urgent, committed. The linguist Martin Haspelmath calls this "extravagance," where we operate according to the maxim "Talk in such a way that you will be noticed."

The exclamation points are a classic example. Decades ago I was briefly under the impression that European academics were quite fond of me, as they would use an exclamation point after my name in emails. After a while I realized that, for them, that exclamation point was a sunny kind of politeness, a way of adding a dash of enthusiasm to a hello.

Since then, something similar has happened to the exclamation point in America. A simple period now seems flat or even annoyed, while an exclamation point conveys a smiling salute, a signal that all is okay between you and the other person. ("Be there soon!") This means that to convey actual exclamation, we now need two markers. ("Good God!!") And I would not be surprised if in another 20 years people are using three.

This extravagance is behind much of what can sound like jittery filler. "Yeah, no" is a great example. First person: "I'm moving that far out wasn't so bad after all, right?" Second person: "Yeah, no. We got a great house cheap and finally some peace and quiet." The "no" does not contradict the "yeah" but complements it. If that exchange had taken place a couple of generations ago, the second person would have just started with "yeah" in agreement. The added "no" agrees with the first "yeah" even more extravagantly by denying the idea many might have, that moving far out would



FABIO DELIZIO

be a bad thing. "Yeah, no" is a stronger version of "yeah."

We get extravagant even in our answers. "I know, right?" is what happened when "I know" alone lost its mojo. Fans of the old Britcom "Fawlty Towers" will recall the episode where Sybil is on the telephone and drives Basil crazy by repeating "I know!" as she listens to her friend. Today a Sybil in that situation may well repeat "I know, right?" The "right" gives "I know" some new spark. It sounds more connected, showing that you're really listening. This is also what is behind the uptick in people saying "100 percent!" as agreement.

In this vein, English is always and forever seeking new ways of saying "truly" in an emphatic, collar-clutching manner. In the 1300s "very" was the one to beat, but over time it lost its semantic punch. The grammarian Bryan Garner now judges that "in almost every context in which it appears, its omission would result in at most a negligible loss." "Really" was an attempt in the 1500s to create a new "truly" with the word "real." Time

passed, and now the word is pronounced "rilly," and the connection to "real" comes out only in writing. Its force is also kaput. "Oh, that was really nice!" serves almost as mere decoration. And here we have why someone today might say, "It was actually insane."

Or, yes, "literally insane," or "I was literally dying of thirst so we stopped at a 7-Eleven." Because in this usage of "literally," a scourge in the eyes of many, we do not actually mean that we were about to perish from clinical dehydration. But words often have contradictory meanings with no one batting an eye. A chair is stuck fast to the floor, but a rabbit runs fast. You seed the ground and seed a watermelon — no one thinks you insert seeds into your soil. The figurative use of "literally" is never confusing. It's just one more way of having a "truly" that pops. "Literally" is like that kid that everybody started picking on for no real reason in fifth grade — why him?

The churn is eternal. "Irregardless" is our attempt to give "regardless" a shot in the arm. "Bye-bye" adds some

substance to what had become a lone "Bye," worn down over the centuries from "God be with you" to "Goodbye" to just "Bye."

If you know where to look, English is full of fossils of the extravagance of yesteryear. "Yes" started as "Yea." The "s" at the end is a worn-down remnant of what once meant "it is" — "Yes, it is!" was an "I know, right?" for the Dark Ages. And "yes" has been decorated endlessly since. First, "yessir," and then the almost desperate-seeming "yessiree," and finally the goofy mystery of "Yessireebob!" Anything to keep "yes" popping.

Not long ago I heard someone praising my tween daughter's new hair color as "tuff." OK, that one is weird to me — but in the end, it's a more extravagant way of saying "cool." "Tuff" has a bit of street in it and is also creative in a diagonal sort of way — aesthetic appeal as "tough." "Cool" after all, is a tad elderly now to get the job done.

JOHN MCWHORTER is an associate professor of linguistics at Columbia University.

The world's largest democracy gets a second chance

KOMIREDDI, FROM PAGE 1

citizens was repatriated. Instead, he has delivered a self-venerating, incompetent and malevolent Hindu-first regime, in which the superrich have become an entrenched oligarchy that controls vast resources and is effectively in command of the economy. Joblessness is rife, especially among the young. The government uses savagery against Muslims and other religious minorities to distract a self-pitying Hindu majority from the prime minister's failure to upgrade their standard of living, and institutions indispensable to the health of Indian democracy, such as Parliament, the judiciary and the press, sing from Mr. Modi's hymn sheet.

The glorification of the prime minister has become a pre-eminent priority of the state machinery. The largest stadium in India is named after him, rations to the poorest have been doled out in bags bearing his picture, officials compel students to celebrate his birthday, and mass gatherings are organized for citizens to listen to his radio broadcasts. A sense of resignation overtook the general public, which, disregarded by Mr. Modi's overweening regime and failed by an ineffective political opposition, had convinced itself that he could not be beaten in the polls.

Mr. Modi, now 75 years old, may eventually accept that he is too out of touch to lead the world's largest youth population and fade away. But, wounded and weak, he may also be more dangerous and unpredictable than before and may seek to restore his bruised authority. Reports are emerging that the police, in violation of assurances given by the government to demonstrators, detained or arrested students after the protests wound down last month.

Either way, the man who once claimed to be an "instrument for God," endowed with divine energy, has been spectacularly humbled.

"I grew up being taught to venerate him," a young student said last month. "I was at a protest site in Delhi where 24 at a protest site in Delhi where volunteers handed out food and water

and fanned strangers with pieces of cardboard as crowds broke into chants like, 'Whenever Modi's filled with fear, Hindu-Muslim' is what you'll hear!"

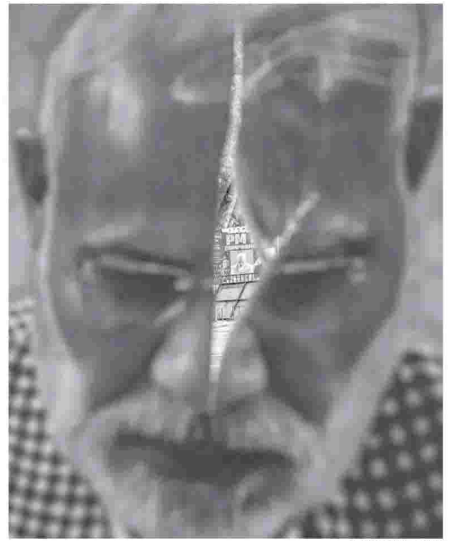
"But why should we be led by a man who has so far not produced his diploma?" he added, referring to a long-running controversy over university diplomas that Mr. Modi's party has released but whose authenticity is far from settled.

The irony of Mr. Modi's disputed academic credentials was not lost on the student protesters. For millions of young Indians, facing the fiercely competitive entrance exams for professional degree programs is a pathway to a life of dignity. Families incur debts, pawn jewelry or mortgage their homes to pay for the tutoring needed to prepare their children.

But test questions for a range of examinations are regularly leaked and sold, upending the lives of students who had spent grueling months preparing. The breaking point came in May, when the national medical school entrance examination taken by more than two million students was canceled and rescheduled because of a breach. Some students took their own lives upon learning they would have to retake the exam.

The outrage intensified when India's chief justice, in an unrelated comment, likened unemployed young people to "cockroaches," giving the protesters their symbol. The Cockroach Janta Party — a riff on Mr. Modi's ruling Bharatiya Janata Party — was born. What began as a joke became a vehicle for the rage of a generation. Millions rallied around the movement across the country, demanding the resignation of India's prime minister and the ouster of the families of the students who died by suicide. A Gandhian hunger strike by a prominent activist and several students supercharged the movement.

At first, the government ignored the protesters' complaints in the media painted them as tools of foreign forces seeking to destabilize India. But



ANURAG PANDAY/REUTERS

videos of police officers beating young Indians during the largely peaceful demonstrations in Delhi on July 20 exposed the lie. Mr. Modi slipped out of Parliament that day under heavy guard, his aura of indomitability trampled in the melee.

Digitally connected youth-led movements across South Asia have deposed increasingly autocratic regimes in Sri Lanka, Bangladesh and Nepal in recent years. Mr. Modi, despite the worsening prospects for India's young, had largely dodged those currents. Now,

his record is catching up with him. The extraordinary events in India this summer have revealed how deeply the democratic habits promoted by the nation's founders have percolated. Young Indians have handed the world's largest democracy another chance at survival.

KAPIL KOMIREDDI is an Indian journalist and the author of "Malevolent Republic: A Short History of the New India." He is working on a global history of Dr. Martin Luther King Jr.

Why do we tolerate Musk's racist commentary?



Jamelle Bouie

"The Turner Diaries" is a work of white supremacist agitprop. It purports to be the diary of a neo-Nazi militant, Earl Turner, who is working to overthrow the United States government — or as the book calls it, "the System" — through a group called "the Organization." Turner castigates "the System" for promoting integration, encouraging nonwhite immigration and placing Jewish people, Black Americans and other minorities in positions of authority over whites.

Among other atrocities, the novel describes nuclear attacks on predominantly Black cities, a Holocaust of Jewish Americans, the total ethnic cleansing of California, the subjugation of women and the "Day of the Rope" — a mass public lynching of white people deemed "race traitors" for their relationships with nonwhites. The book's epilogue describes a future after the "Great Revolution" in which the former United States is now an all-white, utopian garrison state led by the Organization, which went on to export its revolution and exterminate nonwhites worldwide.

The white power movement in the United States, notes the historian Augusta Dell'Orto in "Saving Apartheid: White Internationalism at the End of the Cold War," "looked to white southern Africa for inspiration as it planned for the coming 'race war.'" This apocalyptic fantasy of racial conflict in places such as Zimbabwe and South Africa shaped "The Turner Diaries." And in turn the novel, first serialized in the pages of a white nationalist periodical in 1975 and then published as a stand-alone volume in 1978, became a touchstone for the American and global far right.

"The Order," a white supremacist terrorist group responsible for three killings, including the murder of the Denver talk-radio host Alan Berg, took its name from the book. And Timothy McVeigh, who bombed the Murrah Federal Building in Oklahoma City,

killing 168 people, carried passages from the book on his person and once sold the book at gun shows.

The ideas, images and language of "The Turner Diaries" have long since entered the gestalt of far-right ideology. The book hovers there even when it isn't mentioned. In his manifesto, for example, Dylann Roof — who murdered nine people at the Mother Emanuel Church in Charleston, S.C. — frames himself as a martyr and calls on white Americans to fight a race war against Black people.

Today, you don't have to look far or dig deep to see the ambient influence of "The Turner Diaries" on the far right. You need just to spend a little time in the online world of the richest man on the planet, Elon Musk (although to be clear there is no direct evidence that Musk has read the book).

The owner of X gets a pass for what he says and does there. That's not OK.

The Musk of the mainstream media is an enthusiastic, if awkward, technologist, industrialist and would-be government reformer, as seen in his now-defunct Department of Government Efficiency. But Musk spends much of his time on X, his social media website, where he amplifies far-right accounts and shares his own white nationalist, anti-immigrant politics for all the world to see.

Over the past month in particular, he has adopted the imagery of a recent film, "Citizen Vigilante," in which the actor Arnie Hammer spends the run time playing a Charles Bronson-esque character who targets alleged criminals, framed mostly as Arab and African migrants. Musk uses that imagery to state his views about what must be done to save Western civilization.

