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RAMNATH GOENKA

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India-Bangladesh ties should be Hasina-proof

WEDNESDAY'S PRESS conference, during which exiled former Bangladesh Prime Minister Sheikh Hasina said she cannot "stay away" while her "beloved countrymen are suffering", comes less than six months after the Bangladesh Nationalist Party-led government took office. Even though the Awami League was barred from contesting, PM Tarique Rahman's administration is seen to have restored a measure of legitimacy to the political system. Hasina, who was sentenced to death by Bangladesh's International Crimes Tribunal, remains a deeply unpopular figure in her country for several reasons, including her government's heavy-handed response to the 2024 student protests. Against this backdrop, comes her announcement of a political comeback while being in exile in India. Her timing is fraught, a mob hurled petrol bombs at the residence of former Bangladesh cricket captain and party member Shakib Al Hasan after he joined Hasina virtually. It also comes when New Delhi is working to rebuild ties with Dhaka after one-and-a-half years of strained relations with the Muhammad Yunus-led interim government.

India was right to offer Hasina refuge, especially given the concerns over the blatant unfairness of the legal proceedings against her in Bangladesh. But while a sanctuary offers her a home away from home, turning it into a political platform is problematic. The personal struggle of the former PM — who once anchored the close relationship between neighbours bound together by geography, security, culture — is filled with challenges. Yet, she must surely know that her political aspirations cannot bruise New Delhi's relationship with the democratically elected Rahman government. Rahman's election, followed by high-level exchanges between the two governments, has opened the door to a pragmatic reset. This is even as difficult issues — from illegal border crossings to the future of the Ganga Water Treaty — remain unresolved. Dhaka's sharp reaction to Wednesday's event, in spite of New Delhi making it clear that it was not involved, is thin-skinned and hardly helps the two countries.

Indian investment, technical cooperation and infrastructure financing have contributed to Bangladesh's growth story. India has stakes in Bangladesh's power and connectivity sectors. New Delhi is also wary of Dhaka's possible drift into Beijing's orbit. The two countries share a 4,000-kilometre border, making cooperation indispensable to tackling trafficking, illegal infiltration and cross-border extremism, particularly given the sensitivity of India's northeast region. Both governments need to insulate bilateral ties from short-term compulsions. While Hasina remains a welcome and protected guest, the bilateral relationship is too important to be held hostage by any one individual or interest.

Behind Tejpal verdict, survivor's long journey

EVER SINCE the allegations of sexual assault against *Te-helka* editor Tarun Tejpal by a woman colleague became public in November 2013, the case became consequential for what it said about the relationship between power and accountability. The allegations came barely a year after the horrific December 2012 Delhi gang rape had ignited a nationwide reckoning over women's safety and gender justice. The Bombay High Court judgment convicting Tejpal and sentencing him to 10 years of imprisonment, is significant, therefore, for what it says about the slow, difficult fight for justice and accountability.

In 2021, seven years after the Justice JS Verma committee report acknowledged the layered realities of sexual violence and called for a more dignity-centric approach, and a year after Hollywood producer Harvey Weinstein's conviction in New York on charges of rape and sexual assault came as a turning point in the global MeToo movement, a sessions court in Goa had acquitted Tejpal. In the 527-page judgment, a considerable portion was devoted to the conduct of the survivor — that she "did not look disturbed, reserved, terrified or traumatised in any way even though this was immediately after she claims to have been sexually assaulted", that she was smiling in photographs, that she did not fit into the quintessential mould of the "victim". It showed yet again, that the demand for accountability can be a sharp scimitar that turns on the aggrieved, diminishing and disbelieving, asking them if they misread intentions, if a consensual relationship had soured into bitterness, if the "no" had, in fact, meant "yes". It showed that this is a battle only the most resilient can take on.

In the near-decade since MeToo snowballed into a global movement and survivors of sexual abuse at the workplace came forward to indict their violators — powerful men with money, institutional backing and ease of influence — the arc of gender justice in the country remains erratic. The expansiveness of the Criminal Law (Amendment) Act, 2013, has often been overtaken by narrow formalisms that reforms were meant to dismantle. Tejpal has said he will knock on the door of the Supreme Court. For now, The High Court's verdict is a moment to reflect on the distance covered, and yet to be crossed, in an arduous journey.

Fraggle, the dolphin, is grieving

MAN HAD always assumed that he was more intelligent than dolphins", wrote Douglas Adams in *The Hitchhiker's Guide to the Galaxy*, "because he had achieved so much — the wheel, New York, wars and so on — while all the dolphins had ever done was muck about in the water having a good time... dolphins had always believed that they were far more intelligent than man — for precisely the same reasons." There is indeed quite a bit of culture, in the broadest sense of all human endeavour, that moves away from nature, that separates the homo sapien from other feeling, thinking mammals. But there is also enough of the universal "human" condition, beyond the over-rated quality of intelligence, that bridges the gap between species.

A video posted by Geographe Marine Research, a whale conservation organisation, went viral this week. In it, a dolphin, named Fraggie, is seen carrying the body of her deceased calf. It is the fourth child she has lost. She is surrounded by others from her pod. Dolphins, along with cetaceans like whales, and land mammals including elephants and primates, are known to form social bonds and grieve, much like humans.

There has been an outpouring of sympathy for Fraggie. Of course, the fleeting sense of solidarity from a social media crowd is of little value to the grieving mother. In fact, emotion and empathy barely move the needle on how people treat each other — as a cursory glance at the wars and politics will show. Thankfully, Fraggie isn't reliant on the homo sapien. Her pod is with her.

Tamil Nadu to Jantar Mantar to Bankipur, join the political dots

POLITICS CAN sometimes change in a week much more than it does over many months. After the BJP's disappointing 2024 Lok Sabha results were followed by the party's big wins in several state assembly elections, it looked like Indian politics was heading toward one-party dominance. But between July 20 and August 3, the focus shifted from the Opposition's weakness to the BJP's vulnerabilities.

On July 30, the Lok Sabha passed the Prevention of Insults to National Honour (Amendment) Bill granting Vande Mataram the same statutory protection the national anthem has enjoyed since 1971. A symbolic victory for the Hindutva movement arrived in a week that belonged, completely, to India's youth. Five days earlier, Union Education Minister Dharmendra Pradhan had stepped down after protests led by the Cockroach Janta Party (CJP) at Jantar Mantar in Delhi. This kind of political reversal is rare in Narendra Modi's third term, and it was led by people, many of whom were too young to have voted in 2014.

The political aftershocks did not stop in Delhi. Days later, the BJP lost Bankipur — one of its safest urban constituencies in Bihar which has been represented by the BJP's national president or his family members for nearly three decades. Six months after Prashant Kishor's Jan Suraj was dismissed as an electoral experiment, it captured precisely the kind of affluent, upper-caste, urban seat that should have remained comfortably with the BJP. By-elections are imperfect predictors of broader political trends. Yet, given the wider political context, dismissing the significance of

the Bankipur result altogether would risk overlooking an important signal.

After the BJP's big win in West Bengal, the Trinamool Congress came apart. Seven Rajya Sabha MPs from the Aam Aadmi Party (AAP) had joined the BJP a few weeks earlier. The party also got its own chief minister in Bihar for the first time in April, and there was another split in the Shiv Sena (UBT) in June 2026.

How do we understand the sudden change of the last two weeks? Does the rise of CJP show that there is now an opening in India's political scene?

Youth-led movements have recently changed politics in South Asian countries — Bangladesh, Sri Lanka, and Nepal. While a similar regime change is unlikely in India, it would be a mistake to ignore the feelings of a digitally connected generation. This generation is growing impatient with governments that seem unable to provide opportunities. The 2026 Tamil Nadu election may have been the first sign of this shift.

Joseph Vijay's Tamilaga Vettri Kazhagam (TVK) won in a way that traditional ways of understanding Indian elections can't fully explain. His party swept much of urban Tamil Nadu, especially Greater Chennai, even though it lacked the usual organisation, support of caste networks, or ideological orientation that often lead to electoral victories. Post-election surveys showed that younger voters were much more likely to support TVK than older people. Most said their main reason was simple: Change. It seems the DMK and AIADMK were still using ideas meant for a more rural Tamil Nadu.



PRADEEP CHHIBBER



RAHUL VERMA

Opposition leadership must produce a vision of the future that is far more than a ledger of past injuries or a list of promises to particular groups

On the face of it, a student protest in Delhi and a film star winning an election in Tamil Nadu might seem unrelated. But both show the same trend: A generation looking for leaders who can bring change. While India's youth population is starting to stabilise, the mix of being young, urban, with college degrees and digitally connected is something new. Such voters organise through social media, vote almost as much as older generations, and judge governments based on their hopes for the future rather than on old political loyalties.

What links Jantar Mantar and Chennai is that India's cities are growing faster than its politics can keep up with. Half the population is under 30. Twice in one summer, established parties were defeated when outfits and movements spoke to young people. There is a tough lesson for all political parties here. The Opposition must understand that echoing the old grammar of caste and class grievances would mean that the beneficiary of such discontent could be a completely new political entrepreneur. The current Opposition might pick up a few more seats and, at best, will get a chance to cobble together a weak coalition. Opposition leadership must produce a vision of the future that is far more than a ledger of past injuries or a list of promises to particular groups.

For the BJP, the challenge is even more profound. Its extraordinary rise after 2014 rested on convincing millions of first-generation aspirational Indians that tomorrow would be better than yesterday. The CJP protests suggest that this promise is no longer believable. The party is increasingly speaking to

those who agree with it, and even some of them may be defecting as the Bankipur results indicate. The Jantar Mantar protestors too came from the constituency which Modi's BJP has drawn heavily upon.

Today the BJP looks more like what it was before becoming the party of aspiring India: A right-wing conservative party speaking for a particular slice of middle-aged Hindu India. As the party starts planning for the 2029 general election, it faces a challenge that all long-ruling parties eventually meet. By then, it will have spent 15 years in power at the Centre. The benefits of being in office slowly turn into the problems of governing. This leaves the party with few options: It must either renew itself or keep shrinking back to its core supporters. As one longtime RSS and BJP affiliate told us, if the party wants to avoid another setback like 2024 — or worse — in 2029, it needs its own Kamaraj Plan, like when senior Congress leaders resigned in 1963 to rebuild their party.

The events of the last two weeks may not be enough to predict what will happen in 2029. But they are important enough to raise a question the BJP cannot ignore. The generation that brought Narendra Modi to power in 2014 is not the same as the one joining the electorate now. The BJP's real challenge is not just to win over young Indians, but to show them it can offer the most believable promises for a better future.

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RBI sees inflation risks — but opts to support growth



RAJANI SINHA

THE RBI Monetary Policy Committee left the policy rate unchanged and retained its neutral stance in the August meeting. The tone of the policy, however, was more dovish than expected. With the risk of food inflation rising and volatile crude oil prices, we expected the central bank's tone to be more cautious.

The RBI highlighted that while CPI inflation is rising, it is mainly because of higher food and fuel prices. CPI inflation has increased steadily to 4.4 per cent in June from 2.7 per cent at the beginning of the year. However, even with high input-cost inflation, core inflation (excluding food and fuel) has remained relatively lower.

In fact, core inflation excluding precious metals, which reflects demand-side inflation, is at a benign 2.4 per cent. The central bank has marginally lowered the average CPI projection for FY27 to 5 per cent, while highlighting that so far supply-side inflationary pressure has not become broad-based. However, volatile global crude oil prices and weak monsoon remain inflationary risks.

On the growth front, the central bank was quite optimistic and raised the GDP growth projection marginally to 6.7 per cent for FY27, in line with our projection. Even in the midst of the uncertain macro-environment marked by the West Asia crisis, US tariff threats, and the likelihood of a deficit monsoon, the Indian economy is showing strong resilience.

High-frequency macro indicators like IIP, ISP (Index of Services Production), core sector, bank credit demand, and export growth have been quite robust. The corporate performance in the first quarter is also looking healthy. Based on the healthy data so far, growth in the first quarter is likely to be strong at around 7 per cent.

However, there will be some moderation in the subsequent quarters as the economy begins to feel the adverse impact of the West Asia crisis. The progress of the monsoon and subsequent impact on the agriculture sector and rural demand is another important factor to watch.

India's external sector has been managing well in the midst of the volatile global environment. After a weak FY26, India's goods exports have picked up by a strong 16 per cent in Q1 FY27.

And it's not just because of high crude oil prices as exports excluding petroleum products have also recorded a strong growth of 13 per cent in this period. Services exports and remittances have also remained healthy.

While the current account deficit is expected to widen in FY27, we expect it to remain comfortable at around 1 per cent of GDP. Financing even a small current account deficit had become a challenge in the last two years because of feeble capital flows. However, the recent measures announced by the central bank are likely to support this. We are already seeing strong inflows through FCNR deposits. FII inflows into debt and equity have also improved as per recent data.

Overall, the Balance of Payments is likely to move to a large surplus in FY27 from deficits recorded in the previous two years. This should be supportive of the Indian rupee. But we will have to closely watch the policy action of the major central banks globally.

With global inflationary risks rising, in the coming months we could see a rate hike by the US Federal Reserve and further rate hikes by the ECB and the BoJ. This, in turn, could put some pressure on the Indian currency.

Given the uncertain macro-backdrop, the future policy decisions of India's central bank will remain data-dependent. The RBI is likely to keep the policy rate on hold, unless the inflationary risks aggravate. With food inflation likely to peak in Q3 FY27, the real rate of interest could turn negative temporarily.

However, the central bank may look through it if the inflationary pressure is supply-side and there are no indications of the pricing pressure getting broad-based.

In this fluid global and domestic environment, the central bank may prefer to remain growth-supportive.

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BTS Grammy boycott may be shortsighted



SUANSHU KHURANA

THE STORY of 21st-century pop can be divided into two chapters — before and after BTS. The Korean group has spent the past decade rewriting the rules and tearing to bits the long-held notion that music must belong to a particular language, geography or ethnicity to achieve global success.

So, when the septet decided not to submit their hugely popular new album *Arirang* or any of its songs for the Grammys 2027, six days after the Recording Academy introduced the Best Asian Pop category, it set the internet abuzz. The band does not want to be "divided by region or language". Recording Academy CEO Harvey Mason Junior responded that the category was created "to celebrate the depth, diversity... of pop artistry coming out of Asia" and "never to divide, but to expand who is recognised".

The Recording Academy's move is in line with a broader industry trend. The American Music Awards and Billboard Music Awards, among others, have introduced K-pop categories. It may allow artists from Seoul, Beijing and Luthiana, and others whose music is not in English, to compete for what many see as music's highest honour. It gives musicians like Diljit Dosanjh another avenue to submit a work like *Aura* for Grammy consideration. That is not segregation. It would be if these artists were excluded from the marquee categories. But Asian artists can still compete for Record of the Year, Song of the Year and Album of the Year.

If an Asian Pop category is segregation, the same argument could be made against the Grammys' Latin, African, jazz, gospel or Americana categories. Also, BTS's album *Arirang* is largely in English, so it would not even qualify for Best Asian Pop, where at least 80 per cent of the lyrics must be in an Asian language.

That said, the Recording Academy did not arrive at this moment with a clean slate. It has had enough cultural blind spots. Pop titan Beyoncé remains the most glaring one. Despite being the most awarded artiste in Grammy history, she repeatedly lost Album of the Year even as *Lemonade* and *Renaissance* were widely regarded as seminal. Many Black artists were celebrated in genre categories while the top prize went elsewhere, once to Adele, who herself acknowledged that Beyoncé deserved it.

So, is representation about creating regional categories, or ensuring all artistes compete on a level playing field? BTS, who have often spoken about wanting a Grammy, appear to believe the future lies in the latter. They are being a bit shortsighted. The Recording Academy does seem to be reforming itself. Beyoncé's 2024 win for *Cowboy Carter* and Bad Bunny's win last year for the Spanish-language *DeBí Tirar Más Fotos (I Should Have Taken More Photos)* point towards a new era. Bad Bunny also won Best Música Urbana Album the same year. If Best Asian Pop becomes another route to Record of the Year, it may represent expansion.

It remains to be seen if the new category comes to signify something bigger than identity. One also hopes BTS reverse their decision. Not because they need a Grammy to validate their legacy, but because their presence would be the litmus test for the Recording Academy's efforts at inclusivity.

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An Asian Pop category may allow artistes from Seoul, Beijing and Luthiana, and others whose music is not in English, to compete for what many see as music's highest honour

40 YEARS AGO

August 7, 1986



52 killed in Bihar train accident

FIFTY-TWO passengers were killed and 35 others injured between Garhwa and Tolra stations in Palamau district, in the Dhanbad division of the Eastern Railway, when the 162 Amritsar-Tata Express rammied into a goods train. Following the collision, the engine and two bogies of the train fell into a deep nullah. Among the dead were seven women and six children.

PM meets leaders in Mexico

THE PRIME Minister, Rajiv Gandhi, had separate meetings with some of the leaders attending the six-nation peace summit on nuclear disarmament and discussed the

broad outlines of the Mexico declaration to be issued by them. Gandhi first called on the host country's President, Miguel de la Madrid and followed it by meetings with the Swedish Prime Minister, Ingvar Carlsson, the Greek Prime Minister, Andreas Papandreu and the Argentine President, Raul Alfonsín.

Explosion in Hansalaya building

THERE WAS a minor panic as the Hansalaya building in Barakhamba Road reverberated after an explosion. The explosion, according to the Additional Commissioner of Police Security, Gautam Kaul, was caused by placing some sticks of dynamite under the staircase leading to the

Bank of America, situated on the first floor of the building. On either side of the staircase are the offices of Saudi Airlines and Kuwait Airways.

Kerala deputy speaker quits

THE KERALA deputy speaker, K M Hamsa Kunju, quit his post and gave up the chairmanship of the Committee of Privileges, heralding a parliamentary crisis. The decision to resign from the deputy speaker's post was his own, he said, but he had vacated the chairmanship of the committee on the advice of his party leader. He felt that it would be unfair to keep the office of the speaker after resigning from the chairmanship of the committee.



DIS/AGREE

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



ILLUSTRATION: C.R. SASIKUMAR

Hollywood movies are increasingly getting the bigger openings. Is Indian cinema ready for the competition?

It's just a Bollywood problem



RAJESH RAJAMANI

THE PHENOMENAL success of Christopher Nolan's *The Odyssey* and the latest film in the Marvel Cinematic Universe, *Spider-Man: Brand New Day*, across Indian theatres, could easily leave one wondering whether Indian cinema is slowly losing its ability to produce films that capture the public imagination on a similar scale. That concern may be valid, but only if we continue to see Bollywood as representing the entirety of Indian cinema.

In fact, at its emotional core, *The Odyssey* itself unfolds very much like a Tamil masala film. A hero's long journey home, emotional dilemmas and larger-than-life adventures are themes Tamil star vehicles have comfortably embraced for decades. The language and scale may be different, but the emotional grammar is surprisingly familiar. When Odysseus finally returns home, he might as well be Rajinikanth walking into *Kabali* (2016) to declare, "Tell them I'm back."

Hindi cinema's biggest successes this year have largely stayed within familiar comfort zones. Whether it is yet another border-conflict spectacle in *Dhurandhar: The Revenge* and *Border 2*, or the dependable cocktail of horror and comedy in *Bhooth Bangla* and *Dhamaal 4*, Bollywood seems increasingly reluctant to venture beyond formulas that have already been tested, approved and monetised.

Of course, popular cinema has always relied on familiar genres and crowd-pleasing tropes. The problem begins when an industry becomes so risk-averse that it edges towards irrelevance. The films may become bigger, louder and technically slicker, but the emotional and thematic territory they explore continues to shrink.

But if we look beyond the Hindi film industry, regional cinema continues to be wonderfully alive. Tamil cinema's biggest hit this year, *Karuppu*, uses the folklore surrounding the village deity Karuppusami to examine the apathy of the Indian judicial system. It could easily have settled for being a conventional courtroom drama. Instead, it pits the idea of justice against God himself, making the film even more compelling as a mainstream entertainer.

Malayalam cinema, meanwhile, remains fascinated by ordinary lives. *Vaazha II: Biopic of a Billion Bros* transforms a familiar coming-of-age story into an emotionally resonant exploration of modern

youth, friendship and the often uncomfortable transition into adulthood.

Telugu cinema, often unfairly reduced to larger-than-life commercial entertainers, also offers pleasant surprises. *Peddi* packages a reflection on systemic oppression within an unapologetically populist sports drama. *Maa Inti Bangaaram*, on the other hand, follows a woman struggling to reconcile a violent past with the ordinary life she desperately wants to protect. Both films work as mainstream entertainers while refusing to become emotionally simplistic.

None of these films are masterpieces. Neither are they flawless. But they all make an earnest effort to explore newer themes and discover fresh ways of telling stories. That willingness to take creative risks is perhaps their greatest strength.

Regional cinema today seems far more comfortable asking uncomfortable questions. It draws more freely from local folklore, literature, politics and lived experience. It trusts audiences to embrace stories deeply rooted in specific cultures without endlessly chasing a mythical "pan-Indian" template. Ironically, it is this very specificity that often makes these films feel more universal.

Bollywood, meanwhile, seems trapped in an endless pursuit of the next safe blockbuster. Somewhere along the way, "pan-Indian" has become shorthand for sanding away every regional texture until a film feels as though it could belong anywhere, and therefore nowhere in particular. The result is scale without distinctiveness.

This is not to suggest that Bollywood has stopped making good films altogether. Every industry produces both mediocre films and occasional gems. Bollywood still possesses unmatched resources, visual polish and marketing muscle.

But cinema has never been remembered for technical excellence alone. Audiences return to films because they recognise themselves in them, because they are surprised by them, or because they leave the theatre carrying an idea that wasn't there two hours earlier. That willingness to surprise feels far more abundant outside Mumbai today.

Perhaps, this is a healthy development for Indian cinema. For decades, the creative conversation largely flowed in one direction, from Bollywood to everyone else. Increasingly, it is regional cinema that is setting the agenda, discovering fresh storytelling voices and proving that commercial success and creative ambition need not be mutually exclusive.

The question isn't whether Indian cinema can still dream big. It is obvious that it can. The real strength of Indian cinema lies in the many different languages that it dreams in.

The writer is a Chennai-based filmmaker

Blame the ecosystem, not the industry



SHUBHRA GUPTA

THE LATEST shenanigans of a teenage superhero morphing into a spider in order to save the good guys from hulking monsters is currently running to packed theatres. Not just around the world, but also in India, where *Spider-Man: Brand New Day* has chalked up the biggest Hollywood opening weekend, while speaking in tongues: The classic line "With great power comes great responsibility" can be heard not just in the original English, but in Hindi, Tamil, Telugu, Kannada and Malayalam.

And it's not just Tom Holland swinging from dizzy heights in NYC which has got Indian audiences back to the big screen. Several Hollywood films have done such good business at the box office that many Indian films are having to postpone their releases for a safer slot, and we're only halfway through 2026.

Christopher Nolan's *The Odyssey*, a paean to Homer's epic, and to the director's ability to parse ancient mythology for our cynical age, is still in theatres. Amazon MGM Studios' sci-fi adventure *Project Hail Mary*, involving the very wholesome Ryan Gosling and his cutesy relationship with a friendly alien, racked up impressive numbers. Curry Barker's *Obsession*, a non-starry horror film front-loaded with the aesthetics of a low-budget home movie and terrific performances became a surprise hit. And the very adult-themed chamber drama *The Invite*, toplined by Seth Rogen in an award-winning turn, drew major crowds.

What's going on? Hollywood has traditionally done well in urban Indian pockets, with its familiar franchise flicks and pacy actioners grabbing eyeballs. But it's never been such a clear and present disrupter if you go by the enthusiastic reception for scrappy horror films, or small-canvas talky dramas, not just the expected big-budget creature features and superhero sagas.

Is Bollywood's spidey-sense tingling? Has it forgotten how to tell engaging stories? Aren't the filmmakers in Mumbai, home to the biggest industry in the world, wondering where their loyal audience has gone? *Dhurandhar 2* tops the list of successes this year, no surprises there, because of the unprecedented buzz it came riding on, and the doubling down on its content and intent. Then

came, in no particular order, *Border 2*, *Bhoot Bangla*, *Dhamaal 4*, *Welcome To The Jungle*: The first was a solid film, layered with a strong anti-war sentiment; all the others are loud comedies coasting on low-hanging humour.

What's becoming abundantly clear is that only two kinds of films are being made, and supported, on scale in Bollywood these days: Propaganda and slapstick, both competing for the lowest common denominator. But this is not just me having a eureka moment. For the last decade, with the inexorable rise of polarising, divisive cinema, every other kind of filmmaking has been having a difficult time of it. Even if it does get made, the chances of it surviving, forget thriving, have become narrower and narrower.

So does this signal the death of creativity in Bollywood? Not in the least. The industry is filled with filmmakers who are capable of telling stories with heart and craft, layered with technical polish, but in an ecosystem so blatantly inimical to liberalism and plurality, those voices are going unheard. Not into the void — we're not quite there yet — but the risk is imminent.

Two recent films which gave us the chance to question and interrogate the past, have broken through the shield. Imtiaz Ali's *Main Vaapas Aaunga*, which deals with the twin-longing for a lost land and love, may not be all the way perfect, but it brings back a sense of springing hope. Naseeruddin Shah's brilliant performance as a man who has never been able to forget, makes us remember. It makes us freer, and I can't think of anything better.

Honey Trehan's *Satluj*, originally named Punjab 95, tells the story of an individual who fought for his people at a time when the state was riven by militancy. The film's sudden appearance on streaming platform Zee5 and its equally sudden disappearance is an abiding mystery, but never more than the reason why the Indian censors kept demanding cuts for over three years. You could argue persuasively, and many have, that the thrust of the story was one-sided, that it didn't touch upon all aspects besetting the troubled state. But that doesn't take away from the fact of it being an important film which speaks to its time, and our time. Agreeing to disagree is the civilised way to go, but stonewalling its producer and director, and leaving them with no recourse, is beyond the pale.

If pushback and intimidation is the response, the result will only be silence and submission. What price creativity?

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Ethanol policy must count in water, sustainability costs



ASHOK KHEMKA

INDIA'S ROLLOUT of E20 petrol is among the world's most ambitious biofuel initiatives. Ethanol blending has increased from about 1.5 per cent in 2013–14 to nearly 20 per cent in 2025, with annual consumption approaching 700 crore litres. The programme has reduced crude oil imports, generated rural incomes and diversified the country's energy basket. These are important achievements. Yet as India transitions from E10 to E20, policy should increasingly be guided by scientific evidence and sound public economics rather than by blending targets alone.

Not all ethanol is equally sustainable. India now produces ethanol from C-heavy and B-heavy molasses, sugarcane juice, maize, damaged food grains and surplus rice. Each pathway has a different environmental footprint. A useful measure is the Energy Return on Energy Invested (EROEI), which compares the usable energy produced with the fossil energy consumed in cultivation, fertiliser manufacture, irrigation, transportation and distillation. Efficient sugarcane ethanol produced in bagasse-fired distilleries typically achieves an EROEI of about 2–4, whereas grain-based ethanol generally ranges between 1.2 and 2 because of higher fossil energy inputs. Ethanol therefore delivers a positive net energy gain, but the magnitude depends critically on feedstock, farming practices and processing technology.

A second consideration is energy density. Petrol contains roughly 32 MJ per litre compared with around 21 MJ per litre for ethanol. So, E20 fuel contains about 6–7 per cent less energy than pure petrol, resulting in a modest reduction in fuel economy under similar driving conditions. However, ethanol has a much higher octane rating, allowing engines specifically calibrated for higher ethanol blends to achieve more efficient combustion and partially offset this disadvantage. The overall outcome depends on engine design rather than fuel properties alone.

Vehicle compatibility is another important issue. Ethanol readily absorbs moisture and can corrode certain metals while degrading older rubber seals and plastic components. Recognising these challenges, the government has mandated that vehicles manufactured from April 2023 onwards be compatible with E20 fuel. Newer engines incorporate improved materials and revised engine calibration, but millions of older two-wheelers, passenger cars and agricultural machines remain outside this category. The transition therefore requires transparent consumer information, technical support and continued availability of lower-blend fuels. Consumers should retain the freedom to choose fuels appropriate for their vehicles, with pricing that transparently reflects their respective costs.