"Yes," replied Musk to an image of a gun-toting Hammer clad in black with the caption, "First the traitors then the invaders." He also shared a post from a different user who explained that the point of "Citizen Vigilante," in which the Hammer character "spends the first half of the movie murdering white people not migrants," is that you must "always hang a traitor before you hang an enemy." Musk repeated this several times, including in a post that simply said, "Traitors before invaders."

Recently, Musk again posted that we must "Deal with traitors before invaders" and then said a few days later that



BALLOON FOR THE NEW YORK TIMES

"Anyone who opposes renigration is a traitor."

"Renigration" is the call, from far-right European political parties, to forcibly remove nonwhite citizens to their supposed countries of origin, regardless of whether they are immigrants or native-born. It is essentially a form of ethnic cleansing and it is envisioned as a response to the supposed "Great Replacement" of white Europeans with nonwhites, an idea originating from a different work of far-right fiction, "The Camp of the Saints," published in 1973.

As Musk sees it, opponents of renigration are traitors to "the West." And as "traitors" their proper fate, according to the logic of his posts, is to be killed as punishment for their role in the demographic transformation of

majority-white nations and, presumably, as a warning to those who might pollute the national bloodstream by welcoming nonwhites into their lives and into the country.

Musk's preoccupation with demographic "traitors" flows directly from his obsession with population collapse, which he frames in terms of shrinking European and white American birthrates. "White people are a rapidly diminishing minority of the global population," Musk wrote in September 2025. "Low birth rate," he later said, "is the number one threat to the West followed closely by migration. There will be no West if this continues."

One might even see his destruction of the United States Agency for International Development — responsible, so far, for an estimated 700,000 deaths

worldwide — as consistent with his concern with falling white birthrates relative to those in places such as sub-Saharan Africa, where U.S.A.I.D. was active. After all, one way to secure a future for Western children, in this zero-sum view of the world, would be to starve African ones.

Musk, it should be said, insists that no one has died because of his cuts.

In a recent interview with The Economist, Musk denied that he was a racist, even as he defended his far-right views of immigration. "If you have a large and growing, rapidly growing group of people whose beliefs are antithetical to Western beliefs, at some point, there will be a reckoning," he said.

But those views, as we see, are indistinguishable from what you would

find in "The Turner Diaries." With hundreds of millions of followers on a platform he personally controls, Musk stands as the most prominent purveyor of far-right and ultranationalistic rhetoric in the world. This is the same Musk who is also busy leveraging his vast wealth to shape that same world in his own image.

And what is that image? As Quinn Slobodian and Ben Tarnoff show in their book "Muskism: A Guide for the Perplexed," an important part of Musk's vision is to see the world as a compound, where "the horizons of humankind" are shrunk "into the defense of white fertility." This in turn is tied to a larger effort to liberate humanity from the "woke mind virus" that Musk sees as a self-destructive tendency responsible for the "empathy" that has led Western nations to open their societies to others.

This too is little more than a restatement of themes and ideas found in "The Turner Diaries," where the titular character believes that whites have been corrupted by a "Jewish-liberal-democratic-egalitarian plague." Slobodian and Tarnoff observe that these views are also downstream of Musk's upbringing in South Africa, where apartheid leaders fretted over birthrates and the future of white society.

Musk's virulent racism and vicious, disturbing views are no secret. He does not hide them. They sit in plain view, easily accessible on the social media website he owns, where he does everything he can to promote similarly far-right and white supremacist ideas.

If there is a question to ask, then, it is this: Why does Musk get a pass? Why do politicians, journalists and commentators treat his far-right racist radicalism as a sideshow rather than the core of his political, ideological and industrial project, seen in everything from his deep support for Donald Trump in the United States and Restore Britain in Britain to his decision to construct a massive pollution-generating data center in predominantly Black Memphis?

Musk spends a large part of his free time fomenting violence and spreading the same hateful ideology that motivated some of the deadliest shootings and attacks ever to happen on American soil. It is that fact, and not the cars he builds or the rockets he launches, that ought to define his place in public life.

Whatever this is in Iran, it isn't working

FRENCH, FROM PAGE 9

your skies are open to enemy attack. The Trump administration has put forward two contradictory messages — that there's no shortage of missiles in the American inventory and that the shortage is Joe Biden's fault (because he helped to arm Ukraine and launched airstrikes against the Houthis).

The administration is certainly acting as if our stocks of munitions are perilously low. We're engaged in an on-again, off-again conflict (Friday, on Saturday, off) that has been filled with unusual pauses.

Let's put all this together: The initial American strategy failed, the war with

Iran is consuming the entire region, Iran and Ukraine are risking a face-off, there is evidence that both Russia and China are escalating their military commitments, American munitions stocks are dwindling and Trump is raging.

I've often wondered what it was like to be alive in the summer of 1914, much less in 1938 and 1939. When did people start to realize that the world was on the brink of catastrophe? Speak up too soon or too frequently, and you look ridiculous — like the Chicken Little of world war. Speak up too late, and you live (if you live) with bitter regret.

I'm not trying to predict anything, and I hold out hope for de-escalation. I know

there are still serious people in the American government (whether they have Trump's ear is a different question) and in allied governments across the world.

But we can analyze the events and trends of the moment, and right now all the momentum is toward greater escalation. And we absolutely cannot do what Trump asks, which is to "just sit back and relax" and trust that "it will all work out well in the end."

I do not think that world war is inevitable, nor do I think it is probable. But it is more possible now than it has been at any time since the end of the Cold War, and the American government is led by the worst rulers in the modern history of the United States.

Congress, the only branch of government that possesses the power to intervene, has been prostrate before the president. The threat of a primary loss all it takes to completely remove the spine from a typical Republican member of Congress.

It's often said that your average American voter doesn't really care that much about foreign policy. In general, that's true — until there's a catastrophe. When that happens, though, foreign policy isn't just the main thing; it's the only thing that truly matters.

Our future may depend in part on American voters deciding to give Congress a spinal transplant. But that requires us to do something that democracies have rarely, if ever, done successfully — see the catastrophe coming and act decisively before a terrible war swallows the world.



KEVIN MAZUR/GETTY IMAGES

How Hollywood keeps its secrets

RYAN, FROM PAGE 9

enough to speak out against them. Truth tellers are often told they're misreading their own experience, that everyone else is cool with what's happening, and that they'll never work again if they talk.

The women interviewed in the Leto documentary are, like the hundreds of sources I've personally interacted with, regular people who risked a lot by coming forward. In my opinion, they did not do it for money, attention or acclaim — they often get the opposite — but to try to prevent what they went through from happening to others.

The truth is, a bombshell like the BBC's documentary should not be necessary, as there were published reports of Mr. Leto's sleazy behavior as early as 2005. There's also been a steady stream of gossip intimations online and outright accusations in social media posts. But that's precisely why the BBC's work is so valuable. I

don't mean to disrespect those who come forward via social media but it's much harder to ignore or dismiss a documentary than an Instagram post.

Even when allegations come via deeply reported pieces, another pattern has become clear: Waiting out the furor can actually work. Louis C.K.'s sold-out comedy tours, Grammy win and new Netflix special are all indications that a so-called cancellation usually has a built-in expiration date. PR people and powerful managers often count on members of the public having short attention spans and a willingness to give previously beloved celebrities the benefit of the doubt.

Maybe the latest furor around Mr. Leto will die down and he'll land yet another plum role. A 2027 tour for his band, 30 Seconds to Mars, is already in the works. As the media landscape has become more perilous, the appetite for this kind of contentious reporting has seemed to fade.

It's telling that it took a full-length

documentary from the BBC to deliver what one hopes will be a clarion call about an actor whom so many people have already tried to raise the alarm about. But take it from me, one of the rare reporters to have done misconduct reporting for many different kinds of publications: Sometimes you need a big legacy media brand to do a huge, unimpeachable investigation (that lawyers have vetted six ways from Sunday) to finally make a difference. Will it stick this time? Nobody knows. This kind of reporting always requires a leap of faith and the consequences are never assured.

But "Hollywood's Dark Secret" sends a timely, urgent message: Those who think they have impunity should not assume they'll have it forever.

MAUREEN RYAN is a former TV critic and the author of "Burn It Down: Power, Complicity, and a Call for Change in Hollywood." She is working on a book about "Battleground Galactica."

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OPINION

Does AI Have a Fiduciary Duty?



INSIDE
VIEW
By Andy
Kessler

How will we regulate artificial intelligence? OpenAI's Sam Altman wants a global AI regulator much like the International Atomic Energy Agency. Google's Demis Hassabis likes the Financial Industry Regulatory Authority model. Anthropic's Dario Amodei prefers agency testing like the Federal Aviation Administration. See the threat? Big government, big agencies, a lobbyists' paradise. University of Tennessee law professor and Instapundit blogger Glenn Reynolds thinks the answer may be plaintiffs' lawyers. Wait, what?

In February 2024, 14-year-old Sewell Setzer III committed suicide after a virtual relationship with a chatbot named Daenerys on Character.ai. His mother filed a wrongful-death lawsuit against the company and Google that October.

The defense claimed that output from chatbots is speech protected by the First Amendment. Not a bad argument. In *Brown v. Entertainment Merchants Association* (2011), the Supreme Court ruled that "video games communicate ideas" and are protected speech. But AI mimics humans, and a child did commit suicide. This January Google settled the Setzer case. The company couldn't afford to lose and risk

the loss of AI's speech protection. Can we control AI if its output is protected speech?

In his recent book, "Seductive AI," Mr. Reynolds makes a great argument for chatbot regulation: "AI personalities and their owners should be subjected to fiduciary duty when they interact with users." Fiduciary means a legal responsibility to act in someone else's best interests and not for your own profit.

Why not a fiduciary duty for all AI? My years on Wall Street pounded into my head the power and simplicity of fiduciary responsibility. A 2025 OpenAI study noted 28% of AI use is for "practical guidance." Now, according to MIT's Sloan School of Management, more than half of U.S. and U.K. adults have asked AI for financial advice. A March study from Stanford reveals (not quite breaking news) that large language models are overly sycophantic, flatter people-pleasers, likely to help drive AI engagement. Not very fiduciary!

I spoke with Mr. Reynolds about how to enable a fiduciary wrapper. He said that if AI "purports to have a relationship of trust with you—legal advice, psychotherapy, investment advice or whatever—it should have to be treated as if it was a person doing that. Most learned professions have essentially a fiduciary relationship with their clients."

There is a long history of technology cutting corners. eBay outsourced trust to its customers. Social media ig-

nored property rights and sold ads right next to our posts. Is it happening again? Palantir CEO Alex Karp went on CNBC complaining that "the basic view among enterprises in this country is I'm going to chillax, waste my time with tokens, I'm going to get no value and they're going to get my IP." Meaning AI companies are har-

How to regulate the new technology? The answer may lie in the common law.

vesting customers' intellectual property. Also not very fiduciary. Anthropic has new business lines like Claude Legal and Claude Security competing with their own customers. This may drive some to cheaper Chinese open-source AI models—not healthy either.

How do we make AI fiduciary the law? Mr. Reynolds suggests legislation or even Federal Trade Commission regulation: "But the more likely way to go, honestly, is the common-law method. Fiduciary rules are mostly a common-law creation. We could easily imagine a court saying, 'Look, you're giving tens of thousands of people advice about their love lives or whatever, and if you've got a hidden agenda that's designed to advance some corporate goal—which you will—' that's a breach of fiduciary

duty.' That's something you could easily imagine a court doing in the right case, and the right case will come." Burning tokens is clearly one of those corporate goals.