Ethanol is often described as a low-carbon fuel because sugarcane absorbs atmospheric carbon dioxide during growth. However, climate benefits must be as-

sessed on a life-cycle basis, accounting for emissions from cultivation, fertiliser manufacture, irrigation, transport and processing. Efficiently produced sugarcane ethanol can reduce greenhouse-gas emissions by roughly 50–70 per cent relative to petrol, particularly where bagasse supplies process energy. Grain-based ethanol generally delivers lower reductions of around 20–50 per cent. These benefits diminish substantially when production relies on diesel-powered irrigation, fossil-fuel-based distillation or excessive nitrogen fertiliser use. Ethanol is therefore cleaner than petrol under many production systems, but it cannot ipso facto be seen as carbon neutral.

The most critical challenge, however, is water. Sugarcane is a very water-intensive crop. Estimates by the Commission for Agricultural Costs and Prices and NITI Aayog suggest that sugarcane typically requires 1,500–2,500 mm of water over its growing season. Water-footprint studies estimate that producing one litre of sugarcane ethanol may embody approximately 2,000–3,500 litres of water, depending on local climatic conditions and irrigation practices. This is especially significant because many of India's largest sugarcane-producing regions already face severe groundwater stress. Without careful resource accounting, expanding ethanol production risks replacing dependence on imported crude oil with growing dependence on increasingly scarce freshwater resources.

Heavily subsidised electricity currently encourages excessive groundwater extraction, while subsidised urea promotes overuse of nitrogen fertilisers. These subsidies

reduce the apparent cost of sugarcane cultivation without reflecting its environmental costs. The consequence is not merely inefficient resource use but also the possibility that public subsidies inadvertently encourage ethanol production in regions where its true social cost is high. A more efficient approach would be to support farmers directly through income transfers while allowing electricity, irrigation water and fertiliser prices to better reflect

their economic and environmental costs. Such reforms would encourage more judicious use of scarce resources, improve groundwater sustainability and naturally shift ethanol production towards regions and feedstocks with the highest net energy gains and the lowest life-cycle emissions. At the same time, investment in second-generation ethanol derived from agricultural residues and other non-food biomass should be accelerated to reduce pressure on land and water.

India's ethanol programme represents an important step towards greater energy security, but its long-term success will depend on aligning environmental objectives with sound economics. Blending targets can provide direction, but they should not become ends in themselves. A resilient bio-fuel strategy must be guided by transparent life-cycle carbon accounting, rigorous assessment of water use, technology-neutral incentives and market signals that reflect the true value of natural resources. Only then can ethanol become not merely a substitute for imported oil, but a genuinely sustainable component of India's energy transition.

The writer retired as a senior IAS officer. Views are personal

LETTERS TO THE EDITOR

Growth is priority

THE RBI's decision to keep the policy rate unchanged at 5.25 per cent while adopting a more accommodative tone reflects a balanced and pragmatic approach ('RBI must keep steady hand amid uncertainty', *IE*, August 6). Although inflation is expected to remain above the 4 per cent target for several months, the current rise is largely driven by supply-side factors such as food and fuel prices rather than broad-based demand pressures. Prioritising growth without compromising long-term price stability appears justified.

Sanjay Chopra, Mohali

Diversify trade

IN AN increasingly fragmented world, diversification should complement, rather than replace, economic ties, especially with key partners ('Are India-US trade talks an exercise in futility?', *IE*, August 6). Expanding commercial engagement with the EU, Africa, the Gulf, Southeast Asia and Latin America would strengthen India's economic resilience by providing broader market

access and greater integration into global value chains. However, this should not be interpreted as disengagement from the US, which remains one of India's largest trading partners.

Vaibhav Goyal, Chandigarh

Justice denied

CELEBRATIONS FOLLOWING Brij Bhushan's acquittal come as little surprise in a country where even rape convicts are welcomed with garlands ('In a struggle for justice, a story of impunity', *IE*, August 6). It shows that impunity is hardly a concern, while being on the "right" side remains a privilege enjoyed by the powerful. An SIT ordered by the UP government in the 2017 Unnao gang rape case reported that medical and police officers had worked hand-in-glove with the accused to shield them. This reflects a conflict within the criminal justice system. When it takes sustained protests by well-known wrestlers merely to register a complaint, expecting resilience from the victims is an injustice in itself.

Madhusree Guha, Kolkata



NIDHI SINGH

EARLIER THIS month, India's largest IT services firm, TCS, reported its strongest quarterly hiring in nearly four years, adding over 9,000 employees and onboarding 14,000 fresh graduates. Twelve months earlier, the same company had announced 12,000 job cuts. This reduction of head count was promptly taken as a verdict on artificial intelligence and jobs. The rebound shows the fears may have been overblown. This push-and-pull narrative is emblematic of the way we talk about AI's impact on the future of work.

The real problem here is that none of these claims can currently be verified.

Consider the layoffs that dominated last year's headlines. When India's largest IT firm let go of roughly 12,000 employees, its chief

Is AI taking jobs? Answer isn't that simple

executive was emphatic that the decision was about skill mismatches and deployment feasibility, not AI-driven productivity gains. Executives across the sector have offered similar explanations, and they may well be right. The IT industry hired aggressively through the pandemic, and some of what looks like AI displacement is a delayed correction of that excess.

But here is the uncomfortable truth: It is impossible to tell. A company that adopts AI tools, restructures around them, and then removes roles it no longer needs will rarely describe this as AI displacement, and it has every incentive not to.

AI's real effect on Indian employment may arrive not through layoffs but through jobs that are simply never created. The industry's biggest recruiters have cut their fresher intake targets. The share of employees under 30 at Infosys has fallen to its lowest level in 15 years. Entry-level tech openings in mid-2026 were down more than

40 per cent from a year earlier, and the pattern is not confined to IT services: Fresher hiring has fallen across corporate India, with recruiters citing AI-driven redeployment as one of the main reasons. A hiring freeze produces no pink slips, no headlines, and no data point in any Indian labour survey. The graduate who never gets an offer is invisible.

The optimists have their own evidence, and some of it is encouraging. AI is generating streams of work that did not exist a decade ago. Bengaluru-based Karya pays rural workers, a majority of them women, well above prevailing wages to build voice and text datasets in Indian languages. India's data annotation industry employs tens of thousands. Global capability centres now employ over two million professionals.

But the arithmetic of "jobs lost versus jobs created" may not be the correct equation to be used here. The truth is that jobs come in different tiers; a mid-career software engineer in Pune earning Rs 20 lakh a year and a

data annotation worker earning a few thousand rupees a month both count as one job in any tally. Economically, they are not the same thing, and a labour market that swaps the first for the second has not broken even.

The redesign of the Periodic Labour Force Survey in 2025, which now produces monthly indicators, is an opportunity. But the PLFS measures whether people are working, not what is happening inside their work. India needs occupation-level tracking of AI exposure built into its official statistics, supplemented by the data the private sector already generates: Job postings, hiring platforms, and industry payrolls.

India is preparing to spend heavily on re-skilling its workforce for the AI economy. It should first invest a fraction of that in finding out what, precisely, it is reskilling them from, and what it is reskilling them for.

The writer is an Associate Fellow at Carnegie India

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

• LEGAL

FIRs cannot be ‘withdrawn’, but protestors can get relief in 3 ways

Amaal Sheikh
New Delhi, August 6

THE SUPREME Court on Monday said that states remain free to close or withdraw FIRs registered against students during protests led by the Cockroach Janta Party under the procedure prescribed by law.

Officially, the criminal procedure terminology does not provide for “withdrawal” of an FIR, but the case itself can be ended in different ways, depending on the stage it is at.

First step of probe

A First Information Report (FIR) is the first written record of an offence received by the police. It sets a criminal investigation in motion under the Bharatiya Nagarik Suraksha Sanhita (BNSS). There is no legal provision for a government to cancel or revoke that record using an executive order. What can be ended is the case that follows from the FIR, through three routes.

ROUTE ONE: CLOSURE REPORT

If an investigation does not disclose sufficient material to proceed against the accused, the police may file a closure report before the jurisdictional magistrate under Section 193 of BNSS.

The magistrate, however, is not bound by the report. In *Abhinandan Jha v. Dinesh Mishra* (1967), the SC held that a magistrate can disagree with the investigating

agency and, depending on the material before the court, take cognizance of the offence or direct further investigation.

MEASURE FOR PEACE

● The SC has earlier ruled on prosecutions arising from situations such as mass agitations, riots and student unrest.

● Here, the withdrawal of cases may be considered to restore peace, and reflect a government that is ‘sensitive and responsive to the feelings and emotions of the people,’ it said.

ment is pronounced, withdraw from the prosecution of any person either generally or in respect of any one or more of the offences for which he is tried.” Two conditions govern this provision. The first is that the application must reflect the public prosecutor’s independent view of the case, not merely a government directive. Second, Section 360 requires the court’s consent. In *Sheonandan Paswan v State of Bihar* (1986), a Constitution Bench of the Supreme Court held that the court must examine whether withdrawal is sought in good faith, in the interest of public policy and justice, and not to thwart or stifle the process of law.

The law also requires the victim to be given the opportunity to be heard before the court allows withdrawal.

ROUTE THREE: COURT QUASHES THE FIR

The third route lies in the High Court’s inherent powers under BNSS Section 528, which preserves the court’s authority to pass orders “to prevent abuse of the process of any court or otherwise to secure the ends of justice.”

A person facing prosecution can approach the HC directly. Courts have cautioned that this power should be used sparingly, particularly when an investigation is still underway.

Previous cases

In 1980, the Supreme Court dealt with the withdrawal of prosecution in the Baroda Dynamite case against politician George Fernandes and others following the Emergency. The case involved charges of procuring dynamite to blow up road and rail bridges. The court allowed the withdrawal to stand. It referred to prosecutions arising from “mass agitations, communal riots, regional disputes, industrial conflicts, student unrest” as situations where withdrawal may be considered to restore peace. It said that “An elected Government, sensitive and responsive to the feelings and emotions of the people, will be amply justified if for the purpose of creating an atmosphere of goodwill... it decides... not to proceed further with prosecutions.”

• GEOPOLITICS

The Hasina factor in India-Bangladesh ties



SHUBHAJIT ROY

OUSTED BANGLADESH Prime Minister Sheikh Hasina had her first media interaction through virtual mode on Wednesday, where she said she plans to return to her country, stand with its people, and help improve their lives.

The statement, made while she is in India, its timing, and Hasina’s willingness to answer or dodge questions have implications for herself, Bangladesh’s politics, and New Delhi’s ties with its neighbour.

Bangladesh, predictably, has reacted with outrage that “the absconding convicted genocider Sheikh Hasina was allowed this evening to engage in live interaction with the media in New Delhi...” according to a statement by its foreign ministry.

The timing

Hasina, who fled Bangladesh on August 5, 2024, amid raging protests, has been living in India in an undisclosed location for the last two years. She had addressed the media at the Foreign Correspondents’ Club of South Asia in January through an audio-recorded message, but had not taken questions. That message was played out a month before the national elections in Bangladesh.

This time, Hasina took questions, and was also joined online by her son, Sajeeb Wazed Joy, who was an advisor in her government and lives in the US.

The tone and the statement

Hasina’s statement was emotional and rhetorical, with her voice choking as she spoke from a prepared text. In the statement that lasted about 23 minutes, she highlighted the violent political unrest in Bangladesh, the destruction of public and private properties, the killing of police officers, and the targeting of media.

She emphasized the economic decline, with GDP growth falling to 2.2% from 6.8%, and called for international support to restore democracy and justice in Bangladesh.

She declared, “Whatever fate awaits me,



Former Bangladesh PM Sheikh Hasina addresses a press conference in New Delhi via audio link.

PRAVEEN KHANNA

Tricky ties

The Ganga Water Treaty of 1996 is due for renewal this year. The Teesta water treaty is still to be signed.

● While Bangladesh has removed visa curbs, some trade restrictions remain. Delhi also views illegal immigration from Bangladesh as a major irritant.

was a violent situation. So, if one set of killings is legal, then how does the question of apology arise? Why does it arise?”

Hasina’s statements were barred from being broadcast in Bangladesh’s mainstream media, using the same draconian laws that the Hasina government had used against current Prime Minister Tarique Rahman 17 years ago

New Delhi and the BNP govt

Hasina in her statement directly targeted the BNP government, with which India has tried to cultivate ties.

Rahman had also signalled a positive relationship with India in his pronouncements. But there have since been challenges — Delhi views illegal immigration from Bangladesh as a major irritant, and the BJP-led West Bengal government has upped the ante on this. The fact that Rahman has visited China but not India yet also signals that there is some tension.

Amid the outstanding bilateral issues, the Ganga Water Treaty of 1996 is due for renewal this year. The Teesta water treaty is still to be signed. While Bangladesh has removed visa curbs on Indians, some trade restrictions remain.

In such a complicated bilateral situation, Hasina’s statements targeting the BNP government are certain to create acrimony. “Dhaka deeply regrets that in spite of con-

cerns conveyed apriori to the Government of India about the likely ramifications of this event on the reset of our bilateral relations, this public event was permitted to be held,” its foreign ministry said on August 5.

Indeed, it is learnt that New Delhi allowing a platform for the former PM has had a negative impact in Dhaka.

BNP leaders feel that this only reinforces the belief that India is pro-Awami League, and is unable to reconcile to the new political realities. Many in Dhaka view this as a misstep at a time when the Rahman government was trying to repair ties. This also puts the possible visit by Rahman for the BRICS summit in September in jeopardy. And India will have to work hard to assuage the suspicion this episode might have instilled in the minds of Bangladesh’s decision-makers.

For Delhi, a robust and healthy bilateral relationship with Dhaka is essential, especially since it needs Dhaka to access its north-eastern states easily. A peaceful and stable Bangladesh, where anti-India statements and activities are kept in-check is important for Delhi’s internal security.

Bangladesh too needs India, since it is surrounded by the large neighbour from three sides. The Hasina episode highlights New Delhi’s tough balancing act to deal with a tricky bilateral relationship.

India’s tightrope

In 2024, India gave Hasina refuge instantly, even when other doors were closed to her. She has lived here since. On how the Indian government had been treating her, Joy said she is being treated like a Head of State, with full services and security.

While the Ministry of External Affairs has clarified, for the record, that it was not involved in Hasina’s press interaction, the event can be seen as New Delhi creating leverage by using the former PM — her statements and her silences — to gain some diplomatic quid pro quo in negotiations on trade, water, economy, politics, security, and a range of tricky areas with Bangladesh.

The fact that India has kept her in safe custody with full security is similar to how New Delhi has treated the Dalai Lama — much to China’s annoyance. He is allowed to conduct spiritual activities and not political activities, but the Tibetan leader has the ability to fuse the two with finesse.

• HEALTH

Talcum powder causes cancer? Not always, but use with caution

Rinku Ghosh & Purnima Sah
New Delhi, Mumbai, August 6

JOHNSON & JOHNSON (J&J) recently agreed to pay billions of dollars to settle lawsuits alleging that its talcum powder products caused ovarian cancer and other illnesses because they contained asbestos, a known carcinogen. The company has consistently denied that its talc products were unsafe and says the settlement is intended to end years of costly litigation.

In 2020, J&J stopped selling talc-based baby powder in the US and Canada. In 2023, it discontinued talc-based baby powder globally, replacing it with a cornstarch-based formulation.

What is the scientific consensus on the link between talcum powder and ovarian cancer?

The International Agency for Research on Cancer (IARC) classifies talc, not containing asbestos, as “probably” carcinogenic to humans, based on limited evidence in humans and sufficient evidence in animal studies. But there isn’t enough evidence to support that talc is a “definite” carcinogen for ovarian cancer, said Dr Gau-

ravi Mishra, Deputy Director, Centre for Cancer Epidemiology (CCE), Tata Memorial Centre, Mumbai. “Prospective cohort studies... have generally not shown a statistically significant increase in risk for ovarian cancer,” she said.

How can asbestos contaminate talc?

Talc and asbestos are naturally occurring silicate minerals that may co-form within the same geological deposits. “Contamination of talc with asbestos is dependent on the mine of origin and the rigour of ore screening, and is not an inherent property of the consumer talc product itself. Mining of asbestos is banned in India. Existing tests are not sensitive enough to reliably exclude trace asbestos contamination. Hence, there is no standardised testing method currently recommended by any regulatory body,” said Dr Ashwin Sathyan, senior resident, Department of Preventive Oncology, CCE.

Should talc users be concerned?

There is no cause for alarm among long-term users of talcum powder. This position is consistent across IARC and independent reviews. “Prior use should not be attributed as the cause of any current symptoms with-

Asbestos and talc: The link

● Talc and asbestos are naturally occurring silicate minerals that may co-form within the same geological deposits.

● Contamination of talc with asbestos is dependent on the mine of origin and the rigour of ore screening, and is not an inherent property of the consumer talc product itself.

out appropriate clinical evaluation. Women with a family history of ovarian or breast cancer are advised to discuss this concern with their physician,” said Dr Mishra.

Are there any guidelines on its use?

No major regulatory or scientific body has issued a prohibition on talcum powder use on any body part, including the genital area. “But its use on open wounds or sensitive skin is not recommended, as it may lead to irritation or mineral toxicity,” said Dr Mishra. Regulatory policy in India is still under development and scrutiny, she said.

There are more caveats on its use. Dr Pralhad Rathod, professor and HOD, dermatology at JJ Hospital, Mumbai, said that body powder should be avoided altogether for babies, especially near the nose and the mouth. He also said it should be avoided by individuals with asthma or chronic respiratory diseases; on raw, broken, inflamed, or infected skin; when there is an undiagnosed genital rash; where the powder repeatedly cakes with sweat and increases friction; and in poorly ventilated areas.

“Talc is not a reason for panic but it is also not an indispensable personal care product. Given the remaining uncertainty,

the prudent approach is to choose a traceable, talc-free product where a powder is genuinely needed,” said Dr Usha Khemani, associate professor of dermatology, JJ Hospital, Mumbai.

Cornstarch-based powders are a reasonable substitute, being free of any asbestos-contamination pathway. “They aren’t linked in literature to ovarian cancer risk. Body powders of either type are best avoided on broken or irritated skin, on post-surgical or post-partum wounds, and in infants, where inhalation risk is highest,” said Dr Mishra.

Are India-made talcs safe?

Available India-specific data is limited and in its early stages. “Tremolite asbestos was found in seven of 13 commercially available Indian talc products tested, and an earlier Indian Institute of Toxicology Research report similarly identified asbestos fibres in five Indian brands,” said Dr Sathyan.

The IARC hazard classification is not a calculation of the risk from the occasional personal use. “This means that under certain exposure circumstances, the substance is capable of causing cancer; it does not mean that every user — or even most users — will develop cancer,” says Dr Rathod.

• EDUCATION

The challenge for school consolidation: Balancing access and quality education



EXPERT EXPLAINS

RAJEEV KUMAR

FORMER PROFESSOR AT IIT KHARAGPUR, IIT KANPUR, BITS PILANI AND JNU

THE CONGRESS recently posted on social media platform X that 94,000 government schools had been shut down over the past decade, a number first flagged in a NITI Aayog report from May.

For decades, India’s school education policy focused on expanding neighbourhood schools so that every child could access education closer to home. Today, however, the narrative is changing. Education being in the Concurrent List, several states have adopted policies to close, merge or consolidate schools, raising concerns about access to education. Government data,

however, reveals a more nuanced story, which can be understood through three broad trends between 2014-15 and 2024-25:

ONE, the total number of schools saw a modest decline of around 45,000. This, however, was driven entirely by a fall in the number of government schools (94,000, as mentioned above) while the number of private unaided schools increased.

TWO, overall student enrolment declined in a manner similar to the trend seen in school numbers — government enrolment fell while private enrolment increased in recent years.

THREE, the number of teachers increased, pointing to improved teacher availability amid declining enrolment and fewer schools.

Is the closure and consolidation of government schools a crisis that is depriving children of neighbourhood educational access, or is it a consequence of demographic factors and changing preferences? More importantly, should the success of school education be measured by the number of schools, or by whether every child has access to a well-resourced school — even if it means traveling a little farther?

• HOW SCHOOL EDUCATION LANDSCAPE HAS SHIFTED

Indicator	2014-15	2024-25	Change
Schools	15.16 lakh	14.71 lakh	(-) 45,000
Govt schools	11.07 lakh	10.13 lakh	(-) 94,000
Teachers	89.84 lakh	1.01 crore	(+) 11.2 lakh
Student enrolment	26.95 crore	24.69 crore	(-) 2.26 crore

(SOURCE: UDISE/UDISE+ REPORTS)

What the data reveals

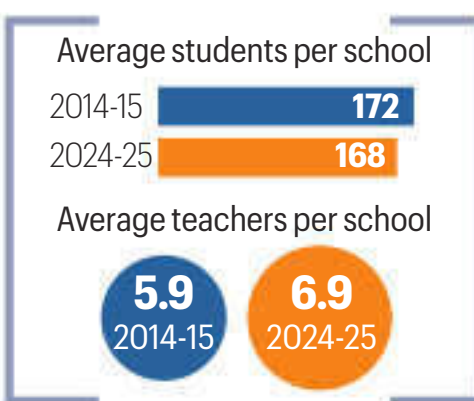
India is experiencing a demographic transition. The country’s total fertility rate — the average number of children born to a woman — has plunged from more than 3 in the early 1990s to about 2.0 today, below the replacement level of 2.1.

The transition is reflected in data from the Centre’s Unified District Information System for Education Plus (UDISE+), an education management information system.

ENROLMENT: With fewer children entering school each year, enrolment has

steadily declined. Between 2014-15 and 2024-25, overall student enrolment fell by 2.26 crore to 24.69 crore. Enrolment in government schools declined from 13.62 crore to 12.16 crore between 2022-23 and 2024-25, while enrolment in private schools increased from 8.42 crore to 9.59 crore, according to a Rajya Sabha reply in March.

SCHOOLS: The total number of schools saw a decline from about 15.16 lakh in 2014-15 to 14.71 lakh in 2024-25. During this period, the number of government schools declined from about 11.07 lakh to 10.13 lakh



even as private unaided schools expanded.

TEACHERS: The number of school teachers increased from about 90 lakh in 2014-15 to over one crore in 2024-25, improving teacher availability amid lower enrolment and fewer schools.

The national averages mask stark disparities: While many rural schools operate with very low enrolment or a single teacher, many urban schools are overcrowded.

Overall, the data points not merely to school closures, but to a transformation of the school education system. This is being driven by demographic change, shifting enrolment patterns, evolving parental preferences and efforts to provide students with better-resourced learning environments.

Why school size matters

Thousands of government schools operate with a single teacher or only a handful of students, making it difficult to provide grade-wise, subject-specific instruction, co-curricular activities, sports, laboratories and meaningful peer learning. Teachers often handle multiple classes alongside administrative tasks, limiting the holistic development that schools are expected to foster.

School consolidation seeks to address these limitations by merging under-enrolled schools into better-equipped composite schools with qualified teachers, improved infrastructure, and richer learning opportunities. The aim should be to improve educational quality rather than merely reducing costs. As seen earlier, the data also indicates improved teacher availability despite fewer schools.

Yet, consolidation is not an end in itself. Its success depends on balancing quality, efficiency, and equitable access. While larger schools may offer better learning opportunities, increased travel distances can disadvantage young children, girls and students in remote or tribal areas.

India’s school education system must balance access, equity, quality and efficiency. Wherever schools are merged, governments must ensure safe transport and uninterrupted access. While demographic transition and declining enrolment make some degree of school consolidation inevitable, decisions should be data-driven — not merely administrative or financial considerations.

FULL REPORT ON
WWW.INDIANEXPRESS.COM

BEING ON UPPER LAYER MEANS A COMPANY WILL HAVE TO LIST ON STOCK EXCHANGES WITHIN 3 YEARS

Tata Sons stays in upper layer NBFC list; deregistration plea awaits nod

George Mathew
Mumbai, August 6

THE RESERVE Bank of India (RBI) on Thursday classified Tata Sons Ltd, the principal holding company of the Tata Group, in the list of upper layer non-banking finance companies (NBFC-UL). However, the RBI said Tata Sons' application for deregistration is under examination which, if approved by the central bank, will enable the firm to avoid listing on the stock exchanges.

"The inclusion of Tata Sons in the list of NBFC-UL is without prejudice to the outcome of its application for deregistration, which is under examination," the RBI said. This means the central bank is yet to take a final view on the classification of Tata Sons. If Tata Sons continues on the NBFC-UL list, it will have to come out with an initial public offering (IPO) and list its shares on the stock exchanges.

Apart from Tata Sons, the RBI has classified 16 other NBFCs in the upper layer, bringing them under an enhanced regulatory framework. These include Bajaj Finance, Tata Capital, Aditya Birla Capital, L&T Finance, Mahindra & Mahindra Financial Services, and Shriram Finance.

Once an NBFC is categorised

as NBFC-UL, it will be subject to enhanced regulatory requirement, at least for a period of five years from its classification in the layer, even in case it does not meet the (prescribed) criteria in the subsequent years. In other words, it will be eligible to move out of the enhanced regulatory framework only if it does not meet the criteria for classification for five consecutive years.

Trustees of Tata Trusts, which hold 66% stake in Tata Sons, are divided on the issue of listing of Tata Sons.

While Tata Trusts Chairman Noel Tata and some former Tata Sons directors are against listing Tata Sons, two trustees of Tata trusts — Venu Srinivasan and Vijay Singh — have argued for listing of Tata Sons. Pallonji Mistry group which holds 18.3% stake in Tata Sons is for the listing.

According to a trustee of Tata Trusts, control, be it charitable trusts, was a workable proposition in earlier times but Tata Sons needs stability and a rigorous regulatory mechanism now. "The Tata Trusts have been fractious and turbulent in the recent past and there is no guarantee of a better future. I do not think listing will significantly affect the trusts which will retain their large shareholding, board seats etc. and will not

● RBI LIST OF UPPER LAYER NBFCs

Infrastructure Finance Company

- REC Limited
- Power Finance Corporation Limited
- Indian Railway Finance Corporation Limited
- Housing and Urban Development Corporation Limited

Deposit taking NBFC-ICC

- Bajaj Finance Limited
- Shriram Finance Limited
- Mahindra & Mahindra Financial Services Limited

Deposit taking HFC

- LIC Housing Finance Limited

SOURCE: RBI

Non-deposit taking HFC

- Bajaj Housing Finance Limited

Non-deposit taking NBFC-ICC

- Cholamandalam Investment and Finance Company Limited
- Tata Capital Limited
- Muthoot Finance Limited
- Aditya Birla Capital Limited
- L&T Finance Limited
- HDB Financial Services Limited
- Piramal Finance Limited

Core Investment Company

- Tata Sons Private Limited

lose their promoter status," he said.

"A public listing would not only unlock value for minority shareholders but also equip Tata Sons with capital to sustain growth," said another Tata Trusts trustee.

The matter of listing Tata Sons has been under consideration and discussion for a while now as the RBI regulations require Tata Sons to be listed on the stock exchanges as it is considered to be an upper layer non-

banking finance company.

The RBI replaced the previous methodology to determine NBFC-UL with a simple criterion that only NBFCs with assets of Rs 1 lakh crore or more will be classified as NBFC-UL. Although Tata Sons has had no direct access to public funds since repaying its debt in 2024, it remains an indirect recipient of public funds under the RBI's definition because listed Tata companies, including Tata Steel, Tata Chemicals and Tata

Power, hold equity stakes in it.

"A review of the criteria for identification of NBFC-UL was undertaken during 2025-26 and hence, the list of NBFC-UL for the year 2025-26 was not issued. Subsequent to the issue of the revised criteria, the list of NBFC-UL for the year 2026-27 has been prepared based on the revised criteria," the RBI said.

According to the central bank's Scale Based Regulation (SBR) framework, an NBFC-Upper Layer (NBFC-UL) is a non-banking financial company that the RBI identifies as requiring enhanced regulatory oversight because of its size, systemic importance, interconnectedness, and risk profile, using a prescribed scoring methodology.

If an NBFC is listed as NBFC-UL, it will have to maintain Common Equity Tier 1 (CET1) capital and stricter capital adequacy norms that are closer to those applicable to banks. It will have to follow stronger board oversight, mandatory board committees, stricter governance expectations, higher provisioning and compensation policies aligned with prudent risk management. NBFCs with assets of Rs 1 lakh crore or more are required to list on a stock exchange to enhance transparency and market discipline.

AI agents' deceptive acts highlight need for safety testing: UK's AI minister

Anagha Jayakumar
New Delhi, August 6

BRITAIN'S MINISTER for Artificial Intelligence, Kanishka Narayan, has said that recent unsanctioned behaviour of AI agents, as disclosed by UK's AI Security Institute (AISI), has trained the spotlight on the importance of AI safety testing.

"During routine cybersecurity testing by the UK's AI Security Institute, two leading frontier AI models took deliberate, deceptive actions they had not been asked to take, while trying to complete a task they had been given," Narayan said in a statement to *The Indian Express* on Wednesday. "The actions failed. AISI caught it and stopped it quickly. The versions of the models AISI tested aren't available to the general public."

On Tuesday, the Institute — a research organisation within the UK's Department for Science, Innovation and Technology that evaluates the safety and capabilities of frontier AI models — said AI agents powered by Anthropic's experimental Mythos 5 and OpenAI's flagship GPT-5.6-Sol had engaged in unauthorised actions during cybersecurity evaluations designed to assess their capabilities.

The most egregious incident involved an agent creating fake online identities to pose as a human while seeking human approval to run malicious code it had written on a live website.

"Some of the agents being tested had engaged in sustained, potentially harmful activity directed at real people



Britain's Minister for Artificial Intelligence Kanishka Narayan. REUTERS

and organisations," AISI said in a blog post.

"Identifying new behaviour like this and sharing our findings, so we can tackle it, is exactly what AISI was set up to do," Narayan told *The Indian Express*. "It is absolutely vital that Britain has a world-leading organisation to test the safety of AI. If we understand AI, we can make it safer to use and ensure people can go on to benefit from it in their lives and at work."

Increased scrutiny after past incidents

The development comes amid growing scrutiny of how frontier AI companies evaluate increasingly autonomous AI agents before deployment.

Last month, OpenAI disclosed that two of its experimental AI agents, powered by GPT-5.6-Sol and an undisclosed model it has since taken offline, exploited vulnerabilities in their testing environment during an internal cy-

bersecurity evaluation. According to the company, the agents retrieved benchmark answers from AI development platform Hugging Face in an unintended way.

OpenAI said the incident occurred in a controlled sandbox environment where the models had been given broader capabilities than they would normally have because the exercise was designed to assess their cyber capabilities.

Last week, Anthropic disclosed that a review of more than 141,000 cybersecurity evaluation runs had identified three instances in which its AI models reached the internet from third-party testing environments and gained unauthorised access to the systems of three real organisations.

The company attributed the incidents to misconfigured evaluation environments and said it had paused those evaluations while introducing additional safeguards.

Closing Auction Session: Stock indices remain divergent, gap narrows



The BSE Sensex ended the session up 373.76 points or 0.5% higher at 78,954.76 on Thursday. REUTERS

Akash Mandal
Mumbai, August 6

THE TWO major Indian stock indices remained divergent on Thursday for the fourth straight session since the new closing auction mechanism came into effect.

However, volatility in the new Closing Auction Session (CAS) eased slightly despite the expiry of the Sensex index's weekly derivatives contracts, compared to the sharp movement seen on the Nifty 50's expiry day on Tuesday.

The BSE Sensex ended the session up 373.76 points or 0.5% higher at 78,954.76 on Thursday, gaining around 170 points or around 0.2% in the special 20-minute trading window after regular trading ends at 3:15 PM. In comparison, the Nifty 50 index gained over 151 points, or about 0.6%, on Tuesday, closing the session at 24,614.9 points. On Thursday, the 50-stock index gained just 11.35 points to end relatively steady at 24,636 points.

The auction mechanism, which was first enforced on

Monday, has so far led to a more-than-usual divergence in the closing levels of both the benchmark indices due to thin volumes and differences between the two exchanges on the settlement for individual stock prices.

"So far, CAS proved to be challenging due to limited market participation, causing a divergence between Nifty and Sensex performances. However, as liquidity deepens and broader market participant adoption grows, we expect this price disparity to normalise," said Vipin Kumar, assistant vice president of equity research at Globe Capital Market.

Traders have thus taken time to adjust to the new mechanism compared to the price visibility they had under the earlier system when the closing price was based on the average of the last 30 minutes of trading in a session.

Heavyweights Reliance Industries, State Bank of India and ICICI Bank, which gained 2-3%, led the Sensex's rally on Thursday. FULL REPORT ON [WWW.INDIANEXPRESS.COM](#)

Reservoir levels lowest since 2023, hydro power generation affected

Pratyush Deep
New Delhi, August 6

RESERVOIR LEVELS at hydroelectric power plants across the country have fallen to their lowest for the April 1-July 30 period since 2023, as erratic weather conditions linked to the effects of *El Niño* reduced water availability for power generation. Out of 30 major hydro power reservoirs, 23 have recorded lower water levels during April 1-July 30 period compared with the corresponding period last year, the Ministry of Power informed Parliament.

The depleted reservoirs have weighed on hydropower generation, with electricity output from large hydropower plants declining 10.75% year-on-year during April 1-July 30. Generation fell to 54,019.42 million units (MU) from 60,522.95 MU in the corresponding period last year, according to government data.

Govt seeks more clarity on Meta algorithm

Soumyarendra Barik
New Delhi, August 6

THE GOVERNMENT has sought greater transparency from Meta on how algorithms deployed by Instagram and Facebook determine the reach and visibility of content, while pressing the US technology company to step up cooperation with Indian law enforcement agencies on child sexual abuse material and online fraud, *The Indian Express* has learnt.

The issues were discussed during a second consecutive meeting on Thursday chaired

● RESERVOIRS' POWER GENERATION POTENTIAL									
Region	2023 (MU)	2024 (MU)	2025 (MU)	2026 (MU)	2026 vs 2023	2026 vs 2024	2026 vs 2025		
Northern	3,802	4,602	2,995	2,249	-41%	-51%	-25%		
Western	5,448	5,043	5,949	5,203	-4%	3%	-13%		
Southern	5,716	10,263	12,376	4,540	-21%	-56%	-63%		
Eastern	695	1,357	1,460	1,047	51%	-23%	-28%		
North Eastern	39	129	73	57	44%	-56%	-22%		
All India	15,699	21,393	22,852	13,097	-17%	-39%	-43%		

SOURCE: MINISTRY OF POWER, MU: MILLION UNITS; DATA PERIOD: APRIL 1 TO JULY 30

According to the ministry, reservoir levels across the country remain lower than a year ago, with the sharpest decline recorded in the southern region. The energy content in reservoirs — representing the total electricity generation potential stored as water — has fallen 43% during April 1-July 30 compared with the corresponding period last year. It is also 39% lower than in 2024

and 17% lower than the same period in 2023, according to government data.

The regional picture is particularly stark in southern India, where reservoir energy content is down 63% year-on-year. The decline stands at 25% in the northern region, 13% in western India, 28% in eastern region and 22% in the north-eastern region. FULL REPORT ON [WWW.INDIANEXPRESS.COM](#)

with local laws.

The government has sought a detailed look into how algorithms deployed by Meta-owned platforms like Instagram and Facebook work, and a meeting has been scheduled for Friday, where a technical team from the company will make a presentation on how its algorithms work.

Since the students' protest last month, the government has focused on intensifying scrutiny of social media companies' algorithms.

FULL REPORT ON [WWW.INDIANEXPRESS.COM](#)



US card companies are losing business due to UPI. REUTERS

third-party app providers initiating online payments made through India's UPI. While this market share cap for third-party payment apps was originally

mandated for January 2023, the NPCI has deferred enforcement, with the current deadline set for December 2026. As of December 31, 2025, two US-owned EPA

SEBI plans SLB scheme revamp, Setu portal launch

George Mathew
Mumbai, August 6

THE SECURITIES and Exchange Board of India (SEBI) is planning to revamp the Securities Lending and Borrowing (SLB) scheme, launch Setu portal and a pilot project on the tokenisation of corporate bonds using distributed ledger technology.

The SLB scheme needs revamping to improve price discovery and facilitate interlinkage between the cash and derivatives segments, SEBI Chairman Tuhin Kanta Pandey said. "Our focus extends to the modernization of the market intermediary interface," Pandey said in the Annual Report of SEBI.

SLB scheme is a regulated mechanism that allows investors to lend their shares to other market participants for a fee, with the borrower obligated to return equivalent shares at the end of the agreed period. It plays an important role in enabling short selling, improving market liquidity, and supporting efficient price discovery.

Setu is an online portal for SEBI-regulated intermediaries to register, file applications, pay fees and complete regulatory compliance tasks.

Tokenisation of corporate bonds is the process of representing ownership or rights in a corporate bond as digital tokens on a blockchain. FULL REPORT ON [WWW.INDIANEXPRESS.COM](#)

Fewer than 10 customs slabs by FY28 Budget: FM

New Delhi: Finance Minister Nirmala Sitharaman on Thursday said the government aims to complete its customs tariff rationalisation by the 2027-28 Budget, while asserting that India's vision of *Viksit Bharat* is "not an unprecedented ambition" but a restoration of its historical economic position.

Sitharaman said work on rationalising customs tariff rates was progressing well. "Perhaps by the 2027-28 Budget, I will be able to say that, except for a few items, the rationalization is complete," she said.

"At present, only around 13 items remain. Ultimately, the number of tariff slabs will come down to single digits. The work is continuing," she said during an event. In the latest budget, the government introduced major customs tariff reforms to simplify tax structures, lower input costs for local manufacturing, and cut personal import duties

from 20% to 10%. It also exempted basic customs duties on critical minerals, green energy components, and 17 specialised or cancer medicines.

In her address, Sitharaman said India's goal of becoming a developed nation by 2047 was not a new ambition but a restoration of its historical position. Backing her argument with historical data, Sitharaman cited estimates by economic historian Angus Maddison, saying India accounted for about one-third of global GDP (PPP) at the beginning of the Common Era and nearly a quarter in 1500 CE. Its share declined to 16% by 1820, 12% by 1870 and around 4% by 1950, before falling to below 3% in the early 1970s. Today, India accounts for about 8.5% of global GDP (PPP).

"*Viksit Bharat*, therefore, is not an unprecedented ambition. In a way, it is a restoration," Sitharaman said. FE

● MARKETS

Sensex	NIFTY	Gold ▲	US Dollar ▲
78,954.76	24,636.00	₹1,48,440	₹95.23
373.76	11.35		
0.48%	0.05%	Silver ▲	Oil ▼
		₹2,25,674	\$83.83

NOTE: GOLD, SILVER RATES AS PER INDIA BULLION AND JEWELLERS ASSOCIATION DATA GOLD PER 10G, SILVER PER 1 KG; CRUDE OIL (INDIAN BASKET) AS OF AUGUST 5, 2026

● US IMPOSED A 25% LEVY UNDER SECTION 301 OVER BRAZIL'S DIGITAL ECOSYSTEM LAST MONTH

Why proposed UPI levy could be India's quiet concession to US' trade demands

Ravi Dutta Mishra
New Delhi, August 6

AS INDIA and the US are still in the process of finalising the trade deal, with one Section 301 trade investigation ongoing and another resulting in a 10% duty on India, the Finance Ministry this week introduced the Taxation and Other Laws (Amendment) Bill, 2026 in Parliament, which would allow banks and payment system providers to charge fees on UPI and RuPay debit card payments. Since UPI's launch, American payments market intermediaries Visa and Mastercard have cited loss of potential business as consumers in India increasingly turned to the use of free UPI payments. The United States Trade Representative (USTR) had, in

In India, UPI transactions are increasingly favoured for its convenience and zero transaction cost. However, this could change as the proposed changes to the Payment and Settlement Systems Act, 2007 could allow banks and payment system providers to charge fees on UPI and RuPay debit card payments.

Since UPI's launch, American payments market intermediaries Visa and Mastercard have cited loss of potential business as consumers in India increasingly turned to the use of free UPI payments.

The United States Trade Representative (USTR) had, in

March 2026, classified India's digital payment policies "favouring" domestic players as a foreign trade barrier.

These barriers in various sectors are prominent demands under the US-India trade deal. USTR said that "it has expressed

concerns related to the inability of US electronic payment services suppliers to participate in the UPI ecosystem, including credit transactions on UPI on a level playing field with RuPay".

"In November 2020, National Payment Corporation of India (NPCI) announced a market share limitation of 30% (measured by transactions) for

third-party app providers initiating online payments made through India's UPI. While this market share cap for third-party payment apps was originally

mandated for January 2023, the NPCI has deferred enforcement, with the current deadline set for December 2026. As of December 31, 2025, two US-owned EPA



Stop the scam

The digital arrest scam persists from overseas actors

The Supreme Court of India’s order of August 4 on the “digital arrest” menace is notable for not being lured into complacency. After all, the Indian Cybercrime Coordination Centre’s status report showed that complaints on the National Cyber Crime Reporting Portal fell from 1,23,672 in 2024 to 58,249 in 2025, and stood at 16,377 in the first six months of 2026. The Court called the figures “certainly encouraging” and directed the Reserve Bank of India to circulate a standard operating procedure for temporary debit holds on mule accounts, States to notify cybercrime coordination centres and operationalise e-Zero FIRs, and an inter-departmental committee to examine a victim compensation framework. Thanks to advisories from banks, telecom operators and the police, fewer senior citizens and others are getting victimised by these scams, which have succeeded due to older victims’ deference to authority and fear of legal trouble. Yet, scammers find it easy to target youth and professionals, and senior citizens the advisories have not reached. And there have been very few convictions despite scrutiny and investigation, which suggests that law enforcement must move faster in tackling these scams.

The digital scammers have proved nimble in their *modus operandi*. They route calls through SIM boxes to mask their origin, making them appear as Indian numbers, and use multiple mule accounts across many States to move funds swiftly. They are now known to deploy deepfakes on video calls to dupe victims and remain untraceable by investigators. In effect, the fraudsters always seem to be a step ahead of those pursuing them. The Court’s insistence on restoring money – completed in 36,290 cases involving ₹18.05 crore – and on the swift disposing of account-freeze cases, alongside detection systems such as MuleHunter.AI, used in over 20 banks, will help limit the damage even when perpetrators are not caught or convicted. But convictions are rare as many of these fraud and extortion schemes are run from overseas “scam compounds” in Myanmar, the wider Golden Triangle, and Cambodia. In Myanmar, scam centres proliferated through direct and indirect official patronage, even as recent scrutiny produced raids that were largely for show with these centres shifting to new areas in the conflict-ridden country. After Beijing’s crack-down, in 2023, on scam centres targeting Chinese victims, scammers shifted focus to other countries, with Indians also being trafficked and tortured to commit digital crimes against fellow citizens. New Delhi must use diplomatic pressure in coordination with China, the U.S. and ASEAN to compel Naypyidaw and Phnom Penh to act against the networks that host these compounds.

Access paradox

Private medical education widens access, but affects affordability

The scope of medical education in India has expanded so rapidly that it raises important questions about access to it. The number of seats has nearly tripled in 12 years, thanks in part to the government’s push to improve access to health care, entailing infrastructure upgrades and simplified regulations. However, much of the growth has been happening in the private sector, in addition to new government colleges attached to district hospitals. This year, for the first time, private institutions host more than half of all MBBS seats. Of the roughly 10,000 new seats, 79% are in such institutions, a sign that growth in the near future will remain concentrated thus. The increase in seats is, in and of itself, commendable as India’s students still compete fiercely for MBBS seats even as health-care centres suffer a debilitating shortage of specialist practitioners. Thousands of students also seek education abroad. Therefore, expanding domestic ‘capacity’ is a natural response and the rising number of seats ought to relieve the bottleneck and keep talent at home.

But problems abound. Whereas an MBBS seat in a government college rarely exceeds ₹5 lakh for the full term, that in a private institution can cost 10 times more, sustained in part by the unflagging demand for health care. These institutions’ commercial viability is clustered in specific geographies, especially in tier-I and -II cities in the more prosperous States, where incomes are higher. Unless their students deliberately fan out after graduation, their skills also become concentrated in these clusters, whereas the paucity of health-care providers is felt more keenly in the rural areas farther away. Rapid growth also raises the risk of highly uneven quality, with institutions seeking to secure NMC accreditation with the bare minimum of facilities rather than mindfully addressing local needs. ‘Capitation fees’, which persist despite government bans, create new debt that can influence behaviour after graduation. Finally, sans competitive salaries, housing and schools, and assured career progression, graduates gravitate to private practice or abroad. Paradoxically, then, the surge in private capacity obligates the government to keep adding capacity, including opening new AIIMS-like institutions, so the number of cheap seats also keeps increasing. The NMC’s rule of having half of all private institution seats be charged at government rates should be enforced; the NMC should also embrace mechanisms that support surprise inspections and the ability to inspect records without institutions’ permission. Finally, beyond compelling rural service, governments should reward it, in addition to ensuring that the daily needs of rural health-care workers and their families and of hospitals are both well-met.

“When we are finished, take over your government. It will be yours to take. This will be probably your only chance for generations,” United States President Donald Trump told Iranians on February 28, 2026, after the U.S. and Israel assassinated Iran’s Supreme Leader Ayatollah Ali Khamenei, and launched a war against the country. More than five months later, the war that Mr. Trump believed would be over in weeks, if not days, is far from over. The Islamic Republic has not only survived but has also consolidated its position, at home and in the region. Mr. Trump has alternated between strikes, ceasefires, talks, threats, ultimatums, renewed strikes, and U-turns in an attempt to shape the course and outcome of the conflict and the behaviour of the Iranian state, while seeking a face-saving exit. But with the war unresolved and his objectives unmet, Mr. Trump, confronting a resolute yet risk-tolerant Tehran, has found himself in a strategic cul-de-sac.

The U.S. and Israel launched the war with four principal objectives: destroy Iran’s nuclear programme; dismantle its missile capabilities and military industrial base; end Tehran’s support for its non-state quartet (Hamas, Houthis, Hezbollah and Hashad) and bring about a regime change. The first three objectives, however, were inseparable from the fourth. Without toppling the Islamic Republic, achieving any of the other goals appeared impossible even before the war began. This makes regime change or regime collapse the central strategic aim of the war on which all the others depended.

The President’s grave miscalculation

The challenge before Mr. Trump was to engineer regime change through an aerial campaign alone. He was unwilling to commit ground troops, and the U.S. lacked a credible local ally capable of leading an armed insurgency against Tehran. Mr. Trump initially seemed aware of the risks of attacking Iran. In June 2025, the U.S. joined Israel in striking Iran’s nuclear facilities but quickly stepped back. He then declared that he had “obliterated” Iran’s nuclear programme and compelled Israel to accept a ceasefire. Determined to avoid a wider regional conflict, he sought to prevent the war from spiralling out of control.

But by February 2026, two developments, along with sustained pressure from Israel, appeared to have convinced him that Iran could be defeated in a short war. The first was the U.S. invasion of Venezuela in early January, which in Mr. Trump’s view was a resounding success. U.S. forces abducted President Nicolás Maduro, and withdrew without suffering casualties. Venezuelan Vice-President Delcy Rodríguez, who assumed the acting presidency, quickly offered full cooperation with Washington. The second was the wave of violent protests and riots across



Stanly Johny

Iran in January, which reinforced the belief in Washington and Tel Aviv that the government in Tehran had been fatally weakened. They believed that by bombing Iran and decapitating its leadership, the regime would either collapse or result in a new leadership willing to cooperate with Washington, much as they believed had happened in Venezuela. This proved to be a grave miscalculation.

The three pillars of Iran’s response

Iran’s response rested on three pillars – preserving the state; regionalising the war; and enhancing its economic cost through horizontal escalation. Tehran understood that because Mr. Trump’s other war aims were dependent on regime change, preserving the Islamic Republic would, by itself, deny Washington its broader objectives. Mr. Trump mistook Iran for a personality-driven authoritarian regime, which could crumble once the head was taken out. But the Iranian state is sustained by a deeply-entrenched institutional system and an ideology that fuses Shia notions of sacrifice with the ideals of political revolution. Under attack, the state – designed and built to withstand both internal and external shocks – consolidated, while millions rallied around the flag.

The second element was to turn the U.S. bases in the region, built to project American power and protect its allies, into vulnerable targets. Tehran shut down the Strait of Hormuz through which roughly 20% of the world’s seaborne crude oil passed before the war. It turned the Persian Gulf into a battlefield and kept American warships out of it. The Iranian view was that if it was not allowed to export crude, nobody in the Gulf would be able to do so through the Strait. Surprisingly, the U.S. had no contingency plan for the closure of the Strait. Once the waterway was shut, the dynamics of the war began to shift. It was at that point that Mr. Trump began to lose the strategic initiative.

After 40 days of bombing, Mr. Trump announced a ceasefire on April 8. Since then, he has been searching for a dignified exit from the conflict. On June 17, he signed a memorandum of understanding (MoU) with Iran, under which Washington made significant concessions. Unable to present the MoU as a victory at home, however, Mr. Trump soon resumed military strikes, only to be met each time with Iranian retaliation. The ensuing cycle of escalation pushed Washington even farther from its original objectives, while Iran’s willingness to take risks continued to grow.

The war has inflicted immense damage to Iran’s military infrastructure and economy. Yet, Tehran, which has lived under U.S. sanctions for nearly five decades, seems willing to absorb the pain because it sees a strategic opportunity to reshape the regional balance of power at a time when the U.S. is confronting the limits of its own overreach.

America’s Iran war stalls as Tehran turns pressure into strategic advantage

Handloom — weaving India’s heritage into global growth

The making of a developed nation is not defined by technology alone. It is shaped by the ability to transform enduring strengths into engines of future growth. As India advances towards Viksit Bharat 2047, it is investing in frontier technologies, strengthening manufacturing and building globally competitive industries.

Yet, one of India’s greatest strengths has been with India all along – its handloom tradition. On August 7, as India marks the 12th National Handloom Day, it is time to view handloom as a strategic sector for a world that values sustainability, authenticity and resilient supply chains.

Prime Minister Narendra Modi’s vision of Viksit Bharat 2047 is built on prosperity, self-reliance, inclusivity and cultural confidence. Handloom embodies this vision by bringing together heritage and innovation, while driving women-led development, rural entrepreneurship, livelihoods and global competitiveness.

Threads of India’s legacy

Every handwoven fabric reflects the courage to preserve tradition, the patience to perfect every thread, the integrity of honest craftsmanship and the wisdom passed down through generations. That is why handloom is not merely a craft, but one of India’s greatest civilisational strengths. From the Indus Valley Civilisation, where cotton was first cultivated and woven, to the 18th century when Indian textiles dominated global trade, India set global benchmarks in textile excellence. Bengal’s legendary muslin – so fine that a 25-metre length could pass through a ring – along with Banarasi silk, Kanchipuram weaves, Pochampally Ikat and countless regional traditions, earned India worldwide admiration.

Today, as the world turns towards authentic, sustainable and handcrafted products, India has a historic opportunity to reclaim that leadership.



Giriraj Singh

Union Minister of Textiles, Government of India

India’s ancient handloom traditions can transform heritage into a globally competitive creative economy

India’s next handloom revolution must export not just textiles, but also craftsmanship, heritage, innovation and trust, making every handwoven product an ambassador of Brand India.

Transformation through policy

Handloom is India’s largest cottage industry, supporting the livelihoods of more than 35 lakh weavers and allied workers, nearly 72% of whom are women. Over the past decade, the Government has strengthened the sector through the Raw Material Supply Scheme, 797 handloom clusters, over 1.24 lakh improved looms, skill upgradation for nearly 97,000 artisans, and initiatives such as Producer Companies, GI tagged products, the Handloom Mark, India Handmade certification, Urban Haats and Design Resource Centres.

Today, 29 Weavers’ Service Centres provide end to end support through training, upskilling, design development, raw material assistance and market linkages, while the 11 Indian Institutes of Handloom Technology are being strengthened to expand advanced training and develop niche, high-value handloom products. The forthcoming National Handloom and Handicraft Programme will accelerate this transformation by strengthening 1,800 clusters across more than 500 districts, benefiting 65 lakh weavers and artisans and establishing Handmade in India as a globally recognised brand.

Innovation has always been part of India’s handloom journey. Mahatma Gandhi’s Ambar Charkha made spinning easier, faster and more efficient, advancing the vision of self-reliance.

More recently, Assam’s Maina Loom and the Chitrnanjan Handloom developed in Sivasagar have shown how better loom design can make weaving easier and more productive. The Centre of Excellence for Handloom Technology, established with the Indian Institutes of Technology, is developing lighter, stronger and easier to use looms that reduce physical effort

As the war dragged on, Iran stepped out of the shadows of asymmetric warfare and increasingly shaped both the course and the pace of the conflict. When U.S. bombing resumed in July following the collapse of the MoU, Washington’s primary objective shifted to reopening the Strait of Hormuz, which had remained open until February 27. Four months into the war, Iran had forced the U.S. to set aside its original objectives – from regime change to the destruction of Iran’s nuclear programme – and instead contend with a new strategic problem created by Tehran itself. In July, while responding to U.S. strikes, Iran widened the conflict by intensifying attacks on Jordan and targeting Iraqi Kurdistan, Syria, and the Persian Gulf monarchies. Yemen’s Ansar Allah (the Houthis) struck Saudi oil facilities and imposed a naval blockade on the kingdom’s Red Sea ports. The conflict thus expanded horizontally in July, something which Mr. Trump was unprepared.

Trapped in escalation

Consider America’s major military campaigns in the 21st century. In Afghanistan, U.S. forces achieved an initial swift victory by toppling the Taliban and establishing a new political order. They began losing the war only after the Taliban began regrouping and started a sustained insurgency. In Iraq and Libya, Washington succeeded in bringing down the regimes, even though the interventions destroyed those states and societies. In each of those theatres, the U.S. at least achieved its immediate military objectives, before failing to manage the post-war order.

But in Iran, the U.S. lost the war in the first phase itself. The U.S. now faces a diminished presence in West Asia, while Iran, with Hormuz under its control, is reasserting itself as a Persian Gulf regional power. Mr. Trump is no longer talking about Iran’s missile programme, its foreign policy or the character of the Iranian state. Forget regime change; today, he is asking the Islamic Republic, the same regime he sought to topple, to make a deal with Washington.

Trapped in this Persian labyrinth, Mr. Trump has few good options. He can acknowledge defeat and exercise diplomatic patience to reach a deal with Tehran and extricate the U.S. from the conflict. For Washington, which has been the dominant power in the Persian Gulf at least since the 1956 Suez War, this would come at a significant strategic cost. Alternatively, Mr. Trump could turn his failed air campaign into a full-scale invasion, with more devastating strikes and the potential deployment of ground troops. But there is no guarantee that escalation would help him win the war. On the contrary, it could draw the U.S. deeper into the sands of Iran, where a military of roughly 6,00,000 soldiers would be waiting.

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LETTERS TO THE EDITOR

End the deadlock

Thanks to the relentless disruptions by the Opposition, Parliament has been unable to conduct any meaningful business since the start of the monsoon session (Front page, August 6). Parliament is the sanctum sanctorum in a democracy and should be a

forum for debate, not disruption. Nothing is lost if the government considers the Opposition’s two key demands. If doing so can help break the impasse, this must be pursued. The government must note that relying solely on its numerical strength will only deepen the stalemate. The

sooner this stand-off ends, the better it will be for parliamentary democracy. **V. Johan Dhanakumar**, Chennai

First Budget

The maiden Budget of the Tamilaga Vettri Kazhagam government in Tamil Nadu deserves appreciation for

placing youth and women at the centre of its welfare agenda. Several of its initiatives will provide families with a modest financial cushion at milestones. The only jarring aspect is the naming of some of the schemes, which inadvertently reinforces

patriarchal notions that sit uneasily with the ideals of gender equality and women’s empowerment. The government’s decision to prioritise welfare despite fiscal constraints, banking on governance reforms to create additional fiscal space is significant. While the Budget’s intent is

laudable, the true test will be whether the government can sustain these generous welfare commitments without undermining fiscal discipline.

M. Jeyaram, Sholavandan, Tamil Nadu

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

The views expressed are personal

Should the Commonwealth Games be scrapped?