With fiduciary responsibility, Mr. Reynolds says, "I think a lot of hidden agendas go away. Advice has to be in the client's best interest, not motivated by a desire to run up the bill."

Won't politics interfere? "The thing I like about plaintiffs' lawyers as enforcers is, unlike a government agency which is subject to capture politically, they're a distributed force, and mostly driven by the desire to walk away with big fat payoffs," says Mr. Reynolds. Sad but true.

It's starting. In March, OpenAI was sued by Nippon Life Insurance for practicing law without a license. Last month OpenAI was sued for the "unauthorized practice of medicine" by a Florida pastor seeking advice for a pulmonary embolism. AI output is different from Google searches. Or influencer videos.

I'm not a fan of trial lawyers but, like it or not, OpenAI, Anthropic, Google, xAI, Meta and perhaps every Chinese open-weight AI model may already be covered by common-law fiduciary responsibility. We're a few court cases away from finding out. They need to start acting that way or their trillion-dollar valuations may become a target much larger than the tobacco companies in the 1990s.

Write to kessler@wsj.com.

BOOKSHELF | By Judge Glock

A Wrench In the System

The Time Tax

By Annie Lowrey

Ecco, 352 pages, \$32

A few decades ago, the internet made people optimistic about an end to paperwork. The Government Paperwork Elimination Act of 1998 encouraged a move to online forms, which many hoped would drastically reduce the time required to fill them out.

Yet today government paperwork is an ever-weightier millstone around the public's neck. The same tools that made filling out forms easier have made politicians and bureaucrats more adept at creating more paperwork. Annie Lowrey, a staff writer at the Atlantic, chronicles the growing burdens of government paperwork in "The Time Tax," bringing verve to a dry topic even if she often veers into general complaints about American hard-heartedness. Ms. Lowrey argues that a vastly expanded and more generous federal government could reduce both inequality and the paperwork burden. That seems unlikely.

The scale of government paperwork is nearly impossible to convey and even harder to believe. The government estimates, and most likely underestimates, that Americans spend about 12 billion hours a year on federal paperwork. That's the equivalent of almost 6 million full-time employees working year-round filling out forms. If the time spent was paid at prevailing wages, the paperwork would cost \$430 billion a year. And that's just federal paperwork: These costs don't include state and local forms.

There are many kinds of government paperwork, but "The Time Tax" focuses on those needed to access government benefits. Ms. Lowrey highlights the inept and baffling design of many of these programs. In California, for instance, low-income residents can obtain a state identification card at a reduced price, but first they must set up an appointment and share extensive information with a "qualified verifier of income," who will then prepare the documents that must be taken to the local DMV—all to save \$45.

The book's complaints about paperwork sometimes shift into the demand that the government remove any roadblocks to benefits or checks on eligibility. Ms. Lowrey's previous book was "Give People Money" (2018), and much of this one is a lament that the government does not do more of that. The author is angered by student loans, which take time and paperwork to repay and which "feel like a burden, rather than an investment." What taxpayers would feel about paying more for these students is not discussed.

The Covid-19 pandemic led to a vast reduction in the paperwork needed to access benefits. It was, in many ways, an instantiation of the book's goals. States were barred from dropping beneficiaries from Medicaid or requiring them to reapply, unemployment insurance became easier to access and retain, and states stopped requiring certain interviews for SNAP food benefits.

Despite evidence to the contrary, Ms. Lowrey argues that the reduction in oversight during the pandemic "did not lead to a surge in mispayments or fraud." She notes that the proportion of food stamps that were overpayments went up by only about 60%. "Researchers attribute the increase to confusion," she insists, "rather than deceit." Some readers might find that increase alarming whatever the reason.

Americans spend about 12 billion hours a year on federal paperwork. The programs that require such forms are often ineptly designed.

The book does mention that the federal tax system demands an immense amount of citizens' time: 7 billion hours. It does not connect that number to the earlier statement about the total federal paperwork burden. If it did, it would have to note that nearly 60% of the federal "time tax" is from actual taxes. Despite the importance of tax paperwork, Ms. Lowrey's examination of the subject takes up only a few pages in the book.

Regulations on businesses, the next largest source of paperwork, go almost entirely undiscussed. The book says it does not deal with agencies that "scarcely interact with the American public, even as they work on its behalf." It therefore does not deal with "offices focused on banks, farms, unions, markets, land use, and trade. No need to worry about the Public Company Accounting Oversight Board." In fact, the American public includes bankers, farmers, workers, traders, builders and accountants, who together spend billions of hours interacting with the government through filling out forms.

Ms. Lowrey argues that government could do much more of this paperwork internally and thus save citizens' time. She cites the Direct File system, which helped people fill out their taxes, and which saved taxpayers \$6 million on tax preparation fees in 2024. "Alas, Republicans shuttered the initiative." And to those who argue against the ability of the government to do such work efficiently, she points to the U.S. Postal Service, which she says operates with "efficiency and equity" and is "magic" in its ability to serve Americans.

Yet these government programs only shift burdens, they don't reduce them. The Direct File system cost tens of millions to operate, far more than its savings to customers. The Postal Service lost \$9 billion in 2025 and, until it stopped paying into its retirement fund, expected to run out of money by 2027. In these cases, and in others, the government can only perform more services by levying more taxes, which further increases paperwork.

The simplest solution to excess paperwork would be for the government to do less: fewer regulations, fewer taxes and fewer benefits. Since many benefits are given to the same people who are paying taxes, cutting both could reduce paperwork without any loss of income.

Instead, "The Time Tax" argues that more benefits, the inevitably higher taxes that accompany them, and a bigger, more centralized government would be the best means to reduce paperwork. The whole history of America, as well as common sense, suggests otherwise.

Mr. Glock is director of research at the Manhattan Institute and author of "The Dead Pledge: The Origins of the Mortgage Market and Federal Bailouts, 1913-1939."

The Islamist Threat Isn't Only Terrorism

By Lorenzo Vidino

The Trump administration has shown a strong commitment to combating political Islam, a clear break from previous administrations. For years, Washington has neglected the Islamist threat by using a divided and simplistic approach. Since 9/11, resources have been allocated to pursuing groups designated as terrorists, like ISIS and al Qaeda. Islamist organizations that adopted mostly nonviolent tactics and weren't formally blacklisted—like the Muslim Brotherhood—fell under no agency's remit and were largely ignored.

Groups try to push their agenda through politics, schools and grassroots activism.

This security-based view of Islamism misses the mark. The challenge is more complex than a terrorism threat. In both the Middle East and the Western world, political Islam—with the Muslim Brotherhood its main proponent—operates in many arenas, including politics, education and grassroots activism.

Washington's European partners have long known this. Several European governments have correctly analyzed the societal challenge posed by Islamism. In 2014 Britain's Prime Minister David Cameron ordered a government review of the Muslim Brotherhood, a



A branch of the Muslim Brotherhood in Amman, Jordan.

yearlong effort that included Britain's security services as well as agencies focused on education, integration and communications.

The French government took the same approach. The report it released last year concluded that "the reality of this threat, even if it is long term and does not involve violent action, poses a risk of damage to the fabric of society and republican institutions."

Germany's security services have written in their annual reports that "legitimate Islamist groups"—a term Berlin uses for organizations like the Brotherhood that don't directly engage in violence—"represent an especial threat to the internal cohesion of our society," and that their endeavors "run counter to the efforts undertaken by the federal administration . . . to integrate immigrants."

These European countries haven't designated the Muslim Brotherhood a terrorist organization, but they have a clear-eyed view of the threats the group and its fellow travelers pose.

The Trump administration this year designated as terrorist organizations four branches of the Muslim Brotherhood—in Egypt, Jordan, Lebanon and Sudan—which the U.S. concluded have engaged in direct violence. This marks a break from the past and a first for the West.

Even if properly implemented, these terrorism designations won't magically defeat Islamism. A first step in that direction is a drastic philosophical shift in how the U.S. government and American public understand the challenges posed by political Islam and how it exists on many fronts.

This begins with correcting the dearth of knowledge inside the Federal Bureau of Investigation and other U.S. government agencies about the Brotherhood and Islamism in general. Save for the years immediately after Sept. 11, 2001, there has been no concerted effort within U.S. law-enforcement and policy communities to acquire a deep institutional understanding of Islamist networks worldwide.

NCAA Pushes Congress to Gut Title IX

By Kim Jones

The National Collegiate Athletic Association presents the Protect College Sports Act as a solution to a host of problems: disarray in college football, conference realignment and name-image-and-likeness payments to college athletes. What the NCAA and its lobbyists aren't telling anyone is that the PCSA is a Trojan horse for men in women's college sports.

The NCAA violated Title IX by making Lia (né William) Thomas, CeCé Telfer, Blaire Fleming, Sadie Schreiner and other men eligible to win NCAA women's titles and awards, join women's teams, and enter women's locker rooms. In response to these violations of federal law, my organization, the Independent Council on Women's Sports, is financially supporting three federal lawsuits filed in 2024 and 2025 against the NCAA and its member conferences and schools on

behalf of dozens of female athletes, including Riley Gaines and Brooke Slusser, as well as female Olympians and American record holders.

The PCSA's overly broad exemption would short-circuit these lawsuits and halt efforts to hold the NCAA accountable

A bill would free the association of liability for forcing women to compete against men.

under Title IX. By exempting all NCAA eligibility decisions, the bill would shield the NCAA from liability for past and future eligibility decisions that violate Title IX.

Given the NCAA's longstanding and defiant disregard for the rights of female athletes, it isn't surprising that the association's lobbyists have slipped into the PCSA an overly broad

exemption from federal law, authorizing the NCAA to harm countless female college athletes—past, current and future. The PCSA exemption would gut the impact of Title IX in women's college sports, even erasing the need for the NCAA to continue to adhere to President Trump's executive order, which prompted the NCAA to modify its eligibility policy for men in women's sports.

It would undo important aspects of the Supreme Court's recent decision in *West Virginia v. B.P.J.*, which upheld state protections for women and girls in school sports. The PCSA would exempt the NCAA from accountability under state laws in 27 states, and from measures on the ballot in several others, which specifically address eligibility for women's sports teams in college. These state laws became necessary because the NCAA and its member institutions were violating Title IX.

No one should think the NCAA can be trusted on the issue of men in women's college sports. Even today, the NCAA permits member schools to allow men on women's teams, and the association's revised policy allows men to define themselves as women and use women's locker rooms.

More than 80% of the public believes men shouldn't be allowed to compete in women's sports. Female athletes deserve the full protections of Title IX. Regardless of how pressing other issues in college sports may be, neither the president, Congress nor the public should accept a measure that would harm female athletes for decades to come. Solve football, solve NIL, but don't exempt the NCAA from Title IX and state law.

Ms. Jones is a co-founder of the Independent Council on Women's Sports. She was an All-American in tennis at Stanford.

OPINION

REVIEW & OUTLOOK

Trump's Latest Iran 'DEAL'

A friend quipped the other day that President Trump truly deserves the Nobel Peace Prize because he has already ended the Iran war eight times. Will the ninth time be the charm after his latest decision to call off a military escalation in search of a deal with the revolutionary regime?

"We have just been asked by Iran, and other Middle Eastern Countries, to hold off any attack in that the perimeters of a deal has been agreed to," Mr. Trump posted at 10:05 p.m. on Saturday. He added that this includes "Immediate, Complete, and Total" opening of the Strait of Hormuz and an end to Iran's nuclear program.