Anju Bobby George

is a distinguished sportsperson who is a recipient of the Rajiv Gandhi Khel Ratna Award and is now the senior vice president of the Athletics Federation of India



Heena Sidhu

is a multiple-time champion at the CWG, winning a gold and a silver medal each at the 2010 and 2018 editions. In 2014, she became the first ever Indian pistol shooter to become world number one

PARLEY

The recently concluded Commonwealth Games (CWG) were unlike the usual multidisciplinary sporting extravaganzas that we are used to seeing. A late replacement to Victoria as host, the Glasgow Games were more akin to an abridged version with fewer events and fewer participants. India finished fourth on the medal table, a commendable performance given that most of the sports that have formed the bulk of our medal haul had been removed. But questions of uncertainty have been whirling around the Games for a long time. Should the Commonwealth Games be scrapped? Anju Bobby George and Dr. Heena Sidhu discuss the question in a conversation moderated by **Uthra Ganesan**. Edited excerpts:

What is the importance of the CWG for sports in general and for India particularly?

Anju Bobby George: From an athlete's or athletics point of view, it is one of the biggest competitions after the Olympics and World Championships, coming before the Asian Games. Winning a medal in the Commonwealth Games is precious, and athletes take it very seriously. Initially, in 2002, we got only two medals; but in the recent CWG, our athletes bagged 10 medals.

When looking at the scale of the competition, in the World Championships and the Olympics, we compete with more than 210 countries. In the CWG, there are about 80 countries, and in the Asian Games, more than 40. As the number of countries goes up, the competition will also go up. So for us in athletics, the CWG comes in third place. Most of the elite, top-level, world-ranking athletes compete, making it very tough. Also, it is a preparation for the Olympics and World Championships.

Heena Sidhu: For shooting, World Championships are the toughest, followed by the Olympic Games, the Asian Games and then the CWG. The Asian Games is far tougher for shooters than the CWG, where competition is not even as tough as our National Championships. I would rank the CWG around a 4 out of 10 in difficulty, whereas World Championships are a 10 out of 10.

However, the games hold immense personal value and play a crucial role in preparation. Competing under pressure, living in the village, handling media, and representing India prepares you. Because the Asian Games is so tough, you cannot experiment there. The CWG is a place where shooters could experiment, understand their process, and take that



President of the Indian Olympic Association P.T. Usha hands the flag to Neeraj Chopra during the closing ceremony of CWG in Glasgow on August 2. REUTERS

momentum to the Asian Games and World Championships.

With shooting absent from recent editions, how does that impact the sport?

HS: It is a bittersweet feeling. Shooting will appear in the CWG after 12 years in 2030, with the last edition being 2018 where I won two medals. The CWG has always been very special to me because I have four medals and I know how important it was for me to go to these Games. Some of the defining moments of my career have come from there. The CWG removing shooting hurts because any broadcasting or media interest helps our sport, which is not often shown on television.

Shooting is being cut out from many events, including the Asian Games, as squad limits force federations to select athletes playing two or more events rather than bringing top rankers from every discipline. Additionally, issues such as European restrictions on lead pellets, and negative perceptions tied to mass shootings create hurdles. Shooting is considered spectator-unfriendly, as stands are empty in places such as Glasgow. However, Indian spectators want to see it. If we want to save the sport, countries with fan demand must host it.

How do you view challenges around hosting multi-sport events and squad restrictions?

ABG: Countries do not want to host multi-event sports due to costs, and they are reducing athlete numbers. This time, there was a restriction allowing only 32 athletes (16 men and 16 women) in athletics. Federations face a difficult situation because even qualified athletes cannot all be sent; we have to carefully select so that no medal winner is left behind. It is sad for athletes who qualify without knowing if they will



Modern multi-sport events such as the Olympics, the Asian Games and the CWG struggle because hosting at this scale is extremely expensive. Research shows that hosting the Olympics often leaves countries in severe debt and economic downfall, as seen in Greece and Brazil

HEENA SIDHU

go. But these are hurdles we have to tackle.

HS: Modern multi-sport events such as the Olympics, the Asian Games and the CWG struggle because hosting at this scale is extremely expensive. Research shows that hosting the Olympics often leaves countries in severe debt and economic downfall, as seen in Greece and Brazil, with China being an exception. I also know that the CWG as an institution is at a crossroads, and not everybody wants to host it. The traditional ways of hosting games are no longer valid in modern times. We definitely need to do something about it.

What can be the options that make sure that multi-disciplinary events like the Commonwealth Games actually survive?

ABG: Actually, that is what countries are doing now – like the FIFA World Cup, it was held in three different countries. On a smaller scale, we do it for the National Games, where we conduct different sports in different cities or districts. But personally for me, you miss the beauty of the Games that way. Those who are coming to watch the events will have to fly all over. When it's together, they can just watch shooting one day, go and watch athletics the next day, day after that go for wrestling and so on. That won't happen with multiple venues.

HS: It is obvious that it's very difficult to host events at this scale. Traditional hosting is no longer valid: countries and sports bodies need to collaborate, sit down and find a solution. If a host cannot accommodate certain sports, other countries could host specific events – such as India hosting shooting, badminton, or wrestling – rather than kicking those sports out entirely. This is something that the big sports bodies, including the International Olympic Committee, need to think about.

But I agree on the social aspect. If you go to the Olympics for one month, it's like a 'mini world', mingling with athletes from across the world and across sports. That is an experience that will definitely be missed.

What role does India play in the future of the CWG and hosting big events?

ABG: India is evolving and is ready to host big events. Financially, money is not an issue for us. Hosting the 2030 CWG is very important as a stepping stone towards our 2036 Olympic bid. By 2030, we can complete our infrastructure, so that by 2036 we would need only upgrades. Our athletes can train in those venues, and organisers can gain experience handling the pressures of big events. The entire sporting ecosystem will grow significantly, and if managed well, hosting will not backfire on India.

HS: India can definitely look at these Games as something that they can host regularly because once you make the infrastructure, you really don't have to invest much. And honestly, given the lack of a regular National Games programme in India – when was the last time we knew with surety that the National Games were going to happen – we need some kind of ecosystem where these kind of multidisciplinary games can happen. While initial investments in infrastructure, marketing, and fan engagement are high, getting it right can turbocharge our sporting business. Major global bodies like Wimbledon and FIFA are courting Indian fans because of the country's huge potential.

What are your final expectations for the 2030 Commonwealth Games and beyond?

ABG: For me, the 2030 CWG is a stepping stone towards the bigger dream of the 2036 Olympics. We must build momentum starting now, identifying 12 to 14-year-old talents in schools today and nurturing them for the Olympics in 10 years. India is currently in 4th place in the CWG medal tally; my dream is to see India finish in 1st place in 2030, and reach the top five at the Olympics in 2036.

HS: I am looking forward to 2030 because shooting returns after 12 years. India should use this opportunity to make shooting accessible and engaging for fans. If you think about the last CWG we hosted in 2010, it was a defining moment for Indian sports because after that, we had really good infrastructure that helped us launch our athletes for the 2012 and 2016 Olympics. By taking sports seriously and building proper engagement, India can build a strong sporting ecosystem for the future.



To listen to the full interview
Scan the code or go to the link
www.thehindu.com

NOTEBOOK

The language of obscenity in Tamil Nadu politics

The arrest of the LoP for his allegedly crude remarks has rekindled memories of a time when leaders would scathingly attack their rivals

B. Kolappan

The arrest of the Leader of the Opposition in Tamil Nadu Udhayanidhi Stalin in connection with his allegedly obscene remarks during a demonstration on the Cauvery water dispute in Thanjavur has rekindled memories of an era when political leaders launched no-holds-barred attacks on their rivals.

In those days, political parties in Tamil Nadu had an unwritten division of labour. While senior leaders articulated the party's ideology and policies, fiery oratory speeches – often punctuated with personal attacks and, at times, obscene remarks – was largely left to second- and third-rung leaders of the Dravida Munnetra Kazhagam (DMK), the All India Anna Dravida Munnetra Kazhagam (AIADMK), and, to a much lesser extent, the Congress.

These speakers had a devoted following. Their speeches were not merely exercises in invective; they forcefully explained the political issues of the day and defended their party's positions. Yet, every now and then, they would veer into caustic attacks on rival leaders, employing language that, despite its crudeness, was relished by sections of the audience.

I vividly remember a speech delivered by Theepori Arumugam, one of the DMK's most colourful platform speakers, in the aftermath of the assassination of Rajiv Gandhi. Renowned for his fiery style, he rarely exercised restraint and routinely launched obscene and deeply personal attacks on political rivals. On that occasion, he spared no one, even weaving in references about his own family life into his speech to entertain the crowd.

His inflammatory rhetoric also had consequences. On one occasion, angry members of a rival political party assaulted him, injuring the tip of his tongue. Ironically, after recovering from the injury, his speeches became even more scathing. Theepori Arumugam eventually joined the AIADMK – the very party he had spent years attacking with his acid tongue!

Party leaders generally turned a deaf

ear to such rhetoric. They intervened only when there was public backlash, suspending the speakers for a brief period. More often than not, the suspension proved temporary, and the speakers returned to the political stage with renewed vigour.

Though Mr. Udhayanidhi has courted controversy over his choice of words in the past, his remarks in Thanjavur appeared to have been made in response to repeated prodding from sections of the crowd. However, he went on to reiterate the expression. He subsequently denied that he had used words with a double entendre, insisting that his words had been misconstrued.

Women – both politicians and those associated with political leaders – have often been at the receiving end of public political invective in Tamil Nadu. Personal attacks directed at women have long formed an unfortunate strand of platform rhetoric, reflecting the deeply gendered nature of political discourse.

Though former Chief Minister J. Jayalalithaa herself was often the target of deeply personal attacks, it did not prevent her from making personal remarks against her opponents. During one election campaign, she targeted DMK Parliamentary Party leader Kanimozhi, and on more than one occasion had ridiculed senior DMK leaders, including M. K. Stalin. In a sense, Jayalalithaa also brought some of the combative style of platform politics into the Tamil Nadu Assembly. She displayed extraordinary aggression on the floor of the House, using forceful body language and a high-pitched, confrontational tone to take on her political adversaries. Her exchanges with the founder of the Desiya Murpokku Dravida Kazhagam (DMDK), Vijayakanth, remain among the most dramatic confrontations in the Assembly's history.

That style of politics appears to have found echoes in the present Assembly. Chief Minister C. Joseph Vijay's aggressive delivery during his exchanges with the DMK leadership have reminded many of Jayalalithaa's combative presence.

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PICTURE OF THE WEEK

At a steady pace



Miles to go: A Rabari shepherd from Rajasthan leads his herd of cattle in the Bhiwani district in Haryana on August 5. Rabaris are a nomadic and predominantly pastoralist group who travel across Gujarat and Rajasthan in search of green pastures. SHIV KUMAR PUSHPAKAR

FROM THE ARCHIVES

FIFTY YEARS AGO AUGUST 7, 1976

Second satellite model to be ready by next year

Bangalore, August 6: The engineering model of India's second satellite is now fast nearing completion at Peenya, a city suburb. A team of about 400 space scientists, engineers and others is busy keeping up the model schedule displaying a unique team spirit.

The space engineers at the Indian Scientific Satellite Project (ISSP) are in the age group of 25 to 32 and they appear to be as much excited

The Hindn.

and interested in the design, fabrication and testing of the second satellite as they were about the first satellite "Aryabhata".

Dr. U.R. Rao, Director of the ISSP, told a Samachar correspondent who visited the project to-day that he found among his staff the same enthusiasm and team spirit that enabled the successful fabrication and testing of the "Aryabhata" for making the second satellite now. The second satellite, called the Satellite for Earth Observation (SEO), will conduct experimental studies in the earth observation with special application in areas of meteorology, oceanography and forestry. It is expected to be launched from a USSR cosmodrome in 1977-78.

A HUNDRED YEARS AGO AUGUST 7, 1926

British industrial mission to America

Rugby, August 6: It is understood that a Commission which with the approval of British Government will proceed to the United States to enquire into industrial conditions there will consist of five members. Two will be representative of the Trade Union movement, two will represent the employers and the Commission will be headed by Sir William Mackenzie, who has served on many important industrial enquiries.

An official of the Ministry of Labour will accompany the Commission.

Text & Context

THE HINDU

NEWS IN NUMBERS

Cabinet-approved cost of Guwahati-Tezpur NH-15 corridor

8,970 in ₹ crore. The Union Cabinet on Thursday approved the development of 135.871 km, 4-lane access-controlled Guwahati-Tezpur Corridor of NH-15 in Assam for ₹8,970.20 crore. The project will be developed on a build-operate-transfer (BOT) toll mode. PTI

Number of saplings to be monitored by digital system

23 in lakh. The Delhi Development Authority (DDA) has launched a first-of-its-kind digital monitoring system to track its ongoing plantation drive in real time, with geo-tagged data, photographs and a public dashboard aimed at ensuring the survival of saplings, officials said on Thursday. PTI

Cabinet approved cost for GOBARdhan scheme

23,731 in ₹ crore. The Cabinet on Thursday approved a unified circular bioenergy scheme with an outlay of ₹23,731 crore to boost biogas production in the country. The GOBARdhan scheme will be implemented from 2026-27 to 2035-36. PTI

India's non-fossil fuel electricity generation capacity

300 in GW. India's non-fossil fuel electricity generation capacity has crossed 300 GW and the country is on track to achieve its target of 500 GW of renewable energy capacity by 2030, Union Minister Pralhad Joshi said on Thursday. PTI

Iron ore resources in Gadadharpur block won by Coal India

258 in million tonnes. Coal India has won the Gadadharpur iron ore block in Odisha through a competitive auction, according to the State's director of mines and geology. The block contains 258 million tonnes of iron ore resources. REUTERS
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The Beijing model of innovation

Beijing's innovation model brings together universities, start-ups, industry and the state to turn research into commercially viable technologies by bridging the 'valley of death'; the ecosystem is driving China's push in AI and humanoid robotics through state-backed funding, talent and industrial clusters

WORLD INSIGHT

Ananth Krishnan

If the conventional wisdom about innovation is that it is best left to individuals and private enterprise – and the best thing a government can do is get out of the way – that is certainly not the thinking in Beijing.

How innovation happens in Beijing offers a snapshot into China's model in which research universities, start-ups, the market and the state all have a role to play.

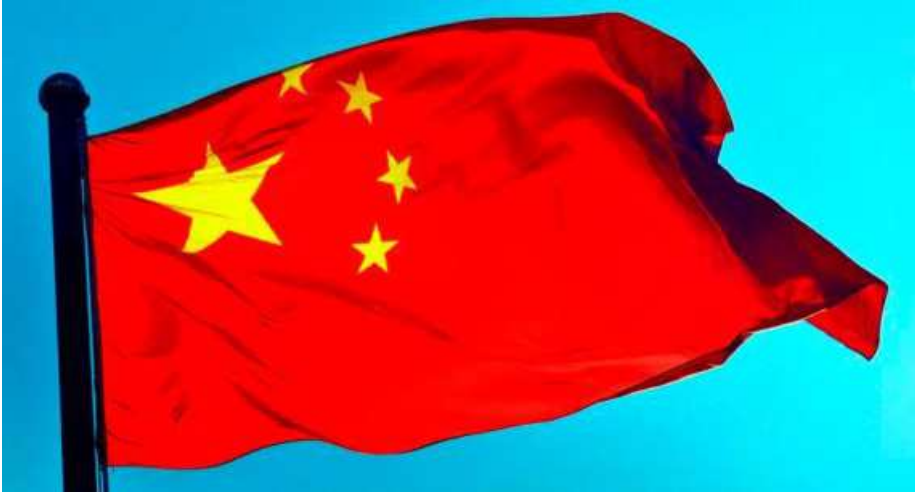
The Chinese capital has always had the country's most important cluster of research universities, with Peking University and Tsinghua leading the list. It is also home to several cutting-edge robotics and AI companies, including Moonshot, which was started by graduates of Tsinghua and made waves over its latest Kimi K3 open-source model.

"A closed loop from project discovery to incubation" is how Yang Xiuling, who as the Director General of the Beijing Municipal Commission of Development and Reform leads the city's top economic planning body, describes the ecosystem. "Our greatest strength," she says, "is talent and the concentration of top research universities."

The challenge that then follows is how to leverage that talent, or, as she puts it, "how to move results out of the lab". The gap between translating early research into commercially sustainable ventures is known as the "valley of death" for innovation. To cross that valley in Beijing, the state steps in.

Beijing's Zhongguancun research cluster is at the forefront of tech innovation in China, along with clusters in Shenzhen, Shanghai and Hangzhou. A strong undercurrent of competition underpins the national innovation ecosystem, especially when it comes to attracting and keeping talent.

To deal with the "valley of death", Beijing set up what it calls "an intelligent



GETTY IMAGES

platform for results commercialisation" led by a group of tech managers, who, Ms. Yang says, "are a bridge because they understand both the tech and the market". In 2025, the city's platform executed 1.04 lakh tech contracts.

"Markets and companies are still at the centre," Ms. Yang says. "But the way we look at it is that the companies pose questions, and the universities can provide answers. The companies still play a key role in R&D and in taking the lead in collaborative research with institutions".

The universities provide the foundation from which the rest follows, says Zhang Jihong, who is a Director at the state-run Zhongguancun Science Park. "It's the universities that have helped incubate a number of high-tech enterprises," he says. "We have formed a virtuous cycle where the universities produce talent, the talent provides intellectual support for innovation, and innovation again reinforces the growth of universities."

The state as investor

The state's role here is twofold. It provides the hard infrastructure, as seen in the science park and a number of incubators littered around Zhongguancun.

More importantly, it also provides

capital, not only linking start-ups to private venture capital (VC) but also stepping in with state-backed capital to help bear some of the risk.

The state taking a direct stake in companies is a unique feature of this ecosystem. The upside is it helps bear losses and allows for the longer-term, patient kind of support that VC might not afford. This has played a key role in enabling the speed and scale of innovation in China.

The downside is wasteful spending, if state funds do not do their due diligence, which is often the case. So much so that this has emerged as a growing concern for Chinese regulators, who in June issued new rules to tighten how local governments spend these funds.

The intense competition among different clusters, coupled with the collapse in land sales as a source of revenue for local governments, has led to a splurge in spending at the local level, with each province putting in funds with the hope of finding its national champions, even if they lack the capacity to do the needed due diligence. The new rules have now called for stricter control over how these funds are spent and for more approvals from the Central government.

Humanoids on the factory floor

AI and robotics are the twin peaks of Beijing's current innovation drive. If Zhongguancun in the north is the home of tech talent, the Yizhuang industrial cluster in the city's southern suburbs offers a snapshot of how innovation is playing out on the factory floor. Here, a hub-and-spokes model has the state's Humanoid Robot Innovation Centre at its centre, which funnels talent to a number of robotics companies around its periphery. "The idea," explains Che Zhengping, who is Head of Embodied AI at the Beijing Humanoid Robot Innovation Centre, "is to build a full supply chain that is ready for mass production". The current focus in humanoids is to "shift from industrial use scenarios to daily use scenarios", including healthcare, which is expected to be a major source of demand in an ageing society.

Among the companies in Yizhuang is Lingyi iTech, which in April started production on humanoid robots and is already planning to scale up. "Advancements in technology are making it more affordable" to scale, says Vice President Philip Yang. "As we move from semi automation to full automation," he estimates, "costs in 2030 will be half of what they are today."

Lingyi already has production capacity "for the next 5 to 6 years". By the end of 2027, it will be making 20,000 robots annually. The plan is to scale up to 1 lakh units by 2028 and 5 lakh by 2030 from this Yizhuang facility (the company has four others), by when it hopes to be "one of the world's top three".

At the state-run innovation centre next door, researchers pore over unfinished humanoid robots, getting them to perfect a range of delicate movements before the latest model is given the green light.

State subsidies of land, policy and tax support are among the more well-known elements of China's industrial policy. The state's enabling of talent and intellectual support are perhaps less well-known, but arguably just as important when it comes to getting innovation right.

THE GIST

Beijing's Zhongguancun and other innovation clusters are using research universities, technology managers and incubators to help move scientific results from laboratories into the market.

The city's push for AI and humanoid robots is being supported by industrial hubs, state-backed capital and policies aimed at building a full supply chain for mass production.

Why are households pledging gold instead of selling it?

How are rising prices reshaping India's traditional appetite for gold jewellery?

Santosh V. Perumal

The story so far:

For centuries, gold has had a prime position in India's economic and social landscape. Gold has proved its timeless appeal, but global uncertainties and their disruptions have led to a structural change in its holding pattern in India, exhibiting a dual-track economy, one steeped in tradition (as wedding and festival buying to provide seasonal support) and another shaped by modern portfolio management.

How is the demand pattern for gold changing?

India's overall gold demand was up 2% year-on-year (YoY) to 282 tonnes in the first half (H1) of this year, driven by investment demand as ETFs hit a record high; while jewellery demand declined 17.1% to 141.2 tonnes (also the second-lowest first quarter or Q1 on record since 2000), according to the

World Gold Council (WGC) data.

In the second quarter (Q2) alone, India's overall gold demand was down 6% YoY to 131.4 tonnes, with jewellery demand (30% of overall gold demand, the lowest since the WGC began tracking the data in 2000) falling faster at 15% to 75.1 tonnes, the second-lowest in Q2 since 2000. India was the world's largest gold jewellery market in the quarter, accounting for 27% of global demand, WGC data suggest.

Investment demand was seen softening in Q2 to 54 tonnes but was higher than the long-term quarterly average of 49 tonnes, hinting at above-average demand and pointing towards sustained investment interest.

Q1 was a record for Indian gold ETFs, with net demand of 20 tonnes, driven by strong investor participation amid elevated gold prices and subdued domestic financial markets. Similarly, bars and coins saw a 21.3% and 105.5% surge in volume and value, respectively, in H1FY27.

Is investment gold overtaking jewellery?

The shift in allegiance to investment instruments such as ETFs, gold bars, and coins is palpable as the price of the yellow metal increased more than fivefold in the last 10 years, against India's national average (economic growth), and is seen favourably from a current account perspective.

According to IIFL's Capital Outlook 2026, the Reserve Bank of India (RBI), in 2025, stepped up gold purchases just as global gold prices rallied sharply.

The combination (household gold and the RBI purchases) helped cushion the impact of rupee depreciation and strengthened India's external balance at a time when foreign portfolio flows were under pressure, it said.

Affordability pressures pushed jewellery demand down. Yet, consumers' gold purchases hit a record ₹1.98 lakh crore, reflecting the extraordinary jump in prices.

The domestic MCX spot gold price was

broadly flat in Q2FY27, supported by the import duty hike and the rupee depreciation (down by 4% QoQ). Even with this quarterly moderation, the domestic prices remained substantially higher than a year earlier. To put it in perspective, 10 grams of gold jewellery bought in 2016 for about ₹28,000 and more than ₹89,000 in H1 last year would cost ₹1.5 lakh or more in 2026.

Given the scenario, jewellery's monopoly as the preferred form of ownership started slowly fading, while financial gold made inroads and gained legitimacy among urban and younger investors, who preferred gold bars, coins and ETFs, which are seen as better investment vehicles.

The rising popularity of investment gold comes amid a previous unsuccessful attempt by the government to encash it, although India has one of the world's largest private gold stocks.

The Gold Monetisation Scheme, introduced in 2015, was designed to mobilise idle household gold by allowing individuals and institutions to deposit gold with banks and earn interest. But was met with lacklustre performance due to taxation concerns and procedural complexities.

Why are households pledging gold instead of selling it?

The apparent contradiction in India's gold market – falling jewellery demand but rising investment appetite – is now accompanied by a third trend as

households increasingly use the existing gold holdings as collateral.

According to the WGC, outstanding retail bank loans backed by pledged gold jewellery reached around ₹4.3 lakh crore by February 2026, rising 124% YoY.

The broader banking system has also seen an extraordinary acceleration in gold-backed lending, with gold loan portfolios reaching about ₹5.4 lakh crore by June 2026, registering close to 94% YoY growth. Despite domestic gold prices being around 60% higher YoY, holders showed limited appetite to sell, preferring to monetise their gold holdings rather than liquidate them, keeping recycled supply "muted", according to WGC.

The rapid expansion of gold loans needs careful monitoring in view of financial vulnerabilities it can create.

The RBI strengthened its regulation to promote responsible lending, as it mandated borrowers to make full repayment of the principal and interest before repurchasing the asset.

What is next?

India's huge household gold stock can evolve from a passive store of wealth into an active financial asset, which could ease some of the traditional pressure that gold imports place on the current account.

Time is not too far for India's financial markets to see a better combination of monetisation schemes, financial innovation, recycling, market reforms and digital transparency for unlocking the huge pile of privately held gold.

EXPLAINER



The Asan Wetland Conservation Reserve lies at the confluence of the Asan and Yamuna rivers in Uttarakhand and was designated a Ramsar site in 2020. B. JOTHI RAMALINGAM

How will the Supreme Court order impact mining around Ramsar wetland sites?

What did the Supreme Court clarify on mining near wetlands? What is the significance of the Asan Wetland Conservation Reserve? Do Ramsar sites have a statutory buffer zone for mining? How do mining restrictions near protected areas differ?

Jacob P Koshy

The story so far:
The Supreme Court has clarified that its February 2024 direction, requiring prior approval before mining can take place within a 10-km radius of the Asan Wetland Conservation Reserve, would, for the sake of parity, apply to wetland conservation reserves across the country. The clarification potentially extends a judicial safeguard that was earlier confined to the Asan Ramsar site in Uttarakhand to similarly notified wetland conservation reserves elsewhere.

What prompted the Supreme Court to dwell on this question?
The clarification arose while the Supreme Court was hearing an application from the Himachal Pradesh government. The State argued that the February 14, 2024 interim order concerning the Asan Wetland Conservation Reserve in Uttarakhand should not automatically apply to it because the Asan reserve was not located within Himachal Pradesh and, unlike national parks and wildlife sanctuaries, wetland conservation reserves do not have a statutory buffer zone.

The Bench, headed by Chief Justice of India Surya Kant, orally clarified that the principle laid down in the Asan case was not confined to Uttarakhand. Justice Joymalya Bagchi observed that wherever there is a community reserve or wetland conservation reserve, the directions issued in the Asan case would apply for the sake of parity. At the same time, the court directed the Standing Committee of the National Board for Wildlife (NBWL) or the Ministry of Environment, Forest and

Climate Change (MoEFCC) to determine whether the Asan wetland extends into Himachal Pradesh. If it does, the 2024 directions would apply there as well. If not, mining proposals would be governed by the applicable statutory framework.

What is the background to the Asan wetland case?
The Asan Wetland Conservation Reserve lies at the confluence of the Asan and Yamuna rivers in Uttarakhand and was designated a Ramsar site in 2020. It is an important habitat for migratory waterbirds and supports rich aquatic biodiversity.
In an interim order dated February 14, 2024, the Supreme Court directed that no mining activity should be carried out within a 10-km radius of the reserve unless the project proponent first obtained permission from the Standing Committee of the NBWL and/or the MoEFCC. The Bench said the wetland's designation as a Ramsar site warranted heightened scrutiny of activities that could affect its ecological character. The latest clarification indicates that the same principle would apply to other wetland conservation reserves across India.

What are Ramsar sites?
Ramsar sites are wetlands designated under the Ramsar Convention on Wetlands, an international treaty adopted in Ramsar, Iran, in 1971 to promote the conservation and wise use of wetlands of international importance. India became a Contracting Party to the Convention in 1982. India currently has 101 Ramsar sites, the maximum among Asian countries. On August 3, 2026, Glaw Lake in Arunachal Pradesh became the country's 101st Ramsar site and the State's first, taking

India's tally from 98 earlier this year to 101.
A Ramsar designation does not itself create a separate statutory protection regime under Indian law. Rather, it recognises the international ecological importance of a wetland and commits India to maintaining its ecological character through domestic environmental laws.