Mr. Trump offered no other details. It also isn't clear how this miraculous turn of events happened so quickly after Mr. Trump had been building all week to a military response. Journal reporters said Friday Mr. Trump had made a decision to escalate.

Saudi Arabia's national news agency reported that Crown Prince Mohammed bin Salman had asked Mr. Trump to stand down, perhaps fearful that its oil facilities and tankers would become a target of Iran in the Gulf and Iran's Houthi proxy in the Red Sea. If that's true, it's another sign that Iran now has escalation dominance in this conflict.

Iran hasn't said much as we write this, and leaks from negotiators suggest the familiar confusing intercessions from Oman and Qatar. It seems unlikely that Iran has agreed to much on its nuclear program after the June 17 memorandum of understanding (MOU) offered little in the way of concessions.

As for the Strait, Mr. Trump's latest threats of escalation followed Iran's attacks on shipping that tried to pass without its permission—as well as an unprovoked missile attack last week on a U.S. base in Jordan.

By now it's clear that this up and down, back and forth, from war of annihilation to peace in our time is Mr. Trump's chaotic way of war. He may think it keeps the enemy guessing, but it

also keeps the American public unsure of what his war aims are or how he hopes to achieve them. No wonder the polls show voters have soured on the war. If Mr. Trump did restart the bombing, it isn't even clear what his strategic purpose would be, other than hoping that it would cause the regime to sign what he calls a "DEAL."

It's been clear since Mr. Trump agreed to a cease-fire in April that he wants out of the war. He's worried about the impact on the economy from higher oil prices, or, as he memorably put it, becoming the next Herbert Hoover. He also wants lower gas prices going into the midterm election, especially as his approval rating falls below Joe Biden's and Barack Obama's at a comparable period in their terms.

Iran's regime knows signals of weakness when it hears them. It interpreted the poorly drafted MOU as an opening to let it control the Strait and has kept taunting Mr. Trump with attacks on U.S. allies and bases. Mr. Trump lashes out with a tit-for-tat bombing response that so far hasn't caused Iran to bend.

Iran also knows Mr. Trump is surrounded by advisers who didn't want the President to attack Iran at all and now want the conflict over on nearly any available terms. His aides think the cost of further fighting is higher than the damage to U.S. (and Mr. Trump's) credibility from a cease-fire that cedes the initiative in the Gulf to Iran. The death of Sen. Lindsey Graham removed a rare hawkish counselor.

Has Iran now finally agreed to terms that can plausibly be called a U.S. victory, as Mr. Trump's Truth Social post suggested? Recall that when the MOU was signed, Mr. Trump's negotiators hailed the result, and claimed the regime had turned a "new leaf," as Vice President JD Vance put it, and wanted to become a "normal country," despite 47 years of promoting terror and regional revolution.

As ever, it pays to watch what Iran does, not what the regime and Mr. Trump say it will do.

The Public Pension AI Boom

President Trump and Bernie Sanders have argued for the government taking equity stakes in AI companies to ensure the public benefits. A new report by the Equable Institute on the state of government pensions shows that the taxpayers and public workers are already profiting plenty from the AI market boom.

The tech-heavy Nasdaq has had its down days of late amid concerns about economic collateral damage from the Iran war. Yet the economy is proving to be remarkably resilient in large part thanks to an AI investment boom. Optimism about AI has helped push the Nasdaq up 21% over the last year and 71% over the last five years.

The rising AI tide is lifting many non-tech company boats, including GE Vernova (up 49% in 12 months) and Caterpillar (89%), which make turbines for natural-gas plants that power AI data centers. The market boom has also boosted the funding ratios of government pension funds, which Equable estimates hit 85% nationwide this year—the highest since 2007.

Equable estimates that about 8% to 10% of government pension funds are invested in a basket of 51 publicly traded AI-related companies. This doesn't include investments in privately managed

funds that own stakes in private AI companies like OpenAI and Anthropic. While AI is yielding tremendous returns for pension funds, it also bears a warning.

Strong investment returns have alleviated financial pressure on state and local governments since taxpayers pay most of the bill for public worker pensions. Government employers contribute about 31.8 cents for every dollar that workers earn in compensation toward their pensions—triple the amount in 2001. Taxpayers would have to pony up even more if not for the AI boom.

Therein also lies the risk. Some AI company valuations may be stretched in the current boom and could be in for a correction. Government policies that seek to slow AI—e.g., robot taxes and data-center moratoriums—could truncate the boom. In that case, taxpayers would be stuck paying much bigger pension bills, which could force worker layoffs as happened after the 2008-09 meltdown.

It would be better for governments to move workers to 401(k)-style plans that reduce the risk for taxpayers and give public workers a direct stake in the success of AI and other companies. Maybe then government unions wouldn't be as hostile to private business.

An Equable study shows how the market is already helping workers.

How Green Policies Fuel Fires In Europe

Fires have been wreaking havoc across France and Spain, as they often do when conditions are dry and wind is high. But it wouldn't be a weather-related tragedy these days if someone didn't blame climate change. The tragic irony is that Europe's environmental policies are making such wildfires more likely and more devastating.

Under its Green Deal and related policies, the European Union is designating 30% of the continent as nature-protected by 2030. Goals include increasing the amount of deadwood and the density of tree cover in forests. Whatever their environmental merit, such measures increase the amount of highly flammable fuel for fires, make it easier for blazes to spread and harder to extinguish.

The EU also wants at least a third of this protected land to fall under "strict protection," which means it will be left "essentially undisturbed from human pressures and threats," according to European Commission guidance. It allows for some natural disaster prevention measures, but only "when such activities are compatible with the conservation objectives of the areas on the basis of a case-by-case assessment," the guidance says.

Ranchers and farmers in Spain and France have historically managed their land to mitigate the risk of megafires. But the EU's regulations have made it harder for small farms to survive across Europe, accelerating a rural exodus. Red tape often hinders those who remain from carrying out preventive actions like controlled burns.

"Environmental legislation has not been based on the science of ecology, or on forestry," says Victor Resco de Dios, a professor of for-

estry at the University of Lleida in Spain. "I think it's been based on ideology, on a Walt Disney view of the world with Bambi, where you

see human beings as inherently bad" for the environment. But "when you remove humans out of it, what happens is you get more fuel, and then you get worse fires."

In a paper last year for the Journal of Environmental Management, Mr. Resco de Dios and co-authors looked at fires in the temperate forests of southwestern Europe, including Spain, France and Portugal. They found that protected areas constitute 38% of the forest land but 55% of the burned area in recent fires.

They also reported that in Australia, California and southwestern Europe, fires burned more intensely on protected lands, which makes them more dangerous to nearby residents and more damaging to natural habitats. This explains some of the fires that have done so much damage in recent years to residential areas in the American West.

The European Forest Fire Information System publishes maps and data, updated daily, on the current blazes. They show considerable overlap between the protected nature areas in Spain and France and the wildfires. That suggests in addition to the vagaries of weather, a policy failure.

Blaming climate change is the default explanation these days for any natural disaster, but Europe's costly solutions will make little difference to global temperatures. Better forest management and fire prevention can make a difference, however. And they would reduce the CO2 emissions from fires that now overwhelm much of the reduction from electric vehicles or other climate nostrums.

LETTERS TO THE EDITOR

The Math on AI Works Out Real Well for You

Mark Zuckerberg echoes Adam Smith when he argues in his op-ed "The AI Future Is for Everyone" (July 29) for decentralized control over the means of producing AI to unleash innovation. He is right, and moves by the government to limit AI are creating one of the greatest dangers to its societal value: underinvestment. Skeptics may grumble about a bubble, but capital outlay is reckless only if it fails to earn its keep. The relevant question is what these investments are actually worth to society.

The five largest technology firms are expected to invest about \$900 billion in AI from 2025 to 2027. Consider the possible social value. If AI raises the permanent level of gross domestic product by only 1%—about \$330 billion a year—that perpetual stream, discounted at the federal government's preferred 3% rate, would be worth roughly \$11 trillion, more than 12 times as much as the capital invested.

AI's positive effects extend to consumer gains beyond purchases and nonmarket goods, too, which are left out of GDP. Chief among those is health, arguably the most valuable of all goods. University of Chicago economists estimate that the longevity gains Americans enjoyed over the 20th century were worth about as much as the entire growth in GDP across that century. So suppose AI delivers a modest 1% increase in U.S. life expectancy through better diagnosis and treatment. By the government's

own cost-benefit methods, that is worth about \$140 trillion.

The usual objection to AI is a fear of layoffs. But our workforce has grown through past productivity revolutions. Agricultural economies of the past were plagued by malnutrition; today the roughly 1% of U.S. workers in agriculture are productive enough to make us obese. That staggering leap in productivity didn't yield a 99% unemployment rate—it freed labor to build everything else. Likewise, the automation of manufacturing, a sector in the U.S. now under 10% of national GDP, turned developed nations into service economies while the workforce expanded as women entered it in large numbers. AI may even raise employment within a given industry, since higher productivity lowers prices, lifting demand for more labor: Uber added far more drivers than it cut dispatchers.

Even tiny gains from AI produce social benefits that swamp a \$900 billion investment. Curtailing the boom and the data centers behind it—as New York recently did—is misguided. Would you rather live a poorer, shorter life without AI or a longer, richer one with it?

TOMAS PHILLIPSON
CHICAGO

Mr. Phillipson served as a member and acting chairman of the White House Council of Economic Advisers from 2017-20 and sits on the Economic Advisory Board of Anthropic.

Why Won't the Government Let Us Help Kids?

Jason Riley is right when he argues in "The Answer to the Academic Achievement Gap Is Obvious" (Upward Mobility, July 29) that charter-school critics are wrong. I founded an all-boys charter school in 2021, with the goal of helping black boys who basically stopped learning during Covid shutdowns. Their lives were at risk of being ruined or lost.

We now have about 100 students, and we don't cherry-pick families. They find us, not the other way around. Our students excel because we treat them differently. They're addressed as "Mr." and their last name. They're held to higher personal and academic standards. The typical student gains between two to four years in reading level each year.

Despite our positive effect, we're held hostage by politics. During the state budget impasse last year, we couldn't make payroll. We couldn't pay teachers or provide lunch for the boys. We were only saved by a grant from Black Pastors United for Education. We've avoided that specific tribulation this year, but the state legislature still tried and failed to cut charter-school funding. We fear every year may be our last.

Our school gives boys the stability they need to thrive. Why won't our elected leaders give charter schools the stability we need to help more children?

REV. DARRYL CANADY
LIFE Male STEAM Academy
Pittsburgh

U.S. Treasury Is Helping Venezuela Rebuild

Kejal Vyas and Ryan Dubé capture the scale of Venezuela's reconstruction challenge in "U.S. Faces a Quagmire in Venezuela" (World News, July 20). However, reconstruction depends not only on the availability of capital. It also depends on whether that capital can move into Venezuela.

On July 27, the U.S. Treasury took an important step toward reconnecting Venezuela to the U.S. financial system. It issued an enforcement policy designed to give U.S. financial institutions greater confidence to support Venezuela-related activities authorized by the Office of Foreign Assets Control. Subject to the policy's conditions, the Financial Crimes Enforcement Network will generally

refrain from taking supervisory or enforcement action when U.S. financial institutions provide authorized Venezuela-related services and make reasonable efforts to comply with U.S. anti-money-laundering requirements. This matters because even when the U.S. government permits a transaction, banks usually still refuse to process it because of the compliance risks associated with jurisdictions considered high risk.

Without payment processing, correspondent banking, trade finance and credit, American investment cannot reach projects at the scale Venezuela requires. By reducing this regulatory uncertainty, the Treasury is creating better conditions for banks to support the country's economic reconstruction. The policy will remain in effect until at least Jan. 29, 2027.

JORGE JRAISSATI
President, Economic Inclusion Group
Boca Raton, Fla.

The Smithsonian and Burke

Regarding William Galston's "Trump Has a Point About the Smithsonian" (Politics & Ideas, July 29): Having followed the reporting on the politically correct Smithsonian Director Anthea Hartig, I shouldn't have been surprised by the quote of her views on her profession: "History as a practice . . . is for me a prime tool of social justice." How does that comport with a historian's overarching responsibility—paraphrasing Edmund Burke—to the dead, the living and the yet unborn? Ms. Hartig's focus on the "presentism" of social justice must surely disqualify her for the role of Smithsonian director. Better she ply her trade as a Democratic socialist community organizer.

STEPHEN C. KINNAMAN
Chappell Hill, Texas

Thanks to the Billionaires

I loved Rob Arnott's op-ed "Thank You for Your Success, He Said" (July 29). He said what I have said: Thank God for people like Jeff Bezos, Bill Gates, Elon Musk and everyone who has brought us technology to improve our lives. I grew up with telephone party lines in the '60s, snail mail and reading physical newspapers, books and magazines. There were no cellphones, no computers. I never begrudge anyone who is a millionaire or billionaire his money—he or she has developed vital products for the masses.

MATINA KANTZAVELOS
Morton Grove, Ill.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"Job search not going so good?"

OPINION

A Brief History of Wealth Creation

By John Steele Gordon

The grandeur of the Roman Empire was built on the aggregation of wealth. Using its superior military organization, Rome conquered its neighbors, took their gold and silver and sold their populations into slavery. When the empire ran out of neighbors, the Roman economy began to falter.

Today America is in the midst of the greatest epoch of wealth creation the world has ever known. Our history is one of innovation, and we are all richer because of it.

In 1992, the first year of the Forbes 400, it took \$100 million to make the list, and the wealthiest American was Daniel Keith Ludwig, worth \$2 billion. In today's dollars, those figures are approximately \$346 million and \$6.9 billion.

The ancients aggregated wealth. America was built by creating it. Socialists are blind to all this.

In 2025 it took \$3.8 billion to make the list, and the man at the top was Elon Musk, worth \$428 billion as calculated on Sept. 1.

How did this rapid increase in wealth come to be? Simple: the microprocessor and the internet. Whenever a new technology greatly reduces the cost of a major input into the economy, the cost of goods and services drops and an influx of new fortunes quickly follows.

Before the Industrial Revolution, fortunes were based on land or trade. Energy was provided by muscle power, windmills and water wheels.

Then in 1781 James Watt patented a rotary steam engine that could turn a shaft and thus power a factory. Unlike water wheels, steam engines

could be scaled to almost any size. The Industrial Revolution moved into high gear because energy was suddenly cheap. That reduced the price of industrial goods for everyone while increasing profit for the owners.

In 1826, young Benjamin Disraeli popularized the word "millionaire" to describe the new industrial barons in his novel "Vivian Grey."

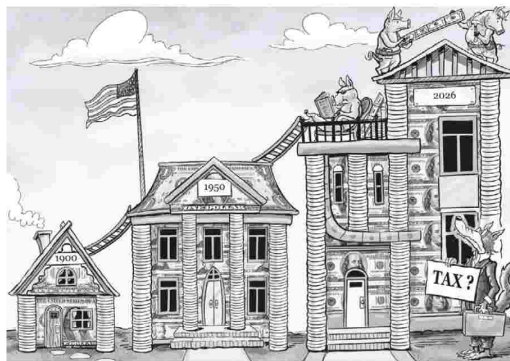
In the early 19th century, factories were limited in size by the area to which their products could be economically delivered. Freight moved by water or it didn't move at all. When the steam engine was adapted to power locomotives, the cost of overland shipping dropped precipitously. Whereas once every town had its own cobbler, suddenly a shoe factory in, say, Worcester, Mass., could make both—and much cheaper—shoes for the whole country.

Within a few decades, railroad fortunes like those of Jay Gould, E. H. Harriman, James J. Hill and Cornelius Vanderbilt were among the largest in the country.

Almost simultaneously the sewing machine reduced the time needed to make a shirt from 16 hours to two, greatly reducing clothing costs. Isaac Singer died very wealthy.

Gaslight became common in cities in the early 19th century, but people living beyond the reach of a gasworks still had to use expensive candles or whale oil. Whales were being overhunted, and the price of whale oil rose alarmingly. Then Yale chemist Benjamin Silliman Jr. showed how crude oil could be fractionated into various liquids, one of which was kerosene, an excellent illuminant that was much cheaper than whale oil.

In 1859 the first oil well was drilled. By 1900 the names Rockefeller and Flager were legendary, and the



price of kerosene had dropped continuously thanks to economies of scale. The ancients knew about steel, but

it was so expensive to produce for most of history that it was almost a semiprecious metal. In 1856 the British engineer Henry Bessemer invented a process for the mass-production of steel, and the material became cheap. Its use in railroad rails—now cheaper, safer and longer-lasting than wrought iron—greatly increased. Steel-framed buildings could soar to the sky. The word "skyscraper" came into usage around 1891, and Carnegie, Frick, Phipps and Schwab were soon household names.

In 1946 the first programmable computer, Eniac, came online. It was far faster and more versatile than the electromechanical devices it replaced. It was also the size of a school bus, had more than 17,000 vacuum tubes and sucked up 150 kilowatts of electricity an hour.

Computing remained very expensive despite the new technology, owing to what mathematicians call the

tyranny of numbers. Computing power is a function both of the number of nodes and the number of connections between them. Two nodes require one connection, four nodes need six, six need 15 and so on. As long as those connections had to be made, essentially, by hand, computers were confined to governments and big businesses, tended by men in white coats.

The microprocessor, a computer on a chip of silicon, came to the market in 1971, thanks to Texas Instruments and Intel. The cost of the storage, retrieval and manipulation of data began to collapse. It was the most consequential technology since the steam engine made energy cheap.

Steve Jobs and Steve Wozniak soon founded Apple and developed the first mass-market personal computer to reach consumers. Microsoft provided software to IBM, and Bill Gates became, for a time, the wealthiest man in the world. Thanks to these men, school kids today carry around more computing power in their back-

packs than the Pentagon could have afforded in the 1950s.

Sam Walton understood that cheap computing made very close inventory control possible. That, along with vast wholesale purchasing power, allowed lower prices for customers. Walmart today has 1.6 million U.S. employees.

When the PC was wedded to the Internet, the world changed profoundly in only a couple of decades. Jeff Bezos saw how the new technology could revolutionize retailing again. Amazon today has 1.1 million American employees, second only to Walmart. Its American customer base is about 255 million, about 75% of the country's population.

In recent years, Elon Musk's SpaceX has greatly reduced the cost of using outer space, thanks to the reusable rocket. We can expect more fortunes—and cheaper goods and services—as a result of this innovation. Artificial intelligence is profoundly altering the digital universe, with the promise of ever greater computing power.

All this wealth creation is ultimately capital formation. Billionaires don't keep their wealth locked in Scrooge McDuck-style money bins. They invest it in ever more wealth-creating enterprises.

Capital and labor are the two fundamental inputs into an economy. Many on the left, unable to distinguish between wealth aggregation and wealth creation, want to tax wealth heavily, which would reduce the available capital needed to make the economy grow. If there was ever a prime example of ideology blinding people to reality, this is it.

Mr. Gordon is author of "An Empire of Wealth: The Epic History of American Economic Power."

Socialist Chic and the 'Medicare for All' Sham



LIFE
SCIENCE
By Allysia
Finley

A friend recently observed that many young, relatively affluent people in his New York City neighborhood—

which voted heavily for Zohran Mahdani—dress like hobos and sport Carhartt workwear.

Call it socialist chic. The sartorial style is also an apt metaphor for patrician progressives who feign solidarity with the proletariat.

Consider Abdul El-Sayed, the left-wing front-runner in Michigan's Democratic Senate primary this Tuesday. Mr. El-Sayed has surged to the lead against Rep. Haley Stevens by presenting himself as a man of the people. He has called for free child care, "Medicare for all" and an 8% wealth tax on billionaires.

"I don't think that our system should be in the business of creating billionaires," he said during a March debate. "I think our system should be in the business of empowering everyday folks to be able to live a life with access to the basic dignities that they need and deserve, good housing, good healthcare, affordable food."

Nobody can disagree with the latter goals. But Mr. El-Sayed's prescriptions to achieve them would expand government control of healthcare and the private economy and exacerbate the socioeconomic inequalities he inveighs against.

Mr. El-Sayed, 41, earned a doctorate in public health from Oxford University and a medical degree from Columbia—though he didn't complete an internship and isn't licensed to practice medicine. Instead of caring for patients, he has spent his career nurturing ties to progressive groups. "My career has never been about trying to maximize on money, otherwise I would have just gone and been a surgeon," he said in June.

Still, he hasn't done too shabbily. He and his wife, Sarah Jukaku, earned \$686,069 in income last year, according to a financial disclosure report he released last month. That would rank him among Michigan's top 1% of earners.

The couple made \$262,299 from capital gains, which he said came from the sale of a property that his wife's parents bought for them. His disclosure also noted "additional income" of \$292,881 from his podcast, "America Dissected," and his wife's

psychiatric practice. His podcast claims to "explore what's really making us sick and what we'll need to take on—be it racism, corporate capitalism, or snake-oil salesmen—to keep all of us healthy."

Mr. El-Sayed and his wife also own between \$882,000 and \$2.2 million in assets, which include three

What Abdul El-Sayed proposes is a single-payer system nothing like the program for the elderly.

rental properties, one of which his wife recently acquired in Dubai. Nobody should begrudge Mr. El-Sayed his modest fortune, but why should he begrudge billionaires theirs?

The left-wing candidate in recent days has tried to distance himself from the Democratic Socialists of America, perhaps because he worries the label will alienate voters in November. "I'm not a socialist," Mr. El-Sayed said. "I'm just a capitalist who understands how capitalism works." You wouldn't know it from his policy agenda.

He does know how to make money selling snake oil. In 2021 he co-authored a book, "Medicare for All: A Citizen's Guide," with a foreword by Sen. Bernie Sanders. The catchphrase "Medicare for all" is misleading. What Mr. El-Sayed proposes isn't universal Medicare but a single-payer system with no premiums, deductibles or cost-sharing.

Medicare has all of the above. All seniors who don't also qualify for Medicaid have to pay a monthly Medicare Part B premium, starting at \$202.90 a month and tied to income. Seniors who enroll in traditional Medicare fee-for-service also have a \$1,736 deductible for inpatient hospital care, steep cost-sharing requirements and no limit on out-of-pocket spending.

They also have to purchase separate prescription-drug plans, whose monthly premiums range from zero to \$239. About 40% of seniors in traditional Medicare buy supplemental insurance policies to cover benefits like dental and vision care not provided by the government and for protection against catastrophic costs.

Seniors also have the choice of enrolling in private federally subsidized Medicare Advantage insurance plans. About half of Medicare beneficiaries, and most of those with lower in-

comes, enroll in Advantage plans because they provide comprehensive coverage at lower cost than fee-for-service. Mr. El-Sayed wants to eliminate these plans.