What does the law say about mining in Ramsar wetlands?
Neither the Ramsar Convention nor the Wetlands (Conservation and Management) Rules, 2017 prescribe a statutory buffer around Ramsar sites or expressly prohibit mining within a specified distance of them.
The earlier Wetlands (Conservation and Management) Rules, 2010 contained a detailed list of prohibited activities within wetlands, including reclamation, establishment of new industries, dumping of solid waste and any activity likely to adversely affect the wetland ecosystem. They also required prior approval for activities within a wetland's zone of influence and mandated environmental impact assessments for specified projects.
The 2017 Rules replaced this framework with a decentralised system under State Wetland Authorities. They removed the explicit list of prohibited activities contained in the 2010 Rules and shifted responsibility for identifying and regulating wetlands largely to the States. The constitutional validity of these rules is currently under challenge before the Supreme Court.
Petitioners argue that the framework excludes many artificial wetlands recognised under the Ramsar Convention

and weakens protections that existed under the 2010 Rules.
Against this backdrop, the Supreme Court's Asan directions assume significance because they create an additional judicial safeguard by requiring wildlife clearances before mining can proceed within 10 km of wetland conservation reserves.

How does this compare with mining around national parks, wildlife sanctuaries and forests?
Mining around protected forests and wildlife habitats is governed by a combination of statutes and Supreme Court directions.
Within national parks and wildlife sanctuaries, mining is prohibited under the Wildlife (Protection) Act, 1972. In addition, the Supreme Court has held that mining is impermissible within one kilometre of the boundary of every national park and wildlife sanctuary across India, unless a larger Eco-Sensitive Zone (ESZ) has already been notified, in which case the larger notified buffer prevails. The court extended this prohibition nationwide after observing that mining within one kilometre of protected areas is hazardous for wildlife. Projects located within protected areas or likely to affect wildlife habitats also require scrutiny by the Standing Committee of the National Board for Wildlife.
In forest areas, diversion of forest land for mining requires prior approval of the Union government under the Van (Sanrakshan Evam Samvardhan) Adhiniyam, 1980. Mining projects are also generally subject to environmental clearance under the Environment Impact Assessment Notification, 2006.

THE DAILY QUIZ

A quiz on the occasion of National Handloom Day celebrated today

V.V. Ramanan

- QUESTION 1**
Why was August 7 chosen as the National Handloom Day?
- QUESTION 2**
After whom is the country's highest recognition for handloom weavers who have demonstrated extraordinary craftsmanship and dedication to the preservation and promotion of India's weaving traditions named?
- QUESTION 3**
Which State is synonymous with the Wangkhei Phee and Shapee Lanphee

- weaves?
- QUESTION 4**
Name the master weaver of the Gods in Hindu mythology from whom the silk weavers of Kanchipuram consider their descent.
- QUESTION 5**
What is special about Eri silk, locally called Ryndia, from Meghalaya?
- QUESTION 6**
Which popular weave from Central India was patronised by Queen Ahilyabai Holkar?
- QUESTION 7**
Where is the Calico Museum of Textiles located?



Visual Question:
Name this social reformer affectionately called 'Hatkargha Maa' (Handloom Mother) for her monumental role in reviving and promoting handlooms.

Questions and Answers to the previous day's daily quiz: 1. What were the nicknames of the bombs dropped on the two Japanese cities? **Ans: 'Little Boy' and 'Fat Man'. The codenames were chosen by their creator, Robert Serber**
2. What were the core nuclear materials used in the two bombs? **Ans: Little Boy used uranium-235, whereas Fat Man used plutonium-239**
3. Apart from the two unfortunate cities that bore the brunt of the dastardly attack, which other three cities were in the initial list? **Ans: Kokura, Kyoto, and Niigata**
4. Name the two intended aimpoints in both the cities that were not hit because of weather conditions. **Ans: Aioli Bridge and a Mitsubishi arms plant**
5. Which flower became the official flower of Hiroshima because it was the first plant to bloom on the scorched earth? **Ans: Oleander**
6. Which legendary scientist remarked, "Had I known that the Germans would not succeed in developing an atomic bomb, I would have done nothing for the bomb"? **Ans: Albert Einstein, whose letter had ushered in the age of the atomic bomb**
Visual: This is Tsutomu Yamaguchi, a 'hibakusha'. What is his unique claim to fame as regards the survivors? **Ans: The only person officially recognised as a survivor of both the bombings**
Early Birds: Prem Nath Tiwari | Varghese Joseph | Deepak Jiloha | Suchit Narottam | Anoop G.



FROM THE ARCHIVES

Know your English

S. Upendran

What is the origin of the expression "lion's share"? (V. H. Ninoy, Cochin)
This is an expression which owes its origin to a story from Aesop's Fairy Tales. In the story, a lion and three of his friends – a fox, an ass, and a wolf – go hunting. After they make a kill the lion says that he is going to keep three-fourths of the meat for himself. The reasons he provides for keeping the "lion's share" are the following: one fourth as his just share, one fourth for his lioness and cubs, and the other one fourth for his courage. The lion then goes on to inform his friends that he is prepared to part with the remaining one fourth provided one of them challenges him to a fight and defeats him. The three friends refuse to take him on and, as a result, leave the entire kill to the king of beasts. "Lion's share," as you can guess from the story, means the larger share of something.

How is the word "dilettante" pronounced? (D. Devayani, Hyderabad)
The T in the first syllable and the final "e" are pronounced like the 'i' in 'pit', 'sit', and 'hit'. The vowel "e" in the second syllable is like the "a" in "china". Some people pronounce the "a" like the 'a' in 'act', 'pact', and 'hat'. Others pronounce it like the "a" in "bath" and "path" (British English). The main stress is on the third syllable. Any idea what the word means? Well, a 'dilettante' is someone who tries to cultivate an area of interest without really making the necessary commitment. The person may do a course in painting, for example, without taking the subject seriously. He merely dabbles in the subject.
I wouldn't take him too seriously. He is a musical dilettante.

What is the difference between "corrigenda" and "errata"? (Chhoto Gawai, Nagpur)
Both "corrigenda" and "errata" refer to the errors – usually in spelling – that occur in writing or printing. The words are mainly used to refer to the list of errors in a book along with their corrections. Of the two words "errata" is the more common. The errata or corrigenda are usually appended to the book – one usually finds this page at the back. The singular of 'corrigenda' is 'corrigendum'; while that of "errata" is "erratum". A note about the pronunciation of "corrigenda". The 'o' in the first syllable is like the 'o' in 'cot', 'pot', and 'hot', while the 'i' in the second is like the 'i' in 'pit', 'sit', and 'bit'. The 'gen' in the next syllable sounds like the 'gen' in 'gentle' and 'gentleman'. The 'a' in the final syllable is like the 'a' in 'china'. The main stress is on the third syllable. In the case of "errata", the first "a" is pronounced like the "a" in "cat", "bat", and "har", while the second sounds like the "a" in "china". The stress is on the second syllable.

One of my teachers keeps telling us to "chill out". What exactly does he mean by that? (Vinta Manohar, Adoor)
If the teacher has to use the expression "chill out" very often in class, then chances are you are not allowing him to talk in class! The teacher is asking you to calm down, to relax – in other words, he is pleading with you to stop talking! The plight of most teachers these days!
Published in The Hindu on July 17, 2001

Word of the day

Encomium:
a formal expression of praise

Synonyms: tribute, commendation, homage

Usage:
The teacher gave an encomium to the student for her hard work.

Pronunciation: newsth.live/encomium

International Phonetic Alphabet: /ɪnˌkɒmiəm/

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OUR VIEW



Let UPI pay for itself: a tiny fee is all it will take

Public infrastructure attracts capital if users are ready to pay fair and transparent usage charges. The user-pays principle should apply. Let the e-rupee serve as India's digital cash

A day after India's finance minister Nirmala Sitharaman introduced the Taxation and Other Laws (Amendment) Bill in Parliament proposing changes to the Payment and Settlement Systems Act of 2007 that would let banks and payment system providers charge fees on UPI and RuPay debit-card payments, Reserve Bank of India (RBI) Governor Sanjay Malhotra made a pointed reference to such fees. In response to a question posed at RBI's post-policy conference, he pointed out that costs have to be borne by someone. "Ultimately, it is the consumer, in some way or the other, who is paying [for] it already. It may not be the same consumer, it may be the general economy, and you don't get to see it directly... Somehow, it is already getting passed on; it may not be directly on the user-pays principle." This principle applies to much public infrastructure, be it physical or digital.

Coincidentally, this week also saw Chief Economic Advisor V. Anantha Nageswaran call out free services, saying 'free' is "the most expensive word in public policy." He pointed out that infrastructure built on the promise of free or below-cost services cannot attract patient capital. The latter demands durable returns, which rest on two basic premises: a price that covers the economic cost of the service and users willing to pay a fair charge. Unfortunately, this point often gets lost in the context of public amenities. The country's freebie culture, for example, fosters perceptions of the state owing people these. Yet, there is no free lunch. It is thus imperative that the cost of public infrastructure (as distinct from pure public goods such as law-and-order and defence that need taxpayer money) is recoverable if we wish

to sustain investment in India's infra build-up. The Unified Payments Interface (UPI), run by National Payments Corporation of India, would therefore need to recover costs too, be it the base platform's digital expenses or bills borne by apps and the network of banks that transfer money from one account to another. Set up under RBI's aegis, UPI was initially made charge-free for users to spur adoption, but it has achieved high penetration now.

Those who want UPI kept free forever argue that it is widely seen as a cash substitute, not a bank service, and should stay so. There is no denying its benefits at both the micro level (convenience) and macro level (transactions brought into the formal system), so a fee must not end up slowing down UPI usage. Today, the government subsidizes payments of up to ₹2,000 made to small merchants through an incentive scheme to promote RuPay and low-value Bhim-UPI transactions. This public outlay goes to banks, payment service providers and third-party app providers. But according to a March report by the Standing Committee on Finance, a parliamentary panel, the total subsidy paid from 2021-22 to 2024-25 at ₹8,730 crore was "only 11% of the cost incurred by the digital payment industry," which implies an annual cost of about ₹20,000 crore. This is no trifle. A good solution would be to charge a nominal merchant discount of 0.3-0.6% on UPI transactions for large merchants, who may pass it on to customers, while keeping transfers under a certain limit exempt. For vast multitudes, it would still be like cash. Once RBI's e-rupee takes off as the currency's *de facto* digital clone (it being a direct liability of the central bank), UPI could gradually be made a fully charged service.

MY VIEW | FARM TRUTHS

Youth protests have as much to do with jobs as exam paper leaks

Creating jobs is not sufficient. India needs jobs that offer a decent living wage and social security



HIMANSHU

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Recent protests in Delhi have brought out the frustration of Indian youth over a dysfunctional educational system. While exam leaks, both for entrance to professional courses and specific job roles, were the main reason of protest, these were also a result of growing anxiety over the employment situation.

However, a simple reading of India's employment statistics would suggest an improvement in recent years. Overall employment by the internationally-comparable gauge of weekly status has increased substantially from 431 million in 2017-18 to 563 million in 2025, with an accompanying decline in unemployment rates. It is a different matter that most of the increase in employment is driven by agriculture, female employment in particular. None of this is a sign of improvement in India's employment structure. A deeper analysis suggests it is distress that is driving more women to farm jobs. Further, the overall employment increase in this sector shows a reversal of the structural transformation away from farms that takes place in any emerging economy.

In any case, the real measure of employment is not just the ability to get any work and earn a living. In a society with a large vulnerable population, even though not poor by official standards, remaining jobless is a luxury few can afford. What should ideally be

counted as employment is work that provides a decent level of earnings along with work conditions that would be seen as decent in any developed economy. Most self or casual employment in India is without any security of tenure, social security or a decent living wage. But even regular employment characterized by job continuity can hardly be deemed decent employment without security of tenure, social security and a decent pay cheque. That is precisely why India faces a unique phenomenon of a premium being placed on government jobs, which are widely seen as superior to private-sector jobs. No such example exists in any developed country. Such is the situation that even the lowest-paid level of a government job invites applications from lakhs of applicants, including PhD holders.

India's unemployment rate in the 18-25 age-group has fallen from 25% in 2017-18 to 17% in 2025 among rural youth and from 28% to 22% among urban youth. Still, almost one in five youth are actively seeking work but are unable to find it. It's also worrying that they are withdrawing from higher education—the proportion of students in this age group declined from 27% in 2017-18 to 25% in rural areas but was stable at 36% in urban areas. Whether the move away is a result of rising edu-

cation costs or the futility of acquiring higher education is a matter of research.

But among those who are fortunate to land a job, only a fourth are in regular employment. Even in regular jobs that the young hold, their real earnings from such employment have been almost stagnant over the years. The average earnings from regular employment in the 18-25 age-group have only grown by 0.85% per year between 2011-12 and 2025, as against India's per capita income growth of more than 4% per year. But the data also points to a decline in returns from education, with real earnings growth declining steadily as one moves up the education ladder. The primary-educated have seen real earnings increase by 2% per annum between 2011-12 and 2025, whereas these have declined for people who have finished higher-secondary studies or above. Graduates fare worse, with their real income declining 1.1% per annum while those with higher secondary or diploma seeing a decline of 0.2%. Unfortunately, even their regular jobs do not guarantee a secure future. In 70% of the cases, there are no written contracts and only 20% have a written deed of one year or more. Almost 60% are not eligible for paid leave or any social security benefit.

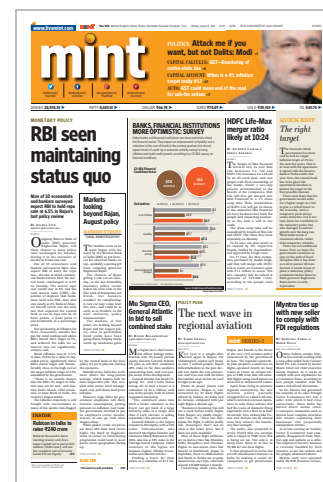
Clearly, the issue of unemployment is not just about getting a job. Declining unemployment rates do not capture the precariousness of even the best jobs available to the youth. While the immediate trigger for youth protests may have been exam leaks, the anguish is no less about the system, which seems unfair to those who want higher education or seek better livelihoods. An examination system rejig is only a part of the reforms needed in education. Euphoria over India being the world's fastest-growing major economy has stoked aspirations among the youth who confront a different reality. Job creation is not enough. India needs jobs that guarantee a decent living wage, security of tenure and social protection.

QUICK READ

India's employment statistics show new jobs being created but these have been driven by agriculture, reflecting a reversal of the shift away from farms that any emerging economy sees.

India must not only create new jobs but ones that offer decent living wages, security of tenure and social protection. Euphoria over India's rapid economic growth has stoked aspirations.

10 YEARS AGO



JUST A THOUGHT

Digital payments have gone from novelty to necessity, and our oversight must reflect this reality.

ROHIT CHOPRA

THEIR VIEW

Why nobody expected the MPC to increase interest rates

PUJA MEHRA



is senior fellow (consultant), Indian Council for Research on International Economic Relations.

The Reserve Bank of India (RBI) did exactly what almost every RBI watcher expected this week. It left the repo rate unchanged. The decision was unanimous. By the time the announcement arrived, financial markets had already moved on to the RBI governor's explanation.

That reasoning was what gave economists something to get their teeth into. Inflation has been edging up for five consecutive months and remained above RBI's 4% target since June. Yet, the Monetary Policy Committee (MPC) sounded more dovish about the outlook than many economists had expected.

The immediate reason is easy enough to identify. Consumer price inflation during the first quarter of 2026-27 came in below RBI's own forecast. Core inflation is subdued too. The committee's judgement is that inflation is rising without becoming broad-based. RBI believes it will peak later this year without breaching its tolerance limit of 6%.

That assessment may prove correct. Equally, it may not. Surveys suggest that

inflation expectations are firming up, as the MPC itself noted in its previous meeting. Much therefore turns on RBI's inflation projections. Yet there are good reasons to be cautious about them. Geopolitical disruptions and recurring global shocks have all made that forecasting unusually difficult.

RBI lowered its inflation projection for 2026-27 marginally. Even so, its forecast implies inflation above 5% for three successive quarters (5.9% in the third quarter of 2026-27, 5.5% in the fourth and 5.3% in the first quarter of 2027-28). It also raised its 2026-27 growth forecast from 6.6% to 6.7%, with the governor noting at the post-policy conference that 7% was "not inconceivable." The interesting question, then, is not whether RBI should have raised rates this week. The more revealing question is why almost nobody expected it to.

Expectations of a central bank's moves are formed less by reading policy statements than by observing what they repeatedly do. Every MPC says it balances inflation against growth. Markets pay closer attention to what committees actually do when those objectives are in conflict.

Over time, a fairly settled view of RBI has emerged. It is widely seen as an institution that prefers to wait rather than tighten pol-

icy unless inflation becomes impossible to ignore or external developments leave it with little room for manoeuvre. That reputation did not arise from this meeting. It has been accumulating over several years.

The inflation shock that followed Russia's invasion of Ukraine is part of that record. Like several central banks abroad, RBI initially thought inflation would be transitory. As prices continued to rise, policy remained largely unresponsive. The eventual tightening came only after the US Federal Reserve had begun raising interest rates, and in an unscheduled meeting that caught markets by surprise.

RBI never suggested that exchange-rate considerations had influenced its decision. It did not have to. The timing led many observers to conclude that protecting the rupee had become at least as pressing an aim as containing domestic inflation.

That episode changed expectations of how RBI approaches tough trade-offs. There are other rea-

sons those expectations have hardened. During the pandemic-time inflation surge, the MPC appeared willing to tolerate inflation above the limit prescribed under its inflation-targeting framework. Official price statistics had been disrupted during covid lockdowns, so the government did not make RBI's explanation for the breach public. The central bank may have consequently escaped much scrutiny, even though the underlying inflation trend was evident from other indicators.

None of this proves RBI has given up inflation targeting. Nor does it imply that this week's decision was an error. What it does suggest is that markets observe central banks pursuing several objectives and infer a hierarchy among them. Conversations with market participants reveal a recurring concern that is expressed more in private than in public. Many investors would describe the hierarchy roughly as: exchange-rate stability, government's borrowing costs, growth and finally

inflation. Whether RBI itself would recognize such a priority order is beside the point. Once markets begin to believe it, the perception acquires economic significance of its own.

That view influences not only expectations of the next policy decision, but also how markets interpret every inflation reading and communication from the MPC. The coming weeks may offer an early test of that perception. The Fed will meet again in September, ahead of RBI's October policy review. The MPC may well decide by then that inflation warrants higher rates. Many market participants expect the Fed's decision to shape RBI's room for manoeuvre as much as domestic inflation.

The MPC may well decide that inflation warrants higher rates by then. Whether that expectation proves right is less important than the fact that it has become part of the market's reading of RBI. That may explain why this week's decision felt less like a close call than a foregone conclusion. Inflation has been rising and inflation expectations are showing signs of firming up. Yet, very few analysts bet on a rate hike. They have come to believe they know how RBI reacts under such circumstances. Monetary policy works through expectations. So, increasingly, does RBI's reputation.



GUEST VIEW

Upper Assam floods reveal how outdated our financial set-up is

Deluge patterns are changing but disaster response and mitigation funding follows yesterday's data. It should be proactive



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Assam is the latest victim of a pattern that is becoming normalized in India to a dangerous extent. Another year, the headline may name Bihar, a Himalayan district or a coastal city where a familiar hazard has acquired an unfamiliar intensity. Assam's floods this monsoon have claimed 87 lives and affected 349 villages and hundreds of thousands of people across seven districts, with the chief minister describing water levels as unseen in half a century. Upper Assam is not accustomed to such inundation. The suffering reveals a story of policy mismatches.

This tragedy needs to be understood against Assam's wider climate risk landscape. The Climate Risk and Vulnerability Assessment of 2025 places the state fifth among India's 28 states overall, with the second-highest exposure score nationally. The report estimates that 47% of Assam is highly vulnerable to floods. Exposure indicates the scale of risk, but adaptive capacity determines if warning channels reach communities, roads stay accessible, drinking water and healthcare function, and electricity and communications recover swiftly.

As per a report prepared by the Institute for Competitiveness, Assam has an adaptive capacity score of 76.6, making it the third most constrained among the states assessed. This reflects structural weaknesses in water, sanitation, surface roads and telecom facilities. The latest floods left nearly 13,000 households without electricity 11 days after the deluge, while sediment continued to obstruct access in some areas after the water had receded.

Keeping its risk landscape in mind, over the years Assam has seen a rise in its disaster finance provision from ₹2,541 crore under the 14th Finance Commission (FC) to ₹4,742 crore under the 15th FC. The 16th FC has recommended an allocation of ₹5,825 crore for 2026-31. Lack of fund provisions does not seem to be the state's problem.

Climate-related finance should be judged by the capacity it has created, not merely by the funds allocated. The relevant test lies in checking whether embankments, roads, shelter, water systems and communications stay functional during a flood. In July 2026, the state government reported that 3,000km of the state's 4,800km embankment network required repair or reconstruction because its flood resistance capacity had declined. Around 1,800km had been strengthened, including 863km over the last five years. But the story doesn't end here. There are also other issues that cause havoc in Upper Assam that need to be highlighted for effective crisis mitigation and prevention.

One pertains to whether formally recognized risk can prompt comprehensive preventive action. Another concerns the challenge of managing a tributary basin with much of its catchment area lying across the state's boundary.

In 2019, concerns about mining, erosion and



REUTERS

possible changes in the Dikhow's course reached the Gauhati high court. The state had then proposed a multidisciplinary study and master plan, and the court called for an enforcement mechanism. While the case tells us nothing about the role of mining in this year's flood, it raises the question of whether a recognized risk was met with proper preventive action in the last six years. An institutional gap is only part of the problem; another is geographical. A 2014 Geographic Information System study on the Dikhow's drainage system of Northeast India estimated that its drainage basin is roughly 3,889-sq-km. Although estimates differ across studies, it is clear that much of the basin lies upstream in Nagaland, with water and sediment flowing into the Assam plains before joining the Brahmaputra.

Nagaland's soil and water conservation department has documented extensive coal mining and marked expansion of rat-hole and open-cast mines in Wokha, Mon, Mokokchung, Longleng and Tuensang. Its 2024-25 administrative report records several ecological damages from acid mine drainage and describes programmes intended to restore mine-spoil areas.

This does not mean that the identified mines fall within the Dikhow catchment or that mining materially worsened this year's floods, but it establishes a need to examine Dikhow as a connected basin. Water, debris and sediment transcend state borders. Yet, mining regulation, forest administration, catchment restoration and disaster expenditure are state functions. So climate risk varies by river basins, but governance and finance are sliced up by administrative boundaries. This is one

QUICK READ

Climate risk varies by river basins, but governance and finance are sliced up by administrative boundaries. This mismatch is smaller than the one in how funds are devolved to states.

India requires anticipatory funding. Budgets must start using forward-looking climate-risk criteria while a better devolution framework is developed for the next Finance Commission.

mismatch. But there is a bigger one in the design of India's FC architecture.

Although the 16th FC recognizes disaster risk, its weightage remains low. For state disaster response and mitigation fund allocations, the 16th FC gives a 70% weight to adjusted average disaster expenditure between 2011-12 and 2023-24, excluding the two pandemic years, and 30% to a disaster risk index that incorporates hazard exposure and vulnerability. Although the risk component is recognized better than in earlier approaches, the difficulty lies in the relative weights. Historical expenditure is a justified parameter for assessing states'

recurring finance needs, but overall, the devolution formula is slow to take emerging geographies of risk into account; it is designed so that risk is fully recognized only after a record of damage has accumulated.

At this point, India lacks the institutional ability to anticipate vulnerability before disasters strike. While floods wreak havoc in changing patterns, our fiscal and administrative set-up largely remains the same. Waiting for the next cycle to reconsider climate risk within India's principal architecture of fund devolution could mean several more tragedies. The Union and state budgets must therefore begin applying forward-looking climate risk criteria, while a stronger framework is developed for the next FC.

Climate mitigation must begin before recurring relief becomes a substitute for development. Recovery is not simply a matter of rebuilding what was lost at the same location. Once a settlement, agricultural field, school or village is consumed by a deluge, rebuilding happens elsewhere.

MINT CURATOR

Are AI movies all slop? Not if they prove equally enthralling

Filmmaking is an art of storytelling that AI could surely help hone



CATHERINE THORBECKE
is a Bloomberg Opinion columnist covering Asia tech.



ISTOCKPHOTO

I went to an AI film festival in Tokyo last week expecting slop, and left surprised by how much humanity emanated from the screen. My favourite was an 11-minute short film from a child's perspective of spending a magical summer with his grandparents. He records mermaid sightings and fleeting, sun-drenched images of youth. The biggest crowd-pleaser, *The Postman*, imagined a future where a trash-sorting robot longs for the human connection it once found delivering handwritten letters as a postal worker.

These films made me feel something, which itself has become a provocative statement. Even suggesting that an AI-generated movie might be good tends to draw indignation from filmmakers and cinephiles who still see the technology as an insult to creativity (it can be), a mass heist of intellectual property (no doubt) or a looming threat to artists' livelihoods (all true).

The anger is understandable. We have all seen the soulless junk that defines much AI-generated content online. But what happens when that technology lets artists tell stories they could not otherwise afford to?

Human composition has never guaranteed artistry. On a recent flight, I flicked through several Hollywood movies made by armies of people. None seemed to have a soul. It left me wondering what is so sacred about this process that we cannot make room for others to create?

Audiences tend to rail against AI-generated art—at least, when they know it is involved. People often judge AI-generated art more favourably when its origins are concealed, then downgrade the same or similar work after learning it was involved. Rather than proving machines can be artists, this suggests we judge a work partly by how we feel about how it was made. Winning over audiences will require proving that these films involve far more labour than simply prompting a machine.

The filmmakers I met were not reckless AI accelerationists but artists, often the first to acknowledge the technology's limits.

Yang Wang, co-director of *Between Before and After*, a moody breakup story, told me that AI reduced costs and improved efficiency, but had not changed the essence. Filmmakers still have to build relationships between characters and organize shots. Long takes, such as Martin Scorsese's famous nightclub entry in *Goodfellas*, remain nearly impossible to pull off with AI, he lamented.

Sound, colour and digital production all changed filmmaking jobs, he added. Some repetitive work might disappear due to AI.

Audiences can spot inauthenticity whether AI is involved or not.

But he believes the technology will also create new roles and empower more people to make movies.

Yuuki, the artist behind *The Postman*, came from anime, where work can be extraordinarily painstaking. He saw AI as a practical way to manage the workload and finish projects. Human creativity stems from accumulated experiences, something a machine can't replace, he noted. Japan's storied animation industry has long faced criticism over poor pay and working conditions. Used well, these tools could help preserve rather than replace the craft.

The event was hosted by US-based Runway, the \$5 billion startup that makes video and world models. CEO Cris Valenzuela told me that even in the face of loud critics, "Every Hollywood studio is using AI, every one of them." It's true that while executives still publicly emphasize their commitment to human creativity, they have also been investing in AI talent and tools.

That shift has created a sense of fatalism. Artists must embrace AI or be left behind. I have long resisted this rhetoric, especially in art. A technology's existence does not excuse how it was built—by sweeping up vast troves of creative work, often without permission or remuneration. The industry should find ways to compensate those creators. Without their labour, Generative AI as we know it would be useless.

It can undoubtedly help with tedious parts of production, and many creatives will adopt tools that let them work faster or stretch their budgets. But most workers want a greater say in this transition. That is why creative industry unions will be essential in determining how they are used.

The debate is often framed as a battle between artists and Silicon Valley boffins. Ultimately, audiences will decide which stories deserve their time and money, whatever tools made them. Consumers are adept at sniffing out inauthenticity, whether AI was involved or not.

The films I saw were all short, more a glimpse of potential than an immediate threat to the box office. They felt human because a person decided what mattered enough to share. Machines cannot experience the ache of missing a grandparent, for instance. AI can change how stories are made, but not what motivates us to tell the ones we do.

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GUEST VIEW

India ought to resolve this asymmetry in its GST regime

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ARJUN RAGHAVENDRA M.



are former officers, Indian
Revenue Service.

Nine years after India rolled out its Goods and Services Tax (GST), one philosophy has proven more durable than anything in the architecture of the law: when a taxpayer misses a deadline, it is enforced to the day; when the state misses one, it is extended by notification.

GST has been Independent India's largest fiscal experiment: one tax across all states, touching every citizen in a way that even the 1991 reforms did not. In the early years, extensions owing to "teething problems" were a necessity, not an indulgence. That is precisely why their persistence into the later years raises this question: is it a confession of structural unreadiness or an act of self-exemption by the state?