Yet he slickly pitches "Medicare for all" as an antidote to America's unrivaled healthcare ailments, which are largely caused by government policies. He complains that lower-income Americans struggle to access doctors. But that's primarily because of the ObamaCare Medicaid expansion and low government reimbursement rates for physicians.

Mr. El-Sayed's idealized system resembles Medicaid, in which patients can wait months to see specialists. In single-payer systems in other countries where the government rations care, wait times are even worse. The Royal College of Emergency Medicine recently reported 15,860 avoidable deaths last year associated with long delays for Britain's National Health Service.

The wealthy in countries with nationalized health systems can usually expedite care by paying out of pocket to see physicians, while the hoi polloi are consigned to long waits for substandard care. Like the rest of the socialist agenda, Medicare for All is a sham.

The FBI Raided My House, Guns Drawn, Over a Peaceful Protest

By Paul Vaughn

On a quiet October morning in 2022, my life changed forever. Agents of the Federal Bureau of Investigation pounded on my front door and arrested me at gunpoint in front of my wife and children. Last week, my life changed again.

After years of legal battles to clear my name, my family has reached a settlement with the government concerning the weaponization of power against us and the harm it inflicted. This settlement comes on the heels of a landmark Justice Department report that confirms what my attorneys at the Thomas More Society argued from

the beginning: What happened to me wasn't an accident or an overzealous mistake but a coordinated campaign against pro-life advocates like me.

I'm a Christian father of 11, and a significant part of living my faith is advocacy for the dignity of unborn children and vulnerable mothers. My family's world was shattered when FBI agents raided our rural Tennessee home, guns drawn, treating us like a dangerous criminal for peacefully praying and singing outside an abortion business over a year earlier. My children watched in fear as I was handcuffed and led away, and when my wife desperately asked what was happening, where the agents were taking me

and on what authority, her pleas went unanswered.

The legal nightmare that ensued lasted more than a year, leaving me a felon and my family dealing with the fallout and trauma caused by the government. By God's grace, I received a presidential pardon on Jan. 23, 2025, soon after Thomas More Society lawyers sent a formal pardon petition to President Trump. I give thanks that I can write this from my home, surrounded by family and with my freedom restored. Yet every time I am called to recount what happened that morning, the pain is as fresh as the day it occurred.

Now we know the full picture: The Justice Department's report found that the Biden administration systematically weaponized the Freedom of Access to Clinic Entrances Act against pro-life Americans while closely coordinating with abortion-industry groups to identify, surveil and target us for prosecution.

The National Abortion Federation wasn't merely cheering from the sidelines. Its security director was described by the Justice Department's own task-force director as an "MVP" for flagging pro-life demonstrations to the government, often in real time, "which usually result in an investigation/prosecution." The federation compiled a dossier on pro-life supporters that included photographs, home addresses, driver's license numbers, and even photos of spouses and minor children and

shared it directly with the Justice Department and the FBI.

One of the Justice Department leaders of the charge against me and my fellow pro-life advocates was Sanjay Patel, a prosecutor in the Civil Rights Division's criminal section, who oversaw FACE Act enforcement nationwide. In my own case, which went to trial in federal court in Nashville, defense counsel requested historical prosecution data to prepare a selective-prosecution defense. Mr. Patel refused, claiming he didn't keep such records. But the weaponization report revealed that he had the information readily available. In fact, he had already shared substantially identical data with the National Abortion Federation. The evidence that might have demonstrated the government was treating us differently was withheld from the Americans being prosecuted and handed to the organization that helped target us. Mr. Patel was among the prosecutors fired before the report's release—a small but significant measure of accountability for those who presided over this campaign.

Biden officials worked with the National Abortion Federation to treat pro-life advocates as criminals.

Recent revelations show that we weren't casualties of blind justice but instead carefully selected targets of a politically motivated campaign against pro-life Americans. None of this is easy to reckon with. The Justice Department, the institution charged with protecting Americans equally under the law, was weaponized against me and other people of faith for the peaceful exercise of our pro-life beliefs.

That is why I am grateful for what the Trump administration has done. The presidential pardon, the willingness to investigate and publicly release this report, and now this settlement aren't small things. They are acts of institutional honesty and are the beginning of restoring faith in government and in the idea that America's promise of equal justice under law still means something.

A Christian should be able to stand on a public sidewalk or in a building open to the public, pray quietly, peacefully share the pro-life message, and go home to his family without fear that a federal task force is building a file on him and taking cues from an abortion industry lobby.

That isn't a radical request. I pray this marks a turning point—for pro-life Christians and for every American who believes that justice must be blind and speaking the truth isn't a crime.

Mr. Vaughn is president of Tennessee Wireless and Personhood Tennessee.

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The FT View



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A red card for the boss of world football

Infantino's abortive plan shows Fifa needs a sweeping governance shake-up

When the final whistle blew at the men's football World Cup two weeks ago, FIFA president Gianni Infantino's position seemed impregnable. Despite controversies and complaints about ticket prices, the tournament was a dazzling success, its revenues dwarfing those of previous World Cups. But Infantino's scheme to set up a new company housing FIFA's commercial interests and sell stakes to private investors triggered an extraordinary backlash across much of the global game. With rebel federations and associations gathering signatures for an extraordinary meeting and no-confidence vote, he should stand down.

In another form and different hands, some version of Infantino's plan might have worked. There is nothing inherently wrong with further commercial-

isation of international football provided it balances all stakeholders' interests. The flood of private investment and TV money particularly into European leagues has had some important positive effects – helping to upgrade stadiums, slow rising ticket prices and reduce financial blow-ups at clubs.

Commercial innovations in this World Cup showed the potential to unlock further value; compared to some other global sports, TV and sponsorship revenues still left money on the table. Maximising returns to expand football in developing countries beyond its strongholds in Europe and the Americas makes sense in principle.

But FIFA doesn't need outside investors to do this. Infantino pointed to how the Spanish and French football leagues sold stakes to private equity. But they were seeking fresh capital after the Covid pandemic badly weakened their finances. FIFA, by contrast, has \$2.7bn in reserves, and is projecting \$15bn revenues in the four-year cycle ending with

this year's tournament. It could hire talented executives to boost value.

Many national associations, even if they would have benefited from higher distributions, also balked at diverting some of that value unnecessarily to private investors. Pressure would very likely increase for further expansion of the World Cup or Club World Cup – crowding the match calendar to the detriment of football's wider ecosystem.

All this has, ironically, only highlighted the need for another element of Infantino's plan – separating FIFA's role as regulator of world football from its commercial activities – but not as the FIFA president envisaged it. Infantino drew up his commercial plan in secret, without the knowledge of top lieutenants, and gave FIFA's 211 member associations 53 days to take it or leave it.

It included an anchor investor run by the brother of Donald Trump's son-in-law. Much of the football world has viewed with distaste Infantino's courting of the US president, epitomised for

The latest debacle has laid bare the lack of transparency and checks and balances that concentrates vast power in the FIFA president's hands

many by Infantino awarding Trump a FIFA "peace prize" last year and the suspension of a red card ban for US striker Polaris Balogun last month after Trump intervened (Fifa insists its disciplinary committee acted independently). In a different era, in 2015, it was US law enforcement that played the primary role in exposing corruption at Fifa which forced Sepp Blatter's resignation after 17 years as president. Infantino was supposed to clean up Fifa.

The latest debacle has instead laid bare the lack of transparency and checks and balances that concentrates vast power in the FIFA president's hands. While Fifa is a non-profit association, no corporation with multibillion-dollar revenues would tolerate the equivalent of a joint CEO and chair devising a major business initiative without consulting senior management and the board. Fifa now needs a far more sweeping shake-up of governance than what took place a decade ago. A red card for Infantino would be an important first step.

Opinion Britain

Don't pretend jokes won't lead to political violence

Ben Hickey



Jemima Kelly

The leader of the Green Party has an interesting understanding of the circumstances under which it is appropriate to say sorry. "If I'd done it deliberately, I'd be apologising," Zack Polanski said during an appearance on BBC Newsnight on Tuesday. "But because this was a mistake, I think the important thing is that I point out this was a mistake." (Right. Because famously, when you make a mistake, you don't apologise for it.)

Polanski was referring to an image that he had (inadvertently, he says) participated in posting on social media, of a man wearing a T-shirt emblazoned with an image of a guillotine. At the top is printed the phrase "We're only making plans for Nigel", a reference to a great song by 1970s punk band XTC.

There has been a chipping away at the taboo that it is OK for someone to be killed for their views

It should be pointed out that this was part of a "collab", meaning that several people including the Green Party leader jointly posted it from their accounts, and also that Polanski says he hadn't noticed the image (the fifth in a multi-image "carousel") when he approved the collab request. He subsequently unshared the post, and said he condemned all forms of political violence, including violent imagery and metaphors.

But Reform UK leader Nigel Farage, at whom the T-shirt's message was directed, says Polanski's co-posting of the image was nothing short of "incitement" and called for the police to act (the Met has since said it is taking no further action).

"Is it any wonder with such rhetoric relentlessly levelled at Reform that some may be moved to try to eliminate that supposed threat through lethal violence?" the party's home affairs spokesperson Zia Yusuf said, arguing that the constant denigration of Reform UK by the media and rival politicians had led to the brutal murder of his high-profile colleague Ann Widdecombe on July 8. As an example, he cited old social media posts from Labour MPs, including one from David Lammy in 2019 that described her as a "poisonous bigot".

Given the appalling and upsetting

circumstances of Widdecombe's death – the 78-year-old was slaughtered in her home as she was having lunch by herself, by an assailant who dealt her 21 blows with a hammer – it is understandable that Farage and Yusuf are feeling sensitive. But that does not negate the fact that they are also being deeply hypocritical.

Lucy Connolly – who in 2024 pleaded guilty to publishing material "intended to stir up racial hatred" after calling on X for asylum seekers' hotels to be set on fire in the aftermath of the Southport stabbings – has been held up by Farage as a victim of an over-reaching, authoritarian state. She was a star speaker at Reform's conference last year, hailed as "Britain's favourite political prisoner".

Further, just because a lone actor (as Widdecombe's killer is assumed to be) decides to carry out a despicable act, that does not mean we should suddenly abandon our commitment to free speech – a value that Farage claims to hold dear – or involve the police in matters that should be governed by social norms rather than criminal law. Nor does it mean that politicians should be beyond strong criticism: calling someone a "bigot" who must be stood up to "before it's too late" (as Yusuf complained that Lammy did) is hardly an incitement to murder, not least when it was seven years ago.

But what is undeniable is a general chipping away at the taboo that it is acceptable for someone whose views you find morally repugnant to be killed. According to a recent study, the proportion of Americans who say political violence is "usually or always" justified increased "only modestly" from 2024 to 2025 – from 32.5 per cent to 35.6 per cent (although a 10 per cent increase is not very modest in the space of a year). A 2025 study found that 21 per cent of Britons said political violence was acceptable under some conditions.

And while the response to the Polanski post from Farage might be overblown, the fact is that "jokes" about someone being better off dead can lead to someone deciding to go and kill them. Likewise, the frequent comparisons drawn between Donald Trump and Adolf Hitler make it more likely that someone might try to assassinate him, as press secretary Karoline Leavitt complained after the latest attempt on his life in April. It's no good pretending she is wrong.