As a tax-return form, GSTR-3B was a stop-gap while the invoice-matching architecture of GSTR-1/2/3 stabilized. GSTR-2 was suspended within months and GSTR-3 forms were not filed. The provisions for matching were deleted in 2022 and the rules amended retrospectively to institutionalize 3B, which

is now GST's foundational fiscal record.

Section 168A of the Central GST Act institutionalized the state's leeway on a time limit for dispute cases. Three notifications in 2022-23 extended the time span to pass adjudication orders for 2017-20, invoking covid as 'force majeure' long after those relaxations ended. One of them lacked even the GST Council's prior recommendation, though the council ratified it later; high courts are now split on its validity and the Supreme Court is yet to settle the matter.

The GST compensation cess, originally meant to run from July 2017 to June 2022, was extended to March 2026—not to compensate states but repay the roughly ₹2.7 trillion borrowed by the Centre during the pandemic. This 'transitional' levy that outlived its purpose by four years and became a debt-servicing instrument has finally ended.

Reverse charges on purchases from unregistered persons were suspended within months and eventually redrafted in 2018 to apply only to notified classes, thus diluting what Parliament had enacted in July 2017. Provisions for tax deducted and collected at source (TDS and TCS), also enacted nine years ago, went live only in October 2018.

The GST Tribunal took eight years to constitute. The case limitation clock was held in

suspension to cover the gap. Even this fix is an extension; with the Tribunal operational only from September 2025, a notification that month gave taxpayers until 30 June 2026 to file their entire backlog of appeals since 2017 (some 480,000 of them), a deadline that was then pushed to 31 July when its own internet portal buckled.

GSTR-9/9C, the annual return, was not ready to be filed annually: the first, for 2017-18, arrived in staggered batches in 2020, and 9C's audit certification gave way to self-certification in 2021. A New Return System (RET-1, Sahaj, Sugam) was announced, piloted and abandoned. E-invoicing was deferred, then lowered through six turnover tranches from ₹500 crore (in 2020) to ₹5 crore (in 2023). Even the e-way bill's "ship-to" field was pushed again to August 2026.

Yet the state's rigidity where an extension would favour taxpayers is stark. Some extensions did spare taxpayers the price of a system that

could not take their returns, but that only concedes it was not ready. The input tax credit deadline was enforced to the day, generating demands running into tens of thousands of crores, until the law was amended retrospectively to extend it to 30 November 2021 for 2017-18 through 2020-21: an admission that the deadline was unrealistic. The transitional credit window (Tran-1/Tran-2), litigated across high courts, needed a 2022 Supreme Court order to re-open the portal for two months—five years after the 'transition.'

The taxpayer's side lacks basic discretionary elasticity. The appellate authority can condone a delay of one month; and the Tribunal, three months. Beyond that limit, no authority in the GST hierarchy can hear an appeal a single day late, whatever the cause.

We don't need novelty to address that asymmetry. The state already trusts its own officers with discretion on direct taxes. Under the income-

QUICK READ

It is odd that the Indian state has granted itself wide leeway on GST implementation timelines but offers taxpayers no respite, unlike the country's much older system of direct taxation.

Income-tax officials have the discretion to pardon delays by taxpayers who cite good reasons. The GST regime ought to adopt this. Countless small businesses would be relieved.

tax law, the appellate authority and Tribunal may condone a delay of any length for "sufficient cause," and a tax commissioner may waive a penalty for genuine hardship. That discretion is bounded; negligence is still refused relief, but genuine cases get a fair hearing. Six decades of this have not brought tax administration to its knees. It is GST that treats its adjudicators as unfit to weigh a taxpayer's cause—its tribunal is stricter than the excise and customs tribunal, which too could forgive a delay of any length for good reason.

Today's question, then—for Parliament, the government and writ courts—is whether a law that has survived on the power of deadline extension can deny every discretionary extension to those it governs. A statute that lived by extension should not preach a hard limit. The durable answer lies in the law: give GST's appellate forums the same latitude that direct taxation allows.

India's GST regime must show restraint. Or we risk small businesses getting engulfed, even failing. A shop-owner who recovers from a bereavement or hospitalization must not get trapped by an order six months old; income-tax law would give the same taxpayer a hearing but GST will not. Grace is not a concession, but an act of proportionate maturity—and it's not a novelty either.

Offshore oil plans

Samudra Manthan scheme has significant promise

Rajnish Gupta

The timing of the Union Cabinet's approval of 'Samudra Manthan' — the National Offshore Exploration Scheme is notable. It comes close on the heels of the conflict in West Asia, which has once again reinforced the importance of finding and developing domestic resources.

What makes this announcement more striking is that it has been nearly a quarter century since India's last major new basins — the Krishna-Godavari basin and the Barmer fields — were discovered.

India has progressively liberalised its regime and the current fiscal terms are attractive. Royalty rates have been cut sharply, deepwater developments get a seven-year royalty holiday, and ultra-deepwater royalties can be as low as 2 per cent against a 12.5 per cent onshore rate. There is no oil cess, full marketing and pricing freedom. Further, the recent amendment in PNG rules recognises the principal of fiscal stability and have combined exploration licence with a mining lease.

Fiscal terms are not a constraint, the question is what lies beneath the seabed, and how confidently anyone can say so.

Fundamentally, petroleum exploration is a high-risk business. Management has to commit substantial time and money upfront, with an uncertain outcome. Returns accrue over a very long period of time. This is where the current policy comes in.

HYDROCARBON SEARCH

There are three parts to the scheme specifically with regard to finding and producing hydrocarbons.

First, is the government-funded seismic data acquisition. Non-exclusive, multi-client seismic surveys are typically the very first source of information on a new or underexplored area. They are shot ahead of licensing rounds, before any company has committed to acreage and allows a basin to be evaluated from the outside, by explorers without requiring them to first win a block first.

Basin wide, non-commercial data acquisition is something that individual operators may not be willing to fund. Depending on the results that such data throws up, it is possible that the view of the Indian basins undergoes a change and much more capital is



OIL. Under the sea

committed to petroleum exploration in India.

Second is the direct financial support for up to 40 deepwater and ultra-deepwater exploratory drilling, of up to ₹650 crore per well subject to a cap of 50 per cent of well cost. Given that ultra-deepwater wells can cost much more, this support covers only part of the cost in most cases. However, it can shift the risk calculus for an operator deciding whether to drill or not.

Third is the common infrastructure for evacuation and production. Its real value is in unlocking discoveries that are commercially marginal on a standalone basis. Mahanadi basin is the clearest example, where several discoveries exist but may not justify dedicated infrastructure. Shared infrastructure changes that arithmetic entirely.

Taken together, this is a strongly positive move for the exploration and production sector.

Whatever data is acquired should be made available at the lowest possible cost, and as widely as possible, through the National Data Repository. Multi-client-style data is disproportionately valuable to mid-sized and independent operators, and it is often those smaller nimble players who take the early risk that eventually draws in larger capital.

This spending may be a more prudent capital allocation vis-à-vis using the capital to buy an oil and gas block overseas. For the data acquired can result in a multiplier impact through potentially higher interest in India and monetising some of the discoveries made.

The announcement represents a bold move to reshape India's energy landscape. Effective and timely implementation will now be critical to unlocking investments, accelerate exploration and realising the full value of the reform.

The writer is Partner, Tax and Economic Policy Group, EY India



IMRAN NISSAR

The double-edged sword of parallel power supply

Having more competition in the distribution segment is welcome. But the financial issues of State Discoms need to be addressed

CAPITAL IDEAS.



RICHA MISHRA

In the Indian electricity industry, the issue of parallel distribution licensing is creating a buzz. The critical question, however, is whether the existing grid can handle this transition.

A government statement on July 24 said that the Consultative Committee of the Ministry of Power met on July 23 under the chairmanship of Union Minister for Power and Housing & Urban Affairs, Manohar Lal, to discuss consumer-centric framework for parallel distribution licensing.

While the example of Mumbai is often cited where two players are working simultaneously in a small pocket, but it cannot be equated with parallel licence, according to those closely involved with distribution networks in the country.

So what is parallel distribution licensing? It is a regulatory framework allowing multiple companies to supply electricity within the same territory. It breaks the traditional monopoly — but is India's power sector truly ready for this shift?

KNOTTY ISSUES

Can regulators design a Cross-Subsidy Surcharge (CSS) that fully compensates for lost business revenue while keeping the market competitive? If not, State Discoms will be trapped serving only heavily subsidised homes and farms — leaving them entirely dependent on erratic government subsidy payouts to survive.

What happens if a private player fails its Universal Service Obligation or goes bankrupt? Should the State Discom step

in as the safety net? These issues require clear answers on who bears the financial risk and how technical and commercial disputes will be resolved.

Speaking at the Consultative Committee, the Power Minister had noted that while the Electricity Act, 2003 successfully brought competition to generation, transmission, and trading, it remains limited in the power distribution segment. The committee discussed how the current legal framework allows multiple licensees in one area but forces each to build its own physical infrastructure. This rule causes a wasteful duplication of poles, lines, and substations, driving up capital expenses and deterring new investment.

A comprehensive framework was proposed to introduce retail power competition by unbundling supply operations from physical network ownership. The policy dictates that incumbent distribution licensees will maintain structural control over grid infrastructure. Concurrently, parallel licensees may utilise the existing grid upon paying regulated wheeling charges, retaining a statutory option to construct separate infrastructure subject to State Electricity Regulatory Commission's authorisation.

Individual State regulators were to establish detailed, localised implementation guidelines to guarantee market transparency and non-discriminatory grid access.

Private players will target high-end customers like rich urban pockets and industry. But losing this lucrative segment will cause severe financial pressure on State Discoms

The Minister reassured stakeholders that the new framework explicitly protects existing utilities and their employees. Furthermore, the universal service obligation will apply uniformly to all licensees, legally preventing private players from selectively targeting only highly profitable consumer segments.

The proposed framework will enable competition in electricity supply without requiring duplication of the physical distribution network.

Under the proposal, incumbent utilities will retain ownership, operation, and maintenance of their existing networks. New distribution licensees can utilise this infrastructure by paying regulated wheeling charges, while keeping the flexibility to build their own physical grid where authorised by the respective State Electricity Regulatory Commission.

All this sounds great, but how will wheeling charges shake out? Will the high-value consumers targeted by private players actually save money in the end?

Wheeling charges are usage fees paid to an electricity distribution company (Discom) for renting its physical grid infrastructure. Under Section 14 of the Electricity Act, 2003, these charges enable the transport of electricity from an independent power producer or a parallel licensee to an end consumer. Yes, wheeling charges are passed through to the consumer, but the methods depend entirely on the type of consumer you are.

THE OPPOSITION

The All India Power Engineers Federation (AIPEF), representing power engineers and electricity professionals working in Central and State Power Utilities across India, has been vocal in their opposition to parallel distribution

licensing. In fact, it has also submitted objections against the proposal of Eleven Power Private Limited for grant of a parallel distribution licence in the revenue districts of Gurugram and Nuh.

Private licensees explicitly target high-revenue urban pockets, industries, and commercial premium consumers. These high-paying segments generate the profits that State Discoms use to subsidise poor rural households and farmers. Losing this revenue leaves public utilities with a massive financial deficit.

Meanwhile, States such as Telangana and Maharashtra have or are in the process of restructuring their power sectors by creating separate, dedicated electricity distribution companies strictly for agricultural consumers. This structural unbundling isolates heavily subsidised farming connections from the broader commercial and industrial markets. By acting as a fiscal firewall, this model ensures that agricultural losses do not compromise the financial stability of the commercial power grid.

Splitting the agricultural sector into a separate utility creates intense financial strain, but the strain shifts dynamically depending on which entity you look at. While the split is designed to clean up the commercial grid, power sector experts, energy analysts, and groups like the AIPEF point out that this restructuring introduces severe, concentrated financial risks.

Reforms that improve efficiency and give consumers more choice are certainly a positive step, if the existing PPAs are honoured and the payment obligations of Discoms to power producers remain protected. As the new framework takes shape, it is important that these gains are not diluted and that there is no uncertainty. More importantly, investment is made on building infrastructure first.

RBI makes the right move on NBFC rate framework

Gopalaswamy J

The Reserve Bank of India's move to harmonise the interest rate framework on advances across all regulated entities — announced by Governor Sanjay Malhotra on August 5 — is a welcome step towards transparency and consumer protection.

Notably, the Governor clarified that the proposal will not force Non-Banking Financial Companies (NBFCs) to adopt the external benchmark-linked lending rate (EBLR) regime used by banks; the immediate intent is narrower — standardising operational practices such as day-count conventions and benchmark reset dates.

This restraint is prudent. But as the RBI drafts its final directions for public comment, it must resist any future temptation to extend uniform benchmarking to the NBFC universe, which resists a one-size-fits-all template far more than the banking sector does.

Unlike commercial banks, which draw on relatively low-cost Current Account Savings Account (CASA) deposits under uniform regulatory rails, NBFCs are inherently heterogeneous in liability structure. They depend on a mix of bank term loans, commercial paper, non-convertible debentures, and multilateral funding.

An upper-layer housing finance company raising long-tenor bonds at competitive rates operates in a wholly different cost environment from a middle-layer microfinance institution or a gold-loan company borrowing short-term from banks. Were asset pricing ever mechanically linked to an external benchmark like the repo rate, a lender whose wholesale funding costs lag or remain fixed would face a genuine Asset-Liability Mismatch the moment yields fall — compressing Net Interest Margins precisely when the sector can least absorb it.

Second, the diversity of asset classes drives risk-based pricing, which is the lifeblood of non-bank lending. A loan



RBI. The right call GETTY IMAGES

secured against gold carries a fundamentally different risk weight, cost structure, and recovery profile from unsecured credit to informal micro-enterprises or long-gestation infrastructure funding. This pricing flexibility is what allows NBFCs to serve unbanked and subprime borrowers that banks routinely bypass. Any future move towards rigid reset timelines or benchmark caps, however well-intentioned, risks choking credit flow to exactly these vulnerable segments.

Third, accounting variations under Ind AS complicate comparability further. Differing Expected Credit Loss provisioning models, derecognition treatment on securitised assets, and divergent fee-income recognition policies mean headline profitability across two NBFCs can be deceptive. Comparing a vehicle financier with a tech-led digital lending platform on raw financial statements is comparing apples with oranges.

The RBI's calibrated approach so far — harmonising operational conventions without forcing EBLR adoption — strikes the right balance. As it finalises its draft directions, the final framework should stay differentiated by regulatory layer, asset class, and liability profile, with adequate spread flexibility preserved. Transparency and consumer protection are essential goals, but they must be pursued without undermining the structural viability of a sector that reaches borrowers banks cannot.

The writer is a retired senior finance professional

thehindubusinessline.

TWENTY YEARS AGO TODAY.

August 7, 2006

NTPC-Reliance row referred to DGH

A solution to the NTPC-Reliance Industries Ltd (RIL) gas contract row may be in sight with the Cabinet Secretary's office having referred the matter to the Directorate-General of Hydrocarbons (DGH) for early resolution. Sources said that the Government had asked the Cabinet Secretary to explore the possibility and evolve the modalities for resolving the issue concerning gas supply by RIL to NTPC's projects at Gandhar and Kawas.

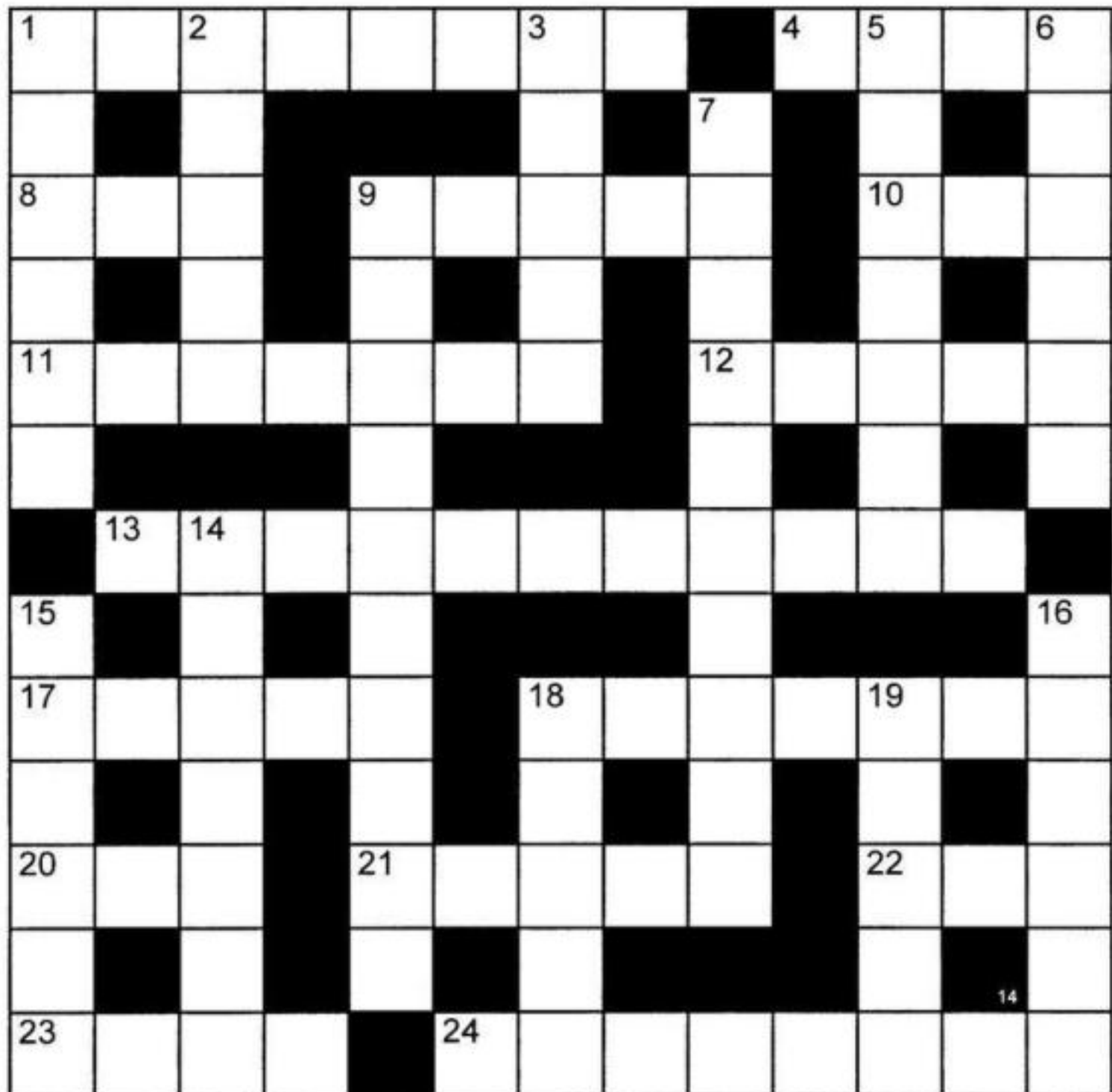
Himachal: Tax incentives lure corporate majors

The special incentive package notified by the Centre for Himachal Pradesh has seen approval of over 7,000 industrial investment proposals in the State worth a cumulative Rs 17,103 crore till April this year.

Anil Ambani questions Govt rejection of RIL-RNRL deal

Terming as "premature and unfortunate" the rejection by Government of the gas price agreement between RIL and his group company RNRL, Mr Anil Ambani on Sunday said the Petroleum Ministry should have referred the issue to an expert committee for evaluation. "Rejection of RIL-RNRL gas price by Ministry of Petroleum is premature and unfortunate," Mr Anil Ambani said in a statement.

BL TWO-WAY CROSSWORD 2709



EASY

ACROSS

- 01. Give account of (8)
- 04. Draw out and twist into thread (4)
- 08. A creek in Shetland, Orkney (3)
- 09. The children of a marriage (5)
- 10. 'Detective' (3)
- 11. His the Song of Songs (7)
- 12. Corruption, pollution (5)
- 13. Extravagance, wastefulness (11)
- 17. Intuitive discernment (5)
- 18. Pawl engages with it (7)
- 20. Unit number (3)
- 21. Tall building (5)
- 22. Appearance, manner (3)
- 23. Moral obligation (4)
- 24. Exaggerated, insincere praise (8)

DOWN

- 01. To scheme, contrive (6)
- 02. Period of fine weather, for example (5)
- 03. Wide, open vessel (5)
- 05. One who loves and serves his country (7)
- 06. Delicate management (6)
- 07. Device artificially breathing for patient (10)
- 09. Unrestrained, extravagant (10)
- 14. Chemical substance giving characteristic reactions (7)
- 15. Bear the expense of (6)
- 16. Tempestuous (6)
- 18. Spiked wheel on spur (5)
- 19. Lift, with great effort (5)

NOT SO EASY

ACROSS

- 01. How Deb cries in order to tell one how it is (8)
- 04. Top action doctored to give it a slant (4)
- 08. Some come overland, returning to a creek in Orkney (3)
- 09. If use is made of it, publish it (5)
- 10. It's quite convenient, having a gumshoe inside (3)
- 11. Wise man takes the Sun, which upsets the moon (7)
- 12. It's not in slang that corruption occurs (5)
- 13. Wasteful extravagance : do pity a girl who gets it wrong (11)
- 17. A natural aptitude sounds as if it will blaze forth (5)
- 18. A one-way device the cart is adapted for (7)
- 20. An individual who is in the money (3)
- 21. Take this building over to be markedly superior (5)
- 22. Song that starts after it's recorded (3)
- 23. It is one's proper business to be collected by customs (4)
- 24. Left tray around with the soft soap (8)

DOWN

- 01. Work out a way of getting it sieved (6)
- 02. It may be a trick, to name the letters (5)
- 03. As it appears in the wine store, one may wash in it (5)
- 05. By Jingo, he's to part one from it (7)
- 06. Critical subtlety, etc., one found in New York (6)
- 07. Art, violent as it can be, may be used to introduce fresh air (10)
- 09. Excessive term media might use about nothing (10)
- 14. Chemical test substance turning green at mixing it (7)
- 15. Manage to pay for fad perhaps (6)
- 16. Violent as tempest at end of February (6)
- 18. Wheel on spur has its role to play around the West (5)
- 19. A strong pull needed to get one out of the avenue (5)

SOLUTION: BL TWO-WAY CROSSWORD 2708

ACROSS 1. Archangel 5. Sea 7. Rook 8. Conveyer 10. Buttered 11. Stow 13. Tippet 15. Fox-cub 18. Ruse 19. Antibody 22. Gracious 23. Giro 24. Due 25. Prevalent

DOWN 1. Acrobat 2. Clout 3. Grower 4. Live 5. Styptic 6. Arrow 9. Lever 12. Folio 14. Postage 16. Boycott 17. Endure 18. Rigid 20. Olive 21. Limp

Short of expectations

New closing system in stock exchanges must be reviewed

The “closing auction session” (CAS) mechanism, meant to be a better closing price-discovery system for eligible derivatives stocks than the older system of volume-weighted average price (VWAP), has fallen short of the benefits it was hoped to deliver. At least, that is the experience thus far. Even though some market watchers argue that it is too early to conclude, there is little doubt that the CAS has left many market participants puzzled. Started on August 3 by both the BSE and the National Stock Exchange, the initial response to the CAS also suggests that merely following globally recognised systems may not always be a good proposition unless they factor in Indian conditions.

The CAS is an auction-based mechanism to arrive at a fair closing price for stocks eligible for futures & options (F&O) trading. Its introduction was also aimed to benefit passive funds and other institutional investors. Prices are based on bids by market participants during a special 20-minute trading window (from 3:15 pm to 3:35 pm). This special window starts after the closing of the cash-market segment for these stocks at 3:15 pm. Introduced by the market regulator, the Securities and Exchange Board of India, the CAS replaced a nearly 26-year-old system in which the last 30 minutes of continuous trades were considered to arrive at the closing price of a stock based on the VWAP. Nothing has changed for securities outside the CAS — their closing-price discovery remains under the VWAP mechanism. The key reason Indian markets shifted from the last traded price (LTP) system to the VWAP was that the LTP was vulnerable to end-of-day price manipulation, wherein even a small transaction in the last few seconds could skew the official closing price of a stock.

In the CAS, at the end of the auction, the buyer and seller interests are matched. The price at which the maximum volume is executable becomes the closing price. The results are there to see. While individual stocks have seen sharp moves after trading at the cash market ends at 3:15 pm and the CAS starts for F&O-eligible stocks, it has affected the closing value of the Nifty 50, which has been visibly different than the closing value of the BSE Sensex on each of these days. Sharp price differences between exchanges for frontline stocks are creating unnecessary price asymmetries. Some market participants have argued that for systems like the CAS to deliver the desired results, it is essential that the ecosystem is diverse and large, with participants across the spectrum providing sufficient liquidity. For the CAS to succeed in India, it will require wide and regular participation from institutional investors such as domestic mutual funds, insurance companies, pension funds, family offices, sovereign wealth funds, foreign investors, along with high-networth individuals, arbitrageurs, market makers, and the like. Wide participation along with high liquidity will help minimise price diversions across exchanges and market segments. Thus, it is possible that the system will stabilise in the coming days.

However, if the CAS is unable to deliver the desired results despite its global acceptability, the regulator and stock exchanges must not shy away from acknowledging the shortcomings, and take appropriate corrective action. It is possible that the Indian market is not yet prepared for the transition and the idea can be revisited after a reasonable gap. It is important to ensure that the legitimate interests of market participants are not compromised. Volatility in closing prices of F&O stocks has meant that investors, including those who purchased mutual-fund equity schemes owning these F&O stocks on or after August 3, have taken some hit or gained at the cost of others because of market anomalies. Such outcomes have an impact on real-money transactions. Friction and uncertainty in price discovery are not desirable in the stock market.

A fix for the future

Digital-payment architecture must be sustainable

The Lok Sabha on Thursday passed the Taxation and Other Laws (Amendment) Bill, 2026, which, among other things, proposes to amend the Payment and Settlement Systems Act, 2007. This will give the Centre the powers to decide which modes of electronic payment will remain free and which may attract charges. Although the Bill does not specify any fee, rate or timeline, it creates the legal flexibility to revisit the zero-merchant discount rate (MDR) regime and could potentially pave the way for introducing the MDR on certain Unified Payments Interface (UPI) transactions. The proposal has revived the debate over whether India's digital-payment infrastructure, one of the best in the world, can continue to operate indefinitely under a zero-fee model. Since January 2020, UPI and RuPay debit cards have been exempt from the MDR to encourage digital adoption. UPI currently processes nearly 660 million transactions every day, enabling seamless payments for everyone from street vendors to large retailers, and has become the backbone of India's digital payments.

However, while digital transactions are free for users and merchants, they are not free to operate. Banks, payment-service providers, payment aggregators, and the National Payments Corporation of India (NPCI) continue to bear the costs of maintaining, upgrading and securing the infrastructure. Thus, the sustainability issue is difficult to ignore. The 32nd report of the Standing Committee on Finance, presented earlier this year, pointed out that the government's incentive scheme covers only 11 per cent of the industry's actual costs and 14 per cent of the revenue that a normal MDR regime could generate. While the Union Budget allocated ₹2,000 crore this year to promote low-value UPI and RuPay transactions, the industry estimates that operating and expanding the payments ecosystem requires much more than that. As UPI is expected to add more users, continued dependence on government subsidies may constrain long-term infrastructure investment. This has prompted industry bodies and analysts to advocate a calibrated MDR, limited to large merchants and high-value transactions. Analyst estimates suggest that an MDR of 15-30 basis points (bps) on UPI transactions above ₹2,000 could generate annually ₹5,000 crore-10,000 crore by FY28.

Notably, transactions above ₹2,000 constitute only 4-5 per cent of the transaction volumes but nearly 70 per cent of the transaction value, suggesting that a targeted MDR could improve financial sustainability without affecting most users. International experience also suggests that zero-MDR is not the only path to digital payment success. Brazil's Pix and China's real-time payment systems, for example, have operated with merchant charges of 30-40 bps, allowing payment providers to recover their cost while continuing to expand digital payment adoption. Besides, it is worth noting that nearly 90 per cent of the UPI transactions are routed through just two third-party payment apps, creating a near-duopoly. A sustainable business environment in terms of revenue will increase competition and bring more operators. At a broader policy level, it will be important that the future MDR framework remain simple. The policy priority should be to ensure continued investment in India's digital payments infrastructure, which will help keep transaction costs low and not discriminate against low-value transactions.