It shouldn't need saying that violence has no place in politics. It is counter-productive, making martyrs of its victims. The taboo is what holds the social norm in place. With each erosion, the line between "joke" and moral justification gets a little blurrier.

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Letters

UK can no longer rely on foreign-owned payments networks

Martin Arnold's report on Mastercard's potential sale of Vocalink rightly raises questions about the ownership of critical UK payments infrastructure ("Mastercard weighs sale of majority stake in payments unit Vocalink", Report, July 14).

It also points to a broader issue that Britain has been slow to confront: why does one of the world's most innovative economies still rely so heavily on two US-owned card networks for everyday payments?

Every year, UK businesses pay billions in fees to these dominant networks. The result is a system that quietly taxes the economy, limits choice and stifles competition, with

consumers ultimately paying the price through higher costs for goods and services.

Regulators are beginning to scrutinise card network economics, while policymakers across Europe are questioning their dependence on foreign-owned payments infrastructure. If rising geopolitical tensions were ever to disrupt access to these networks, the consequences for UK businesses and the wider economy would be profound. The optimal scenario is close collaboration between the US and Europe on all technology platforms, including payments. But that is not the geopolitical reality in which we find ourselves.

This is why you buys Vocalink matters. Vocalink operates Faster Payments, the rails on which open banking runs. Open banking is the UK's best chance of delivering genuine choice and competition in payments, and handing that critical infrastructure to an incumbent would defeat its purpose. A sale to the major banks would resolve the sovereignty question, but it would not resolve the competition one: the same institutions that benefit most from today's market would continue to have little incentive to change it.

As an open banking payments company, we feel that if the UK is serious about building a more

competitive and resilient payments market, ownership of this kind of critical infrastructure is better placed with a coalition of independent, innovation-led challengers who have every incentive to open up the market.

As the Bank of England shapes the UK's next generation of payments infrastructure, it should not simply replace one dominant owner with another. It should seize the opportunity to build a payments system that is defined by genuine competition, greater choice and openness to innovation.

Francesco Simoneschi
CEO and Co-Founder, TrueLayer,
London EC2, UK

Few small companies pay New York business tax

A recent article about small business reform in New York City ("New York's mayor sets out to slash red tape for small businesses", Business Insight, July 29) includes a widely cited, but wildly misleading, claim about business taxation in the US.

The article claims that New York businesses face a relatively high tax rate. The problem is that no small businesses pay this tax. The tax rates in question, however, apply only to corporations, which comprise less than one-fifth of all US businesses. Virtually all small businesses are partnerships or sole proprietorships, which pay tax on personal, not business, income.

Corporations in the US tend to be very large public companies. In New York State, for instance, just 799 companies account for more than three-quarters of the state's entire corporate tax take. (New York City's corporate tax conforms to, and is layered on top of, the state tax.)

Further, corporations pay tax to New York based solely on the sales they make in the state, not where they employ workers or maintain offices. Given this, comparative corporate tax rates could not affect regional competitiveness. If Amazon, for instance, wanted to lower its New York corporate tax liability, it would have to take the unprofitable task of reducing the sales it makes to New Yorkers.

The article draws attention to mayor Zohran Mamdani's commendable efforts to make it easier to start and run a small business in New York. Bringing in misapprehensions about business taxation needlessly muddies the waters.

Andrew Perry
Director of Fiscal Research,
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A smart surface solution for our overheating cities

Your editorial (July 20) correctly notes that extreme heat in European cities is now so common that a new approach to cooling is needed. But the editorial's recommendation – to expand air conditioning (AC) – fails to note that AC cools rooms by dumping more heat outside, thus worsening the problem.

Operating AC in a recent multi-day heat event in Paris (where most residents still don't have AC) increased ambient city temperature by 2C. Adoption of AC as the dominant city cooling strategy is to condemn cities to more miserable summers, hurting outdoor workers, athletes, tourists and anyone not inside air-conditioned space.

A smarter alternative now being adopted across a dozen US cities ranging from Boston to Atlanta and



People looking at dinosaur fossils at a museum in Houston

Dallas is citywide cooling through changing surfaces citywide.

European city roofs and roads today absorb more than 80 per cent of incoming sunlight, which we believe contributes three times more to city heat than does global warming. The solution is to treat all city surfaces as a single integrated solution to heat and flooding risks – broadly deploying reflective, porous and green surfaces (commonly called smart surfaces).

As one example, with our help in June 2025 Atlanta adopted a bill requiring new and retrofitted roofs to be reflective. This one measure (one of several Atlanta is adopting) will triple reflectivity of commercial roofs, cool the city by 1.2C (with up to 3.5C cooling in hot, lower-income neighbourhoods) and cut electricity bills by \$300mn – while slowing global warming. Putting this mandate in place costs a city nothing, and because reflective roofs cost about the same as dark roofs, businesses and consumers also reap large benefits.

London and other European cities should not give up their marvellous outdoor spaces in the summer. Instead, they should recognise that urban heat is also the result of surface choices, not just climate change. European cities should systematically adopt reflective, porous and green surfaces citywide to cool the entire city and avoid massive expansion of the ugly, loud, smelly outdoor window AC units already heating and disfiguring public spaces. If the dominant solution to city heat is AC rather than citywide cooling, cities will set themselves on a path to giving up the outdoors in summers and worsen the two linked threats of urban heat and global warming.

Greg Kats
CEO and Founder, Smart Surfaces
Coalition; Author of 'Greening Our Built World', Washington, DC, US

PM can legislate for policy he championed as mayor

Andy Burnham is right that meaningful devolution requires mayors to have the powers and financial certainty to shape the long-term prosperity of their regions ("Burnham to give mayors income tax share", Report, July 31). Stable fiscal settlements should enable strategic investment in housing, transport and economic growth.

As prime minister, he now has the opportunity to translate into government policy a principle he championed as mayor of Greater Manchester.

Last November, Burnham joined other regional leaders in calling for England's strategic authorities to be given statutory duties for climate and nature. That reflected a simple reality: the impacts of climate change are increasingly regional in their consequences and require regional leadership.

Heatwaves and wildfires, in particular, do not respect local authority boundaries. Responding effectively demands co-ordinated planning across transport, health, emergency services, utilities and land management.

London has already demonstrated what this can achieve. Mayor Sadiq Khan's decision to commission the London Climate Resilience Review led to Heat Ready London, the capital's first comprehensive city heat plan, providing a strategic framework for preparing the capital for rising temperatures and associated risks. It shows how strategic authorities can turn climate risk assessments into co-ordinated action across public services and critical infrastructure.

The logic of devolution is that decisions should be taken at the level where they can be made most effectively.

That principle applies as much to climate adaptation as it does to economic development. If strategic authorities are to become the engines of growth, they must also become the institutions responsible for preparing communities, infrastructure and local economies for the increasingly frequent heatwaves and wildfires that climate change is bringing.

Fiscal devolution and statutory climate resilience duties are complementary, not competing, reforms.

Together they would create the long-term regional leadership that England increasingly needs.
Professor Emma Howard Boyd
Chair, National Heat Risk Commission
Grantham Research Institute on Climate
Change and the Environment
London School of Economics and Political
Science, London WC2, UK

What if fossil hunters are only in it for the money?

Far more scientific value is likely lost through the commercial recovery of dinosaur fossils than Zoe Lescaze suggests in her feature on the booming trend for collecting, which she as correctly says is happening with scant agreement on standards and transparency ("Dinosaur collectors have a bone to pick", Collecting, July 16).

Limited access to privately owned specimens is possible, though as the article points out the Society of Vertebrate Paleontology discourages its members from publishing on privately owned specimens because the owner could revoke access at any time, making it impossible for anyone else to verify that research.

US federal and state laws have tried to strike a balance between research activity and scientific recovery.

However, existing laws do not promote optimal scientific search on private lands.

Meanwhile, scientifically motivated search and recovery is a slow process that increases costs for commercial fossil hunters with no benefit to themselves. Moreover, while California has laws to promote the recovery of fossils of scientific value on state-owned lands, these can be thwarted by insufficient state-sponsored observation of recovery processes. "Drive-by" observation occurs.

To fix this, funders need to be rewarded both for recovering a fossil and preserving the scientific information.

A good reward scheme might include giving finders exclusive rights to sell the fossil if they turn over the scientific data; tax breaks for reporting exactly where a specimen was found; and requiring commercial diggers to hire trained paleontologists to monitor their digging activity.

Paul Hallwood
Professor of Economics
University of Connecticut
Storrs, CT, US

Two conductors who make light of the critics

Richard Fairman's engaging article on conductor John Wilson ("I make no apologies for my love of light music", Interview, Life & Arts, July 18) and the success of his eponymous orchestra reminded me of another influential maestro, namely André Rieu in Maastricht. Both make music that is highly popular with the public, yet often attract negative comments from expert music critics. Is this an example of the entrepreneurial spirit trouncing elite judgments?

Wilfrid Legg
Paris, France

Opinion

A digital iron curtain is threatening the global economy

Roland Busch

For 30 years, digital technology reshaped the global economy. It famously flattened the world. Markets, trade and production became more connected across borders. From cars and smartphones to semiconductors and industrial robots, almost no complex product is created in one place alone.

Then came the pandemic, energy crisis, labour shortages and geopolitical tensions that exposed how fragile this flat world of ours really is. Companies are now rebalancing, weighing resilience alongside cost and efficiency in their decisions about investment, sourcing and production. As a result, a more regional form of globalisation is emerging.

While the first digital revolution helped companies co-ordinate global

supply chains, this one is helping to make production more local again. Manufacturing is moving closer to customers, held together by a patchwork of digital connections in software, data and AI.

At "lighthouse factories", a World Economic Forum designation of more than 200 smart manufacturing sites, these new approaches have raised labour productivity by around 40 per cent and cut the time to adapt production lines roughly in half. But scaling these gains depends on whether machines, factories and companies can exchange data and reuse solutions.

Software, data and AI have different economics to concrete and steel. Factories, machines and infrastructure must still be built and adapted in each market. But a digital model, software application or AI tool can be improved in one place and reused in many others, provided systems can exchange it and have access to the relevant data. If the conditions are right, factories can adapt designs that they know work for local needs, better processes can spread and products can reach new markets

without having to rebuild from scratch each time.

That logic is strong enough to encourage corporate competitors to build connections that will allow technology to work across national boundaries.

Shared standards are the cleanest way to do this: everyone works to the same rules from the start. Interoperability is the next best solution, allowing differ-

Europe can become a trusted connector where technologies from different regions work together

ent systems to work together without becoming identical. Take a recent European-Japanese effort that linked automotive industrial networks while each retained its own architecture.

Yet while companies are building bridges, geopolitics is increasingly drawing borders. The US-China technology divide is reshaping the landscape worldwide as governments seek greater

control over technologies, data and supply chains. Export controls, data localisation rules and diverging cyber security requirements are drawing new lines through global technology.

Every new barrier makes it harder to connect systems, scale what works and bring better products to markets. If this trend continues unchecked, digital borders could harden into a digital iron curtain – slowing progress, trade and the exchange of ideas between societies.

This is a global challenge. But Europe, caught as it is between the two technological superpowers, has a particular stake in the answer – and a unique opportunity to shape it. Rather than building yet another walled garden, it can become a trusted connector: a place where companies, technologies and data from different regions work together.

But that will require building an ecosystem that others want to join. Europe cannot become the world's connector if it is primarily known for regulating technology rather than creating it. It must now create the right conditions for companies to do what they do best.