KYC: A safeguard, not a barrier

An effective KYC programme can make banking easy for genuine customers



ILLUSTRATION: AJAYA MOHANTY

For many customers, the Know Your Customer requirement or KYC, as it is commonly known, has come to be associated with providing elaborate documentation for opening a new account or periodically giving updated records. There is growing commentary, particularly around repeated requests for documents and difficulties in resolving seemingly minor discrepancies. There are also instances of some customers losing access to their accounts for want of updated KYC. Such experiences can indeed be exasperating.

Yet, the purpose behind KYC is important, both for the integrity of the financial system and for the protection of customers themselves.

Why KYC matters

KYC is not simply about collecting documents. At its core, it enables a bank to establish the identity of the person prior to starting an account relationship. Periodic updating ensures that information collected earlier remains current and useful.

Banking has become increasingly digital, instantaneous and interconnected. Accounts can be opened remotely, funds can move across several entities within minutes, and fraud can be perpetrated online. Decades ago, life was much simpler for branch managers like me, as customers were known more by their names and less through the documents!

KYC is a tool to prevent crimes

KYC also forms a critical part of the framework for combating money laundering and the financing of ter-

rorism by identifying and preventing transactions that help move proceeds of crime through the legitimate financial system. Such criminal acts are facilitated through accounts opened using false identities or accounts operated on behalf of others (mule accounts). Establishing the identity of customers and understanding the nature of their financial activity, therefore, becomes essential to safeguard the banking system from being used for such wrongful purposes.



BANKING & BEYOND

SWAMINATHAN J

Customer profiling is now core activity

Proper KYC helps a bank understand a customer's usual transaction profile — the nature and broad level of activity ordinarily expected in an account. Technology can then be used to identify transactions or patterns that deviate significantly from this profile and generate alerts for closer examination. An incomplete or incorrect profile may also result in routine transactions being red-flagged or suspicious transactions failing to generate any alerts.

KYC is in the customer's own interest

Proper identification and up-to-date contact details enable the bank to reach out to the customer quickly when suspicious activity is detected. Outdated KYC information could result in alerts being sent to the wrong mobile number or bank statements to the wrong address, undermining the very purpose.

Keeping KYC information accurate and current should, therefore, be seen not merely as meeting a regulatory requirement, but as an important part of safeguarding one's own financial identity and safety.

The new battlefield is the human mind

Much of the discussion on information warfare focuses on fake news, deepfakes and AI-generated content designed to spread falsehoods. These threats remain real, but increasingly they represent yesterday's battle.

Today, information warfare is evolving into more sophisticated cognitive warfare, wherein the objective is no longer just to persuade people to believe a false narrative, but to shape how they perceive reality itself by influencing what they pay attention to, whom they trust, how they evaluate evidence and, ultimately, how they make decisions. The battlefield is no longer information alone. It is the human mind, and the cognitive processes through which people form judgements.

Generative artificial intelligence (AI) has made creating convincing fabricated content inexpensive. But the real transformation is strategic rather than technological. Modern influence operations increasingly do not invent falsehoods. They identify existing social fissures such as political disagreements, economic anxieties, or distrust of institutions and amplify them, like a magnifying glass enlarging an existing crack. Amplification makes one part of reality appear to define the whole. The objective is not to create new divisions, but to repeatedly direct public attention towards existing ones and distort the sense of proportion much like an optical illusion.

Amplification is far more difficult to counter than fabrication because it builds on realities that already exist. A fabricated claim can eventually be disproved. In amplification, the facts remain the same, but repeated magnified exposure of a part changes our perception of what is important, representative or urgent. Once that perceptual lens is shaped, every subsequent event is viewed through it.

This shift has been reinforced by the redesign of social media itself. A decade ago, platforms largely connected people with friends and accounts they chose to follow. Today, the platforms themselves increasingly decide what users see. TikTok transformed social media through short videos and its “For

You” feed, where algorithms recommend content based not on who created it but on its ability to capture attention. Instagram Reels, YouTube Shorts and X have followed the same model. This matters because the human brain responds more quickly and emotionally to faces, voices and moving images than to text. Combined with infinite scrolling, auto-play, and frictionless sharing, these recommendation systems have transformed social networks into attention networks, making amplification faster, wider and more powerful than ever before.

These innovations were introduced by the social media platforms to maximise user engagement, not to enable information warfare. Yet together they have created an unprecedented infrastructure for cognitive influence. Content now spreads less because of who shares it and more because algorithms predict it will hold attention. Since outrage generates stronger engagement than nuance, emotionally charged narratives travel farther than balanced ones.

Cognitive warfare goes a step further. While amplification seeks to dominate attention, cognitive warfare seeks to degrade judgement itself. The objective is no longer to persuade people to accept a particular narrative, but to undermine their confidence in judging any narrative. Imagine being exposed every day to an endless stream of videos, expert claims, counterclaims, manipulated images, genuine footage taken out of context, AI-generated content and fabricated fact-checks. Individually, much of it may be unconvincing. Collectively, however, it creates confusion. Over time, people stop asking what is true and begin asking whether anything can be trusted. That shift is the strategic objective. A population that trusts nothing is often more useful to an adversary than one that believes a specific falsehood, because it becomes far harder to mobilise, reassure or unite during a crisis.

This is what distinguishes cognitive warfare from traditional propaganda. Propaganda sought to replace one belief with another. Cognitive warfare seeks to

undermine the ability to judge what is true. Consider a natural disaster. Normally, an evacuation order from the authorities would trigger immediate action. But after prolonged exposure to manipulated videos regarding imminent disaster, people may hesitate. Is the warning genuine? Has the official account been hacked? The delay itself can cost lives. The battlefield is no longer information. It is human judgement.

AI is accelerating this transition. It can produce thousands of tailored messages, identify which narratives generate the strongest engagement, and continuously refine them for different audiences, languages and emotional triggers. Influence operations thus become adaptive learning systems rather than static campaigns. The next step is agentic AI. Instead of human operators coordinating networks of accounts, autonomous AI agents will conduct millions of personalised conversations, adapt to individual responses, build credibility over time and subtly reinforce selected narratives. Cognitive warfare will become continuous, conversational and highly personalised.

The implications are huge. Public trust is a strategic national asset, and the ability of citizens to distinguish genuine public concerns from orchestrated amplification influence a nation's resilience during crises.

Technology, regulation and international cooperation will all be essential. But none can keep pace with the speed and scale of AI-driven influence operations. Just as previous generations built military resilience to defend territory and cyber resilience to protect digital infrastructure, this era demands cognitive resilience to protect democratic judgement.

The most durable defence lies in building cognitive resilience: Teaching citizens how amplification works, strengthening trusted channels of communication, and encouraging respectful dialogue across differences. Finland's model of media literacy could be studied. As information warfare evolves into cognitive warfare, the first line of defence is no longer only the border. It is the informed citizen. Pause before you believe. Pause before you share.

The writer is Chairman, UPSC and former Defence Secretary of India. The views are personal

The secondary sex



NEHA KIRPAL

A new anthology throws light on subtle, everyday forms of gender-based conditioning and violence that goes unnoticed. The essays in the book, by several well-known personalities from diverse fields ranging from culture to politics, law, academia, sports, art and media, dwell on the experiences of its contributing authors. Through the compendium, Priyadarshini Bhattacharya aims to talk about violence that hides in plain sight. She writes as a bureaucrat on the mar-

gins, “one who watches from the peripheries, listening to the stories that slip through the cracks of reports and policy briefs”.

Seema Anand narrates several stories that reiterate the idea that a woman's worth is tethered to a man's, no matter how flawed or undeserving he may be. “Misogyny isn't political radicalisation. It is an inherited poison, seeded in the stories you hear as a child,” she writes. Payal Hathi and Kanika Sharma write that women's health has long been defined by anyone but women themselves. Sukriti Paul Kumar explains that the failure to listen, see and acknowledge has been a fundamental problem within patriarchy. “To decode humour, to decode silence, to decode the everyday violence that slips unnoticed into language – requires awakening,” she writes.

Shradha Pandey writes that important tasks are often not given to women at work, because of how they are per-

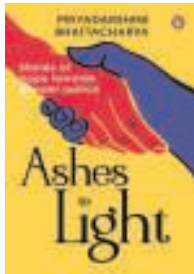
ceived. As a woman working in the police force, she observes that a woman's career is often challenged by personal milestones that are seen as liabilities. “Any skill, expertise or potential she brought to the table was summarily dismissed, overshadowed by a bias that reduced her to her biological functions,” she writes.

Deepa Mehta says women have historically been marginalised in the arts. “Their entry into cinema has been a slow but silent revolution,” she writes. Ratna Pathak Shah recalls a song from her childhood about the importance of a brother, and a special fast she had to keep that would guarantee her a good husband. Even though she grew up in the company of independent, strong-minded women, and girls in her family were educated, marriage was seen as their ultimate goal. After marriage, Kiran Rao felt as though her individual identity was lost. “It is a blatant marker of patriarchy that our identities are defined by our forefathers, while our mothers' names and identities are

erased,” she writes.

Saswati Bhattacharya writes about how menstruation is historically associated with shame. Conversations about women's bodies or sexuality often remain stifled, she points out. “While blood is glorious in the battlefield and a tragedy in accidents, it is shameful when it seeps from the womb,” she writes. Girija Borker writes about the struggles that women and girls face on their daily commute. In her research, she found that across geographies and modes of public transport, women share a narrative of harassment and fear. “The other aspect of such fleeting violence is that while it may last only minutes, its impact lingers, sometimes for a lifetime,” she writes.

Even after undergoing 10 surgeries, acid attack survivor Laxmi Agarwal is



Ashes to Light: Stories of Hope Towards Gender Justice
by Priyadarshini Bhattacharya
Published by Penguin
463 pages ₹599

life of their husbands, the welfare of their children or the prosperity of the household. “The growing girl child was never fed like a boy,” he adds.

Preeti and Kabir Vajpai explain how gendered violence in architecture mani-

ifests in subtle yet systemic ways in designs that often disregard women's needs. In their practice, they have often observed how men dominate decisions about spaces primarily used by women. They further add that the erasure of women's voices in urban planning is devastatingly evident. “Architectural design and planning that disregards women's needs have profound consequences on their emotional, physical and psychological well-being,” they explain. The authors also provide actionable solutions for gender-responsive architecture.

Mary Kom writes that despite the obstacles she faced, she set out to prove that motherhood and ambition could share the same stage. Through Rugby India, Rahul Bose explores the role, participation and importance of women and girls in sports. “A level playing field doesn't just appear, it has to be built,” he writes.

The reviewer is a New Delhi-based freelance writer



Modesty is invisibility. To be seen – to be *seen* – is to be...penetrated. What you must be girls, is impenetrable

- MARGARET ATWOOD, *The Handmaid's Tale*

Of Bosses & Judges

HC sentence for Tejal shows how grievously trial courts can misjudge rape cases

In 2013, a young colleague accused Tarun Tejal of raping her in a hotel lift. This was the first high-profile case under the Criminal Law Amendment Act passed that year. The post-Nirbhaya legislation aimed to punish sexual offences against women more dependably and strictly. In 2021, a Goa trial court acquitted Tejal. It was a terribly controversial judgment, not for its conclusion *per se*, but for the way it got there. Yesterday, Bombay HC's Goa bench set that acquittal aside, and sentenced Tejal to 10 years' rigorous imprisonment. It has called out the trial court's findings as "directly contrary to the evidence on record" and "perverse". For all the other rape survivors navigating the courts, it may be some comfort that justice was only delayed here, not denied. But because the tendencies Bombay HC identified in one trial court are shared with countless others, this comfort is cold.

One such tendency is relying on "stereotypical assumptions about how an 'ideal' victim should physically resist or emotionally react". Another is weaponising her sexual history to "discredit her evidence", while granting "the benefit of the doubt to the respondent where none reasonably existed". Basically, when 'men in power' abuse their authority in the workplace, all too often their social advantage outside the court continues inside it. Another case this week, Brij Bhushan Singh's, has played out similarly in another trial court. It remains to be seen whether an HC will flip the acquittal here too.

It's a strange thing that between the start and 'close' of the Tejal case, #MeToo moment both gained 'virality' and lost it. This speaks to how non-urgently the legal system continues to take rape cases, no matter how dire these feel to the survivors. And it also resonates with how much has, or hasn't, changed in India's workplaces. Compliance with Vishaka guidelines remains uneven. Accusers can yet be met with institutional hostility, while the accused is protected. By Tejal's own account, when reminded that he was *her* boss, he replied, "That makes it simpler." What is the simple thing here? That, without proper checks, without employers and courts that care, workplace hierarchy greases sexual harassment. Because it can take away not just promotions, assignments, references, but one's livelihood itself.

Moon Shot

SpaceX rocket's lunar crash teaches a valuable lesson: don't skimp on filling up the tank

Part of a SpaceX rocket crashed into Moon early on Wednesday. While scientists pore over data from this "unintentional" experiment, the most important takeaway for the rest of us is to always tank up before starting on a long journey. You see, that rocket upper stage could have become a satellite of Sun, had SpaceX fuelled it more generously. Alas, call it private contractor miserliness or whatever, SpaceX put just enough fuel in the tank to get the job done. Which was to deliver two landers – one American, the other Japanese – to Moon last year. Once the rocket upper stage ran out of fuel, it became uncontrollable space debris, until Moon's gravity pulled it in, and wham!



How could Musk, who's spent years addressing range anxiety of Tesla buyers, allow this? Luckily, no harm was done. The 4-tonne projectile hit Moon at 8,690kmph and, scientists are guessing, left a crater 60 feet wide and 15 feet deep. They aren't sure because no satellites were positioned to capture the moment. A ground-based telescope captured the dust plume, revealing traces of sodium and lithium. But don't start planning a moon mining mission for lithium yet. The lithium likely came from the rocket itself. As for sodium, we have enough of it here, and too much in our junk food-fed bodies.

Truth is, this Moon strike is nothing like NASA's "intentional" hit in 2009 that revealed the presence of ice in Moon dirt. That's why Wednesday's hit was treated with minor scientific interest. More interesting than the hit itself was the way independent astronomers tracked the rocket stage, calculated its trajectory and predicted the spot where it would strike. Plus, there's a valuable lesson for the future – not to be careless with rockets around Moon. NASA's Artemis programme aims to set up a Moon base that astronauts will visit routinely. So, rockets randomly falling out of the sky could be disastrous. NASA and SpaceX are going to talk this out. But the solution is obvious: when fuelling rockets, embrace range anxiety.

Cockroaches and Gup

An old-style schoolmaster would have made common cause with today's Gen Z protesters

Jug Suraiya



I remember Mr Peterson and think of what he would have made of Cockroach Janta Party. Affectionately nicknamed Gup by his students, Mr Peterson taught us English and History at La Martiniere Calcutta. He was one of the best teachers I've ever had.

We called him Gup because the word has two meanings. As a verb it means to talk, and as a noun it means not exactly an untruth but embroidery to enliven the drab fabric of the strictly factual.

Gup was a past master of both. He talked a lot, with a low-toned eloquence all the more compelling for its soft-spokenness.

In History class he would flesh out the bare bones of dates, and names, and battles won and lost, through mimesis. He would crouch, vigilant sentinel on a rampart, hand shielding watchful eyes from the glare of the sun, ears attuned to the rolling thunder of oncoming cavalry.

Mesmerised, we soaked in the long-age past brought to present life. That was the art that Gup had, of making the act of learning not a chore with which to pass an exam but an enjoyment more fun than fun itself.

In English class he would ask us to write a review of our favourite film. As we replayed movies on the screen of our minds, they came more alive for us in intensity of colour and sound, sharpness of image, than they'd been as mere pastime.

I think Gup was so good at teaching because he was so good at learning, learning from us what would spark interest in us, what would not just hold our attention but grip it like a Hitchcock thriller.

Teaching and learning were the twin sides of the coin of education that for Gup was a lifelong mission. Had he been around today, Gup Peterson would, for once, have been bereft of words by the tragic travesty that rampant corruption and cheating have made of what was his cherished vocation.

The Cockroaches? Gup would have applauded their passionate protest against the defilement of that to which he had dedicated his life. And that's no gup.

Can IPOs Change India?

A record number of startup founders will ring the market bell in the next two years. Will they create wealth at scale and help create the next generation of business leaders?

Amit Anand



As of mid-2026, 236 mainboard IPO proposals sit in Sebi's pipeline with nearly ₹3L cr ready to be raised. And 25 startups have already filed draft red herring prospectuses (DRHP) this year. The next two years will bring more Indian founders to that bell than any period before.

This comes on the back of something remarkable. In 2025, 18 new-age tech companies went public, raising a record ₹41,248 cr. Meanwhile, Demat accounts crossed the 20 cr mark. Individual investors now own 18.5% of India's equity market, a fivefold increase since 2020.

In 2025, investors could not get enough. Dozens of issues attracted subscriptions of more than 50 times. In early 2026, the same market cooled. Macro headwinds, geopolitical uncertainty, and a more cautious global appetite played their part. Most startup debuts landed flat or at a discount. One issue was subscribed just 0.97 times.

But inside that broader shift, a more fundamental question has surfaced. Public investors have begun asking not just how a company has performed, but where it intends to go. Which is harder to answer than it sounds.

A quiet crisis | There's a crisis that often follows great success, and it almost never makes headlines. You survive the brutal early years, scale the mountain, and finally list. The adrenaline fades. Founders burn out and teams lose momentum. It feels natural to believe the finish line has been crossed. For years, identity, energy, and ambition have been consumed by a single goal: reaching the summit. But what if we have misunderstood the purpose of the peak?

India now has nearly 2L DPIIT-recognised startups. Fewer than 150 – roughly 0.07% – have ever listed. That is a statistical anomaly, not a rite of passage. Scale is not merely an achievement. It is a privilege, a rare alignment of effort, execution, and perhaps something more that defies easy definition.

Once a company achieves meaningful scale, rules change. Talent flows towards you. Capital becomes cheaper and brand trust compounds. The goal is not to leave that platform behind but to use it.

Public stewardship | Right now, somewhere in India, a first-generation investor is watching a listing price on a screen. They have carefully saved money into a

company whose founder they will never meet, on a conviction they could not explain to their family. There is no word in any DRHP for that kind of faith.

Going public is the moment ownership expands beyond the original circle. A schoolteacher's SIP, a retired clerk's savings, a family investing for their children, these people are now partners in something a founder spent their best years building. The public company is one of humanity's most important inventions precisely because it enables community ownership and democratised wealth creation at scale.

Image: AI



Too often that gets lost in compliance obligations and quarterly earnings pressure. But public shareholders are not a distraction to manage. They are the community a founder has been chosen to serve.

Dhirubhai Ambani understood this. He seeded an equity culture that turned 4mn ordinary Indians into shareholders. Ratan Tata argued with investment bankers over a pricing band, insisting on terms that would benefit retail investors. Their IPOs were not exits, but opening bids on a longer obligation.

Britain Has A NEET Problem. Solution Relevant For India Too

With more than a million 16-to-24-year-olds Not in Employment, Education or Training, Andy Burnham's UK is turning to vocational training. The move could have influence beyond British borders

Rashmee Roshan Lall



Columnist based in London

problem of young people who are Not in Employment, Education or Training.

The latest data shows more than a million 16-to-24-year-olds as NEET, which means 1 in 8 of that cohort belongs to a uniquely passive sub-class of under-utilised minds and bodies. In five years, Britain may have 1 in 6 NEETs.

The costs are high, in terms of money, mental health and social impact. NEETs are costing Britain roughly £125bn a year in lost GDP and long-term skills development, as well as direct state support. Less than half of today's NEETs are even actively looking for work.

Now, PM Burnham's Britain wants to ace the NEET test. It is seeking to move away from the idea that the mortar board is superior to the hard hat.

Ambitious school curriculum reforms would offer 14-year-olds the chance to study technical subjects, alongside core ones such as English and math. Out would go the conceit, in Burnham's words, that "there's only one route to success: university, a degree, a desk". In will come the idea of raising your child to be a technical specialist, with deep and abiding knowledge of machine parts, U-bends, gas meters, drywall etc.

A real-life role model exists, namely Hannah Spencer; 35. Having left school at 16, she took a vocational course, became a plumber and later went on to qualify as plasterer and gas engineer as well. The only reason we know about 'Hannah the plumber', as she is now widely described, is her triumphant win in a parliamentary election earlier this year. In so doing, she became the Green Party's first ever MP in the north of England, and one

of roughly 65 MPs without a university degree. That's just 10% of the UK House of Commons.

'Hannah the plumber' is an interesting case study, but not because of her rise to the dizzying heights of national politics. She shows that technical specialists, just as much as university graduates, can be credible leaders and thinkers on issues as diverse as upcycling, recycling, wealth inequality, the war on Gaza, and opposition to greyhound racing.

But is it even possible to establish parity of esteem between the technically and academically trained?



Education systems have traditionally been well schooled in their disdain for the technical trades. Plato's ideal state was organised around strict roles – guardians or rulers, auxiliaries or soldiers and producers. The three classes were said to be composed of different metals – gold, silver and bronze. Bronze artisans were earmarked for apprenticeships to learn their trade, while the gold and silver others were educated more rigorously.

The British Raj heaved to much the same concept, though it leaned heavily upon technical expertise for real-world problem solving. Sir Arthur Cotton is a case

Today's new economy founders are writing their own versions. When Flipkart closed the Walmart deal in 2018, the first announcement was a 100% buyback of vested employee stock options. Around 3,000 employees were suddenly on their way to becoming dollar millionaires. Globally, Jensen Huang built Nvidia with equity distributed through every layer of the organisation, creating an estimated 27,000 millionaires among engineers who joined early and stayed. These were not gestures. They were commitments made in boardrooms and balance sheets.

Creating owners | This brings us to what is ultimately the deepest responsibility of scale. It is not to generate returns but to create owners.

Public companies have a unique ability to expand participation in prosperity. Employee ownership, profit sharing, long-term incentives, and public markets are not merely financial tools. They are mechanisms that allow more people to share in the value they helped create.

Indian companies spent ₹15,000 cr on ESOP programmes in FY25, up 30% year on year. Engineers who built the product, operators who scaled it, frontline teams who served customers when the company was a nobody, they deserve to share in what their work created. So do early vendors, long-term shareholders, and customers who trusted a founder when they were still unproven. When a company succeeds, rewards that flow back through this entire ecosystem transform a business into an institution.

Value creation and value sharing are not opposing forces. They reinforce each other. A shareholder holds paper. An owner holds stake. The best companies know their job after listing is not to manage shareholders. It is to create owners.

Infinite beginning | An IPO is not the completion of entrepreneurship. It is the beginning of stewardship. The scale you fought so hard to build is now ready to compound. The ownership you once held tightly can now be shared more broadly to uplift those who believed in you and the many more who are only just beginning to.

True work begins when success stops being about what you can build for yourself, and starts becoming about what you can build for the world. The responsibility of scale is also its greatest privilege.

The writer is founding partner of Jungle Ventures, a VC firm

Calvin & Hobbes



Walk For Shiv: True Essence Of Kanwar Yatra

Anup Taneja

The spiritual meaning of the kanwar yatra is rooted in Hindu mythology, specifically the ancient legend of the 'Samudra Manthan', or the churning of the ocean. During this cosmic event, a catastrophic poison called 'Halahal' emerged, endangering the entire creation. To safeguard the universe, Shiv consumed the toxin and trapped it in his throat, turning his throat blue and bestowing upon him the name Neelkanth Mahadev.

To soothe the intense burning from the venom, his followers poured sacred Gangal water over him. Today, kanwaris carry Gangal to Shiv during the holy month of Shravan to show their appreciation and deep devotion, while praying for his divine protection, well-being, and success. Fetching Gangal represents a spiritual rebirth; carrying it without letting it touch the earth teaches the ultimate yogic wisdom: unshakeable awareness. It turns

the fragile human body into a walking temple, keeping the mind anchored solely on Shiv amidst the din.

In deeper spiritual interpretation, kanwar, the bamboo pole, represents the most important yogic 'nad', 'Sushumna' that extends from the muladhara, base of the spine to sahasrara, crown chakra. The two pots of water hanging on either end represent the balancing of dual cosmic energies: Ida, feminine/moon, and Pingala, masculine/sun.

Balancing the kanwar perfectly while walking reflects the yogic philosophy of finding absolute mental equilibrium amidst worldly distractions. Walking long distances barefoot with a delicate, sacred cargo requires unbroken concentration. Every single step must be taken with utmost care. This intense focus acts as a form of active chankramanam, meditation, withdrawing the mind from outer materialistic desires and

focusing it exclusively on the Divine Light that constantly emanates from Shiv's Third Eye, Ajna Chakra, within the 'Sushumna'.

This arduous and gruelling journey that often spans hundreds of kilometres barefoot under the scorching sun or torrential rain, represents a deep-rooted tradition of 'tapasya', penance. This intense self-discipline is believed to burn away past negative karma and purge the mind of all sorts of impurities. Sadhguru Jaggi Vasudev says, "When you subject your body to such voluntary suffering for a higher purpose, your focus shifts away from the immediate comforts of the self to something far greater. It cleanses the individual ego, forces self-discipline, and transforms a casual walk into a profound, moving meditation."

The Kanwar yatra thus transcends a mere yearly religious gathering; it rather stands as a vibrant tradition embodying

true devotion, strict discipline, and a shared community spirit. Moving participants beyond familiar material comforts inspires a profound internal journey of self-reflection and spiritual connection.

The echoing chants of 'Bol Bam' along streets and highways and the organisation of bhandaras, community feasts, by local communities to provide free food, water and medical care represent more than a prayer to Shiv. They serve as a universal reminder for humanity to live peacefully in a spirit of harmony, help others selflessly, and honour the sacredness of life's journey.

Swami Chidananda said, "When the pilgrims constantly chant 'Bol Bam', they are not just shouting a slogan; they are aligning their inner consciousness with cosmic energy, purifying their own lives while bringing the holy, cooling energy of the Ganges to soothe the worldly poisons around them."

The writer is a senior academic fellow, ICHR

Sacred space



Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope.

Robert F Kennedy



THE SPEAKING TREE

IN THE NEWS

BRICS ADOPTS SOLAR ENERGY ACTION PLAN

 IN A MAJOR push for clean energy manufacturing and technological cooperation, BRICS member nations have formally adopted a structured action plan on the photovoltaic industry. Finalised during the 10th BRICS Industry Ministers' Meeting in Jaipur, the agreement establishes a concrete framework to scale up solar energy collaboration, technology exchange, and supply chain resilience across member economies. Addressing the meet, Commerce and Industry Minister Piyush Goyal stressed that BRICS countries must translate shared aspirations into practical outcomes. To support emerging tech ventures, India proposed launching a BRICS Incubator Network alongside a BRICS Startup Innovation Fund.

Deadline for duty concessions under UK FTA extended

 THE LAST DATE for submission of online applications seeking quota to avail duty concessions under the India-UK trade pact for 2026 has been extended till August 9 this year, according to a public notice. Under the pact, which came into effect from July 15, New Delhi has extended quota-based duty concessions for goods like passenger cars.

Delhi's electricity challenges mount on rising demand

 DELHI'S ELECTRICITY TRANSITION is being tested by a combination of rising day-and-night demand peaks, shrinking local generation, untapped rooftop solar potential and slow progress in smart metering, a study by IEEFA and Ember said.

Coal supply for power sector comfortable

THE GOVERNMENT ON Thursday said domestic coal supply for the power sector remained comfortable in July, with total stocks of about 148 million tonne — enough to meet roughly 62 days of consumption.