Interoperability must become a strategic imperative for the EU. Enlarging the single market – for digital products and services as well as everything else – is a necessary step in building both credibility and capability. Wherever common standards are absent, the priority must be developing interfaces that can switch between different systems, whether through companies, industry alliances or public-private partnerships.

Finally, Europe should make interoperability a cornerstone of its economic diplomacy. This connected world cannot be built alone. The emerging digital trade partnership with Pacific economies, including Japan, Australia and Canada, could become a promising model for how to bring different ecosystems together.

The biggest question remains a global one: will resilience be built on connections or on systems designed to keep one another out? The answer will determine whether our more regional world can remain connected.

The writer is chief executive and president of Siemens AG

How to save the British high street

Polly Mackenzie

The new UK government's cut in business rates for pubs and music venues is, by my count, the 12th tweak to the much-loathed property tax in a decade. When politicians start fiddling like this, it's usually a sign that the problem is bigger than they want to admit. That's certainly true when it comes to our high streets, which seem to matter more to people when voting than when shopping online.

Libertarians might say we should give up, if people wanted high streets, they would use them. The more interesting approach is to wonder why there is such a disconnect between people's choices and their political demands.

Walk down almost any high street in England and it becomes obvious. The boarded-up pub, bank or bakery, the market hall or community centre that became a bar, then a waffle house and then closed. Tens of thousands of buildings across the country sit derelict or vacant and no economist's lecture about "revealed preference" offers consolation for this not-even-managed decline.

It is perhaps 5,000 years since in-person retail began. Since then it has served two purposes: where we buy things, and where we meet. The first paid for the second without anyone noticing they were separate. Footfall for goods subsidised the public realm – the benches, the safety in numbers, a reason to walk and meet. Online shopping has largely killed off that arrangement. What's left is the second purpose, unfunded, in buildings that used to do it for free. So, any solution for the high street will

Any solution needs to force delinquent owners to bring buildings back into use or surrender them

come from finding a financial model to pay for that second role.

This can't mean propping up shops. It must mean putting new kinds of civic life into buildings retail no longer needs. Not every high street can have an outpost of No.10 but most could host more of the state. Local tax offices, magistrates' courts, police stations and cottage hospitals have gone. But by creating local hubs shared by multiple public services, front of house can come back.

Education could be an anchor for our high streets too. In South Shields and in Blyth they're moving the college campus to the centre of town. Repair shops are burgeoning – the municipal tip reimagined as a high street hub where you fix things rather than throw them away. And of course: houses. Town centre conversions bring people and community as well as much housing needs.

But none of it works while the buildings themselves are blighted, derelict, vandalised and demoralising: the boarded-up windows and leaking roofs signal to every passer-by that this place no longer matters. This is delinquent ownership. Rates are high partly because the property values behind them assume a return that the high street can no longer generate. That fiction is what lets an owner sit on a boarded-up unit rather than sell; better to wait for a more valuable planning permission, or for the roof to fall in and the listing lapse with it, than crystallise a loss for tax purposes. Watch a derelict pub deteriorate for a decade and you are usually watching someone protect a number on a spreadsheet from years ago – at the community's expense.

Any solution to our high streets' dilemma needs to force these delinquent owners to bring buildings back into use or surrender them. Councils have powers but rarely the capacity or confidence to use them. A state-backed capital vehicle – a National Trust for the high street – could take interim ownership while long-term plans are made. It would be transformative. And we need a fighting fund, with a crack team of lawyers ready to shift the expectations of every property owner whose building is blighting their community. If you're not using it, and someone else can, then the choice should be out of your hands.

It's too late to rely on incentives like business rate holidays alone. Only active communities, backed by an active state, can rescue our town centres at the scale and pace that's needed.

The writer is a policy expert and part of the Kinship Works network

Whatever happened to prudence?

ECONOMICS

Chris Giles



As the energy shock intensified earlier this year, the IMF dished out its standard advice on how countries should respond if they wanted to offset the pain for their households and companies. Any support should be timely, targeted and temporary, it said. Nations did respond quickly, with nearly 900 measures implemented to offset the shock across 170 countries at the latest count in mid-June. But the measures were broad-brush, had no end date and subsidised energy – undermining the incentive to conserve fuel in the middle of an energy shock. They will be difficult to reverse.

This year's energy subsidies signify more than countries being unwilling to heed IMF advice. They are just the latest example in a growing international trend to fix problems with additional government borrowing and leave the resulting higher deficits and debt for future governments to manage.

This has been standard practice in the US since the 1990s. French politics has long found it impossible to rein in high deficits to meet European targets. The current German government has decided to borrow more to repair its

broken infrastructure and improve its defence capabilities. Japan has pledged tax cuts and a massive public and private investment programme and the new UK prime minister Andy Burnham said he would exploit flexibilities in his budgetary rules to allow more borrowing.

There has been no co-ordination at a global level. The G20 group can barely agree on anything these days and in April its finance ministers could not devise even a bland unanimous joint statement on whether all this borrowing and spending was sensible.

It was not always thus. At the 2010 Toronto G20 summit, all significant economies pledged to repair their public finances after the disaster of the 2008-09 global financial crisis. "Sound fiscal finances are essential to sustain recovery, provide flexibility to respond to new shocks, ensure the capacity to meet the challenges of ageing populations, and avoid leaving future generations with a legacy of deficits and debt," the communiqué said.

Whatever the optimal fiscal consolidation path in the 2010s may have been, more urgency is required today. IMF estimates of gross government debt have risen sharply. In 2010 it was 94 per cent of GDP in advanced economies and 37 per cent in emerging economies. Debt is now expected to be 108 per cent and 77 per cent respectively this year. These higher levels of debt also attract higher interest rates, leaving public finances across the world looking ever more fragile.

Recent evidence from both the IMF

and the Bank for International Settlements has found that past relationships between rising debt and fiscal repair have broken down. There is no longer evidence that rising government debt generates political pressure for public spending cuts or tax increases. Instead, the BIS found that countries aggressively use budgetary stimulus in difficult times to mitigate the losses, and instead of running surpluses in good times, have begun to use these moments to ease the purse strings and cut taxes.

The important question is why governments across the world stopped finding time for prudence. Part of the answer in the 2010s was that interest rates were low and appeared to be stable, giving a justification for persistently higher borrowing. That argument no

Research shows that past relationships between rising debt and fiscal repair have broken down

longer applies and governments rarely offer any excuse, merely promising to do better in future and then failing.

The more concerning explanations rest on megatrends in the global economy and the current inability of domestic or international politics to address them.

Russia's invasion of Ukraine, the US war with Iran, China's aggressive stance and wider geopolitical tensions are raising pressure on governments globally to spend much more on defence with little prospect of any respite in the years ahead. Adapting to climate change and mitigating its effects costs money now. And ageing societies generate greater pressures on governments for pensions, health services and the costs of social care. The AI revolution might increase economic growth rates, but will also bring public finances pressures to support those who have lost their jobs.

Greater co-operation at the international level could mitigate all of these costs. Greater trust between nations would enable less to be spent on defence. More joint action on global

warming would lower the eventual costs of adapting to a warmer climate. And managed migration could ease some demographic pressures in both advanced and emerging economies.

But only the most naïve should expect any of this to happen. In recent years, polarised geopolitics has killed almost all attempts at co-operative solutions on issues from trade to defence, climate, migration and taxation. Polarised domestic politics makes it harder for governments to build national support for the difficult choices needed for reducing budget deficits.

And what about the bond vigilantes? Will they restore discipline?

So far, they have been benevolent jailers, merely rattling their keys occasionally rather than forcing countries to take their public finances seriously. But make no mistake, the megatrends are persistent, fiscal pressures are rising and few countries are addressing them. This uneasy truce may continue for some time. But it will not last for ever.

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Bangladesh's future depends on the military distancing itself from politics

Nazmul Ahasan

Months after Sheikh Hasina's 15-year autocratic rule in Bangladesh collapsed under an uprising in August 2024, Mubashar Hasan landed in Dhaka after more than six years of exile. Back home, Hasan – an academic who once spent 44 days in a secret military detention facility – found the pervasive fear was gone. The military's Directorate General of Forces Intelligence, once the most dreaded arm of the state, was now openly criticised on primetime television. After a chat show tour to the DGFI, Hasan expected "a microbus full of agents storming the TV station, or panelists... kidnapped on their way home". Nothing of the sort happened. Instead, a profound shift has begun. An interim administration hauled serving officers before civilian judges to answer

for "crimes against humanity", brushing aside army objections. Warrants were issued for five former DGFI chiefs.

When the establishment-friendly Bangladesh Nationalist Party (BNP) swept back to power in the February 2026 elections, the new government moved swiftly to detain generals behind a 2007 soft coup and on July 26 authorities brought charges against six military officers over the enforced disappearance and killing of a local politician. But cementing civilian rule will require more than a few high-profile arrests; it will mean extricating the military from its central role in the country's economy and politics.

Today the army finds itself uniquely unpopular, having managed to alienate almost every faction of society. Human rights groups are unsparing in their criticism; populist rightwing YouTubers followed by millions condemn its perceived subservience to New Delhi; secularists recall its institutional identity steeped in Islamic iconography.

There has been a slow degeneration of its institutional purpose since a popular uprising ended direct military rule in

1990. Western democratic pressure after the cold war and the financial allure of UN peacekeeping missions – which pay far more than regular army deployments – kept the generals away from politics. In subsequent years, they rebranded themselves as neutral power brokers between two warring political dynasties: Awami League and the BNP.

That referee role eroded in phases. The 2007 coup, sold as a project to

Uniformed officers jostle with bureaucrats to run lucrative entities from the telecom regulator to ports

reform the political system, instead saw the military detain and torture leading politicians – including Tarique Rahman, the former BNP leader's son, who is now prime minister. When that experiment collapsed, the generals handed power to Hasina after she won the 2008 election.

The civil-military relationship was

fundamentally altered in 2009 after a bloody mutiny that left 57 officers dead. Hasina blocked direct military retaliation. Officers who protested were systematically purged while the top brass deepened a quiet alliance with the regime. Through the rigged elections of 2014 and 2018, the supposed referee joined the game. Officers seconded to the Rapid Action Battalion – a notorious, military-dominated elite law enforcement unit – carried out extrajudicial killings at eight times the rate of regular police. Politicians, journalists, and academics were "disappeared".

The rewards for this complicity were staggering, chiefly in the form of land. In Dhaka, there are 14 major public housing schemes for a city now home to more than 30m people. But the defence forces alone have five, built with public subsidies. Older government land grants have made their holders dollar millionaires in a city where income per head is about \$5,200.

During Hasina's tenure, defence spending doubled in real terms and the armed forces captured a reported \$6bn in construction contracts. Uniformed

officers now run about 500 high schools and universities under welfare trusts that also pushed into real estate, banking, manufacturing and tourism. They also routinely jostle with civilian bureaucrats to run lucrative entities from the telecom regulator to ports.

Pakistan and Egypt show what such empires cost a country: businesses that escape audit, crowd out private firms and leave the officer corps with a permanent stake in who governs. The monetisation of the army's ties to the regime broke discipline inside the ranks too. Officers marginalised during Hasina's reign turned to the internet, saving their own leadership on social media and shattering the sacred taboo against public dissent.

So long as the generals hold the assets, they will have a reason to bend the government to their will. The crucial question for the next chapter of Bangladesh's democracy is whether they now possess the institutional wisdom to withdraw from business as well as politics.

The writer is executive editor of Netra News, an investigative news platform