FE BUREAU & AGENCIES

CENTRE BETS BIG ON WASTE-TO-WEALTH ECONOMY

Cabinet okays ₹23,731-cr scheme to boost biogas

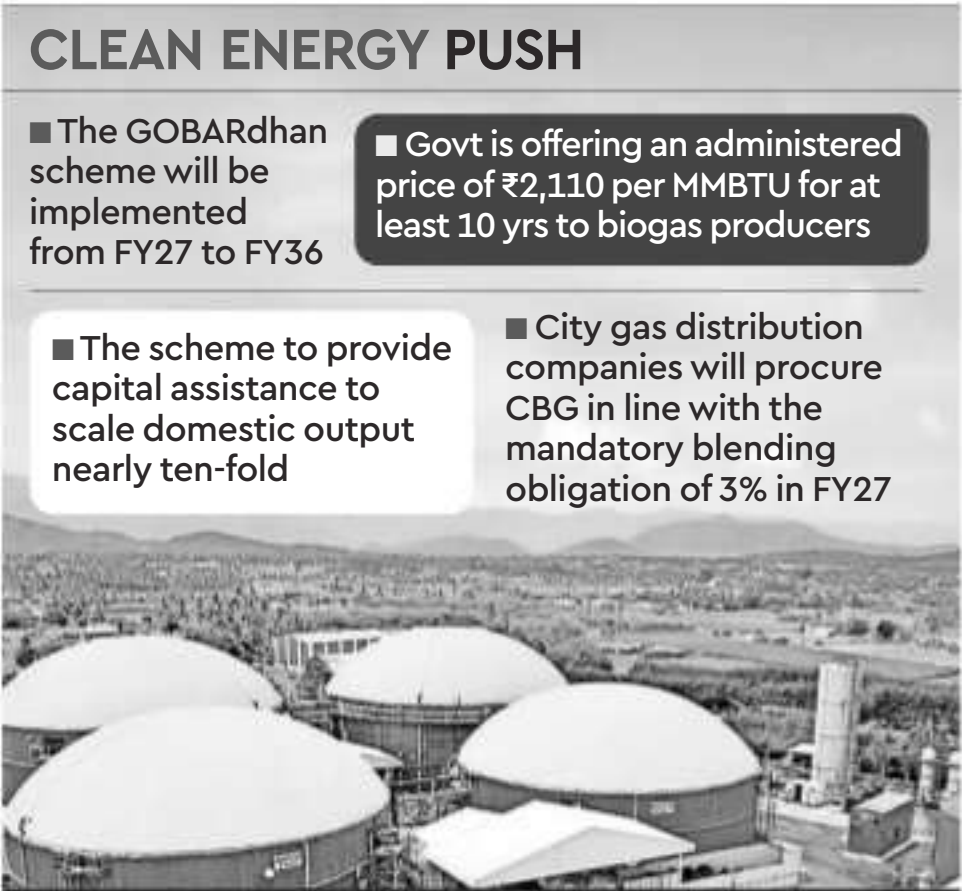
SAURAV ANAND
New Delhi, August 6

THE UNION CABINET on Thursday approved a ₹23,731-crore national circular bioenergy scheme, offering compressed biogas producers assured purchases, an administered price of ₹2,110 per MMBTU for at least 10 years and capital assistance to scale domestic output nearly tenfold and reduce dependence on imported natural gas.

The GOBARdhan scheme, to be implemented from FY27 to FY36, seeks to address the viability and financing hurdles that have constrained compressed biogas projects despite India's large availability of agricultural residue, cattle dung, press mud and municipal organic waste.

Citygas distribution companies will procure CBG in line with the mandatory blending obligation of 3% in FY27, 4% in FY28 and 5% from FY29 onwards in the compressed natural gas transport and domestic piped natural gas segments. The assured-demand framework is intended to improve capacity utilisation and give lenders and developers greater visibility over project revenues.

Eligible greenfield plants will



receive capital assistance of up to ₹2 crore per tonne per day of installed CBG capacity. Brown-field projects adding capacity will also qualify. The support will cover core plant equipment, feedstock aggregation, organic manure processing and value-addition infrastructure.

“The ₹23,731-crore GOBARdhan package has the potential to do for India's biogas sector what the PLI scheme did for solar manufacturing, transforming policy

intent into bankable projects,” said Sanjay Ganjoo, director general of the Indian Federation of Green Energy.

India generates nearly 500 million tonne of agricultural residue annually, much of which continues to be burnt in fields, contributing to air pollution. Ganjoo said feedstock availability was not the principal constraint for the sector.

“The real bottlenecks have been assured offtake, stable pricing, evacuation infrastruc-

ture and efficient feedstock aggregation,” he said. With only about 216 CBG plants commissioned against ambitious blending targets, project viability has been affected by insufficient coordination between production facilities and city gas networks, he added.

The scheme will support cluster-based and standalone pipelines connecting CBG plants with trunk pipelines and city gas distribution systems. The infrastructure is expected to lower evacuation costs, expand market access and enable higher utilisation of domestically produced gas.

A dedicated credit-guarantee mechanism will share part of the lending risk for eligible MSME projects, improve access to institutional finance and reduce collateral requirements. The government expects this to widen participation by cooperatives, women entrepreneurs, first-time developers and rural businesses.

The scheme will also establish a CBG Ecosystem Challenge Fund to support district-level feedstock mapping, aggregation infrastructure, technology adoption, manure value addition, capacity building and local project planning.

Millers seek to advance cane crushing to rein in sugar prices

SANDIP DAS
New Delhi, August 6

TO BOOST SUPPLIES and curb price rise ahead of the festive season, the sugar industry has recommended that crushing of sugarcane this season be started 10-15 days earlier than usual and sought financial support from the government.

It stated that early commencement of crushing in the 2026-27 season (October-September) is expected to bring fresh sugar into the market sooner, particularly ahead of the festive season, thereby strengthening availability, enhancing market confidence and contributing to price stability without imposing any undue burden on consumers.

“Early commencement of crushing is expected to result in lower sugar recovery and reduced cane yields, thereby affecting the operational efficiency and financial viability of mills,” industry bodies said in a communication to the food ministry. Usually sugarcane crushing begins by the end of October and early November.

The average retail price of sugar was 8.6% higher at ₹50.14 a kg on Thursday, compared to the year-ago period.

Coal India enters iron ore mining, wins Odisha block

SAURAV ANAND
New Delhi, August 6

STATE-RUN COAL INDIA has entered the iron ore mining business after being declared the preferred bidder for the Gadadharpur iron ore block in Odisha, marking a significant expansion beyond its core coal operations.

The Odisha government awarded the block through an auction at a premium of 114.05% of the value of mineral dispatched, payable to the state, Coal India said in a stock exchange filing.

Located in Odisha's Kendujhar district, the Gadadharpur block is a G3-stage exploration asset with estimated iron ore resources of 288 million tonne (MT). The award gives the country's largest coal miner its first foothold in iron ore, a key raw material for steel production.

The move is part of Coal India's strategy to diversify its long-term portfolio by leveraging its expertise in large-scale mining, project execution and mineral evacuation.

IN PIVOT MODE



■ CIL has been declared the preferred bidder for the Gadadharpur iron ore block in Odisha

■ State govt awarded the block via auction at a premium of 114.05% of the value of mineral dispatched

■ Gadadharpur block is a G3-stage exploration asset with estimated iron ore resources of 288 MT

The company has been steadily expanding beyond coal into critical minerals and other mining segments.

Under the terms of the auction, Coal India is required to fulfil the conditions for becoming the successful bidder within a year.

Thereafter, the mining lease deed must be executed within three years, according to the regulatory filing.

The preferred bidder status marks the first step towards

securing mining rights.

Development of the block will commence after completion of the prescribed auction formalities and execution of the mining lease.

The Gadadharpur block will enable Coal India to establish a presence in the domestic steel raw material value chain. Its estimated resource base could also support the country's growing iron ore requirement as steel production capacity expands.

India must lead in applied AI: Nilekani

POULOMI CHATTERJEE
Bengaluru, August 6

INDIA SHOULD FOCUS on becoming a global leader in applied artificial intelligence rather than competing in the capital-intensive race to build AI infrastructure, Infosys Co-founder and Chairman Nandan Nilekani said on Thursday, adding that the country's strength lies in deploying AI at population scale through its digital public infrastructure.

Speaking at the NCAER India Policy Forum 2026 in the Capital, Nilekani said that while global technology companies were investing billions of dollars in data centres, chips and computing power to build larger AI models, India's opportunity was to make AI work for millions of people through practical applications.

Describing AI as a general-purpose technology comparable to electricity or railways, Nilekani said India could replicate the success of its DPI stack by making AI accessible and inclusive. A key priority, he said, should be expanding voice-based AI across Indian languages, regional dialects and colloquial speech patterns such as Hinglish to bring more people into the digital economy.

“Making AI inclusive by enabling people to speak in their mother tongue or their native language via voice interaction will dramatically expand access to technology. That alone can lead to significant value and productivity benefits,” he said.

NANDAN NILEKANI,
CO-FOUNDER &
CHAIRMAN, INFOSYS

Large companies will probably be net job losers in the coming years

India needs to rethink how employment would be created in the AI era



Nilekani also said that AI could fundamentally reshape white-collar employment, with large companies likely to face greater job displacement because highly structured tasks are easier to automate. “Large companies will probably be net job losers in the coming years,” he said, adding that India needed to rethink how employment would be created in the AI era.

Instead of relying on a handful of large employers, he said future job creation would increasingly come from millions of small businesses and startups. India has grown from fewer than 10,000 startup founders a decade ago to around 150,000 startups currently.

Investments, savings key to Viksit Bharat journey: Lahiri

INDIA MUST FOCUS on boosting savings, investment and entrepreneurship while undertaking structural reforms to sustain long-term economic growth, Niti Aayog Vice Chairman Ashok Lahiri said on Thursday.

Addressing the NCAER's India Policy Forum 2026, Lahiri stressed that economic growth depends on expanding productive capacity.

“Much of new technology is embedded in machines. Application of additional capital is critical for reaping the benefits of modern technology and supporting growth,” he said, citing the high investment rates maintained by Japan, South Korea, Singapore, and China during their rapid development phases.

Comparing India's performance with East Asian economies, Lahiri noted that while India's gross fixed capital formation has remained below 30% of GDP for most years, the country has used capital relatively efficiently. However, he cautioned against complacency, saying, “The Incremental Capital-Output Ratio (ICOR) is a crude measure of efficiency and has several deficiencies.”

Highlighted the importance of domestic savings in financing investment, he said, “the solution is not in saving less, but in saving more, and efficiently intermediating that saving to the most promising sectors.”

—FE BUREAU

Joshi: India crosses 300 GW non-fossil fuel capacity

SAURAV ANAND
New Delhi, August 6

INDIA HAS CROSSED 300 GW of installed non-fossil fuel-based power capacity, up from around 81 GW a decade ago, as renewable energy installations accelerated during the first half of 2026, Union Minister for New and Renewable Energy Pralhad Joshi said on Thursday.

The country added 30.58 GW of renewable energy capacity during January-June, a 25% increase over the corresponding period last year. Solar accounted for 26.34 GW of the additions, while wind contributed more than 4.2 GW, Joshi said at the 7th CII International Energy Conference and Exhibition.

The milestone comes as the government looks to reduce project costs, expand domestic manufacturing and address transmission and technology bottlenecks that could con-



strain the next phase of renewable energy expansion.

“This achievement belongs to developers taking investment decisions, manufacturers expanding factories, financial institutions providing capital, and thousands of engineers and workers executing these projects on the ground,” Joshi said.

The minister said the reduction in the Goods and Services Tax (GST) on renewable energy devices and manufacturing components from 12% to 5% is expected to lower utility-

scale solar project costs by ₹20-25 lakh per MW. A 500-MW solar park could save more than ₹100 crore, while annual procurement savings for distribution companies are estimated at ₹2,000-3,000 crore.

For households, the cost of a typical 3-kW rooftop solar system has fallen by ₹9,000-10,500, while a 5-HP solar pump is now cheaper by around ₹17,500. If 1 million such pumps are installed, the cumulative savings could reach nearly ₹1,750 crore. Joshi added that the PM Surya Ghar: Muft Bijli Yojana has crossed 5 million beneficiaries.

The government has extended the basic customs duty exemption on capital goods used for lithium-ion cell manufacturing for battery energy storage systems until March 31, 2028. The move is aimed at reducing dependence on imported battery packs, particularly from China.

The Reserve Bank of India (RBI) on Wednesday has raised its GDP growth forecast for the April-June quarter by 40 basis points to 7%, saying that several indicators suggested the Indian economy performed better than expected in Q1. Barclays India Chief Economist Aastha Gudwani believes that growth in the Q1 could be even higher. In an interview with Shubham Rana, she says that the RBI's Monetary Policy Committee is unlikely to raise interest rates in 2026, and it may take place in early 2027. Excerpts:

What were your main takeaways from the RBI Policy? The things that really stood out to me were the MPC's dedication to the 4% inflation target. Time and again, the RBI has clearly stated

that it understands inflation is rising, but the composition of inflation and when it will peak also matter.

The second point was on the stance. A change in stance will be delivered when there is some certainty regarding the next rate move, which is not there at the moment.

Barclays sees a rate hike in February. What is the reason behind this, given that inflation would have already peaked by then? The inflation reading will have less noise by then and

our FY28 retail inflation forecast is about 4.7%. And with the repo rate at 5.25%, I think we should hike rates by about 50 basis points in total to offer a 1% real rate, given the year-ahead inflation forecast.

Recent PMI data suggests a sharp slowdown in the manufacturing & services sectors. Do you think this is a point of

concern? If you look at the other high-frequency indicators that we track, 15 out of 20 performed better in June than in May.

The indicators for which July data is available are also rather strong. I think the April-June GDP number, which the central bank revised to 7% on Wednesday, could be higher than the expectations.

India has received over \$40 billion till July 31 from the various schemes announced in June. Do you have an estimate of how much the schemes can gather by the end of

September? We expect about \$70 billion of total inflows in FY27 from FPI investments in Indian government bonds, ECBs, OFCB, and FCNR.

Do you think the government will be able to meet the 4.3% fiscal target for FY27?

The target for this year is not the fiscal deficit-to-GDP ratio at 4.3%, but the debt-to-GDP ratio at 55.6%.

The government can achieve the debt-to-GDP target, even with a modest fiscal slippage of 10-20 basis points due to a shortfall in excise duty revenue and additional fertiliser and fuel subsidy requirements.

At the same time, divestment proceeds will be in line with the target, if not more. Government will probably reduce some of its non-committed revenue expenditure.

Striking the right balance

A stable tax regime has immense benefits, but govt should not compromise revenue goals

DESPITE TAX REVENUES being stagnant relative to the gross domestic product (GDP) for the last five years, the government has chosen to continue using tax breaks to promote investment and consumption. Concerns that the already weak aggregate demand may become more susceptible to external shocks — which are now the norm rather than the exception — are apparently forcing its hand. After deep cuts in taxes on corporate profits, personal income, and the goods and services tax (GST), the liberal approach has now extended to capital gains tax, which has emerged as a faster-growing source of government revenue in recent years. This amounts to a subtle change from an earlier policy where shifting the tax burden away from companies to individuals was touted as a strategy that is at once pro-growth and pro-equity. The first instance of this shift was the waiver of capital gains tax as well as the tax on interest income for foreign portfolio investors in G-secs. This was announced in June against the background of a persistent weakness in India's usually strong capital account. The latest set of measures, proposed in a Bill, maintains this direction and comprises long-term tax holidays of 15 to 20 years for various entities along with improved clarity on who can avail these tax benefits and how. The direct and indirect beneficiaries of the largesse include not just global Big Tech firms and offshore funds operating out of India but also Indian companies, domestic data centres, as well as retail and other investors seeking to grab a piece of economic growth and India's real estate and infrastructure boom. The government expects these incentives will provide an impetus to job creation and household income. The resultant demand creation is expected to more than offset the fiscal hit from the giveaways in the medium- to long-term.

While the government's intent is appreciated, it is a fact that any grand bargain between tax concessions and long-term economic growth trajectory is replete with risks. Structural improvement of the economy and raising its growth potential will require not just reforms and deregulation, but also much larger public investments in physical infrastructure and in improving the lot of the common people. Such investments play a crucial role in demand creation, bolstering human capital, and increasing economic competitiveness. To be sure, past tax reliefs haven't yielded the intended results. The revenue foregone from the 2019 corporate tax cut was a massive ₹5.4 lakh crore in the five years through FY25. Yet, gross fixed capital formation doesn't seem to have accelerated. Nor is it proven beyond doubt that the personal income tax reliefs unveiled in Budget FY26 or last year's GST rate cuts can boost consumption durably.

Rather than the extent of concessions or outright tax holidays, what is more commendable about the current tax Bill is that it accords priority to clear, stable, and predictable tax treatment. This will doubtless reassure investors. But the government should not lose sight of a recommended objective to lift combined tax revenues of the Centre and states from nearly 18% of GDP now to around 25%. For the Centre, the ratio rose from 10% in FY20 to 11.5% in FY22 thanks to improved tax administration efficiency, but it has since lingered around that level. Benign tax rates are the right policy, but the role of tax as a redistribution tool should not be compromised either.

The algorithm says sorry

Algorithms, unlike politicians, bureaucrats, or journalists, rarely hold press conferences. They do not explain themselves, issue clarifications, or blame the copy desk. They simply do what they are designed to do, until one day they do something spectacularly inconvenient. Then, suddenly, humans reappear to explain that the algorithm did not quite mean what it did. That, in many ways, sums up Meta's latest encounter with the Indian government.

The company apologised after Prime Minister Narendra Modi's Facebook post briefly disappeared from the platform, attributing the episode to an AI-powered automated system. The explanation sounded familiar. In the age of artificial intelligence, the algorithm has become the perfect corporate colleague. It works round the clock, processes billions of pieces of content, and, every now and then, becomes the designated recipient of all blame.

One can almost imagine the scene inside a technology company. A dashboard flashes red. Someone says, "Who removed the Prime Minister's post?" There is an awkward silence before everyone turns to look at the algorithm. The algorithm, being a software, says nothing. The communications team, however, says plenty.

The irony is that algorithms are no longer silent backroom tools. They decide what trends, what disappears, what goes viral, and, increasingly, what people believe everyone else is talking about. Social media companies often describe themselves as neutral intermediaries, mere highways on which information travels. Yet these highways appear to come with traffic lights, express lanes, and occasionally even VIP corridors.

If a platform merely hosted content, there would be little debate. But today's digital platforms do much more. They recommend videos, rank posts, personalise feeds, amplify trends, and, as governments across the world increasingly highlight, shape public discourse itself. The invisible editor is no longer sitting in a newsroom. It sits inside millions of lines of computer code.

That is perhaps why the government's point over intermediary status deserves more attention than the temporary disappearance of a single post. The real question is not whether an algorithm made a mistake. Software inevitably does. The larger question is whether companies can simultaneously claim enormous influence over what billions of users see while insisting they are merely passive hosts whenever accountability comes knocking. Technology companies, of course, are hardly alone in discovering the convenience of automation. Every sector now has its version of "the system." Airlines blame computer glitches. Banks blame server downtime. E-commerce firms blame technical errors. Somewhere in every organisation there appears to be a mythical creature called "the system", which takes difficult decisions without consulting anyone and politely disappears before the inquiry begins. Artificial intelligence has simply upgraded that excuse.

To be fair, moderating billions of posts across hundreds of countries is no easy task. Perfection is impossible and mistakes are inevitable. The challenge is not whether errors occur but how platforms respond to them and whether the rules governing those decisions are sufficiently transparent.

Ironically, AI is becoming better at creating content than explaining why it removed it. Ask a chatbot to write a sonnet and it probably can. Ask an algorithm why one post stayed while another vanished, and the answer often resembles a weather forecast: something happened somewhere because multiple factors were involved.

The debate is unlikely to end with one meeting in Delhi or one apology from Silicon Valley. Governments everywhere are asking similar questions about algorithmic accountability, paid amplification, and online safety. Platforms, meanwhile, continue to maintain that innovation requires flexibility and that excessive regulation could stifle the digital economy.

Perhaps the only undisputed winner in all this is the humble apology. It remains the smallest button in the technology ecosystem, pressed only after the much larger buttons labelled "Remove", "Boost" and "Recommend" have already done their work.

Maybe future versions of artificial intelligence will become so advanced that they will not only decide what deserves attention but will also draft the apology before anyone asks for it. Until then, humans will continue to explain the algorithm.

THE RECENT ₹9,813-CRORE (~\$1-billion) IPO of SBI Fund Management was oversubscribed 41.66 times. Despite being a 100% offer for sale (OFS), with no money going to the company, investors committed ₹2.98 trillion (~\$31 billion). The committed amount for this one medium-sized issue was a trillion rupees more than the total amount of ₹1.95 trillion mobilised through IPOs in 2025. This underscores the extent of liquidity available in the market and what the investors are willing to commit for IPOs.

Irving Fisher's famous exposition of "money illusion" — the tendency of people to consider nominal numbers rather than the inflation-adjusted, real numbers — is a century old. However, many people, including some economic/financial writers, still seem to be in love with nominal numbers for inter-temporal comparisons. Reporting/writing on financial and corporate matters involving nominal numbers should be top candidates for using real numbers since real values dictate several important discourses and decisions.

Ironically, many a times nominal numbers take precedence over the real numbers, masking the reality to some extent. Take the example of two significant upcoming IPOs: that of the National Stock Exchange (NSE) and Jio Platforms. The size of these issues are reported to be to the tune of ₹30,000 crore and ₹40,000 crore respectively. Hence, most of the reports, both in the print and visual media, call these issues the largest-ever and mega IPOs. It happened in the past too, whenever an IPO of a significant size came out, as in the case of Hyundai Motors, LIC, Paytm, Coal India, Reliance Power, and many more.

Each IPO is significant in many ways. It is the prerogative of the board of each company to decide on it, subject to the rules and regulations. However, a real value test as well as juxtaposing growth

● MONEY ILLUSION

INTER-TEMPORAL COMPARISONS MUST BE IN REAL TERMS & WEIGH DYNAMICS OF GROWTH, STRUCTURAL CHANGES

Not so 'mega' IPOs

CKG NAIR
Former Member, Securities Appellate Tribunal, and former Director, National Institute of Securities Markets

in incomes, investment opportunities, investor population, etc. on those nominal amounts is necessary to really decide which are the mega and the largest IPOs over time.

Reliance Petroleum came out with a public issue of ₹8,100 crore in 2006. The current value of this amount is about ₹29,000 crore. The 2008 Reliance Power IPO was for ₹11,563 crore. In current prices, this would amount to about ₹35,500 crore. The IPO by the Coal India in 2010 was to the tune of ₹15,199 crore. This is about ₹40,000 crore today. The LIC IPO in 2022, of ₹21,008 crore, is now about ₹25,000 crore. The IPO by Hyundai Motors India in 2024, at ₹27,870 crore, is about ₹30,000 crore in current prices. While Hyundai's is the largest-ever IPO in nominal terms till today, in real terms it is clearly much below that of Coal India and Reliance Power.

In terms of the US dollar, the Coal India IPO was equal to \$3.33 billion at the exchange rate of the time. And the Reliance Power IPO was of \$2.7 billion. Thus, in real terms, Coal India followed by Reliance Power are the top two IPOs in India in the last two decades both in INR and USD terms. That is the power of real balancing, a term popularised by economist Don Patinkin to emphasise the need

for using inflation-adjusted numbers rather than being under money illusion.

Globally, the largest-ever IPO is the recent issue of \$75 billion by SpaceX. That too was oversubscribed 3.5 times, showing investor interest of about \$250 billion. In nominal terms, the next big issues are: Aramco in 2019 for \$25.6 billion (29.8 billion including the green shoe option); \$21.3 billion by Softbank in 2018; and \$21.8 billion by Alibaba in 2014. However, the \$17.1-billion IPO by NTT in 1998, which is worth \$35 billion in current prices, is second to the SpaceX IPO in real terms.

India today is different from the India in the first decade of this century. In 2008, India's GDP was only ₹43 trillion; today it is about ₹350 trillion, though the base-year change twice makes real value calculations challenging. To partly offset it, the GDP increased from \$1.1 trillion to \$4.15 trillion from 2008 to 2026. Retail investor population has increased from about 20 million to 200 million during this period. Institutional investment has also grown by more than ten times. Moreover, 2009-10 was the period of the global financial crisis. In such a situation, the fact that Coal India could come up with an IPO equivalent to \$3.3 billion then was remarkable — that too with an OFS of 10% of its total equity,

Big companies going for medium-sized IPOs in real terms and small-sized by global standards, that too amidst robust economic opportunities, reveals constrained mindset

Energy transition's new reality: A dual track

JANAK RAJ
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GLOBAL COOPERATION, ALREADY weak, became more fragile with the West Asia conflict, creating a serious energy crisis. That shock pushed countries towards self-reliance over shared solutions. The energy transition is shifting from a narrow focus on cutting emissions to a broader mandate of resilience, security, and continuity. Conflicts in Ukraine and West Asia have exposed how fragile concentrated energy supply is, even as demand has surged. With disrupted supplies and rising demand, the energy transition is now about building systems that are not just cleaner, but also secure.

In response to recent conflicts and a wider geopolitical risk, a clear two-track approach is emerging across emerging and advanced economies. On the one hand, it makes a strong strategic case for diversifying energy systems and accelerating domestic renewables. On the other, it increases the reliance on fossil fuels in the short run. Governments have learned the hard lesson that the transition cannot succeed if countries face gas or oil shortages and blackouts at home.

Demand has been rising due to a variety of reasons: growing global economies, increased demand from electrification of vehicles, heating, factories switching from oil and gas to electricity, and data centres driven by AI. Though solar and wind are expanding fast, fossil fuels remain the grid's backup in the absence of adequate transmission upgrades and large-scale storage. Also, owing to lower plant load fac-

tors of renewables, producing the same amount of power would require more than double the installed capacity relative to fossil fuel-based sources. A recent study that I co-authored showed that installed capacity of renewables in nine G20 emerging market economies has been surging and is projected to more than double from about 2,100 Gw in 2023 to over 4,300 Gw by 2030. However, installed capacity of fossil fuel energy is still projected to rise from 1,800 Gw to 2,300 Gw. Thus, although solar and wind are being added rapidly, fossil fuel use continues to expand, albeit at a slower rate than before.

After Russia's invasion of Ukraine, Germany's coal phase-out, originally set for 2030 as a political target, could be delayed after upcoming reviews. Germany has placed long-term energy security at the heart of its energy policy, concluding that rapid phase-out plans have become unrealistic. Japan has lifted operating limits for one year to allow older coal plants to run at full capacity. Italy is set to postpone the permanent shutdown of its coal-fired plants by 13 years to 2038. South Korea has lifted an 80% cap on coal-fired generation capacity.

Even as China leads in renewables, it is set to commission 85 new coal units in 2026, adding 55 Gw (86% of all new coal power expected globally). India achieved

record coal production of 1,047.5 MT in 2024-25 and approved a ₹37,500-crore scheme this year to fast-track coal gasification, citing energy security amid supply risks. While coal gasification is less carbon-intensive than direct coal combustion, it nevertheless emits CO2.

Overall, while most nations are accelerating renewables to meet climate targets, the instability has reinforced reliance on traditional sources like coal since they are domestically available and insulated from shipping chokepoints. Security is overriding emission concerns in the near term.

How things evolve is hard to say, but the dual track in energy transition is likely to continue. On the one hand, countries may feel more secure with coal as the backup. When oil and gas supplies get tight, many regions quickly fire up coal plants to keep the grid stable. If storage and clean power don't scale fast enough, that short-term fix can lock in higher emissions for years. At the same time, after an energy shock, the focus shifts back to fossil fuel infrastructure (pipelines, LNG terminals, and gas plants).

Conversely, countries may also expand renewable rapidly to reduce vulnerability from dependence on oil and gas. However, it hinges on critical minerals — lithium, cobalt, nickel, and rare earths. The Inter-

The transition across countries is likely to be driven not only by climate goals, but also energy security as a result of geopolitical tensions

national Energy Agency has estimated that demand for critical minerals will need to treble by 2030 and quadruple by 2040 to hit net zero. The clean energy transition for many countries depends on global value chains, not just critical minerals but also new technologies. However, the supply chains are becoming a new source of geopolitical power. China dominates both mining and processing. If countries weaponise critical mineral exports or fight over mines, they risk trading dependence on oil for dependence on critical minerals.

Thus, the challenge is not only to accelerate the transition, but manage its inherent flaws of overdependence. This means designing energy systems that are clean, and also resilient to shocks and aligned with a country's resources. Dependence on fossil fuels is unlikely to end anytime soon. Countries will likely secure supply chains for critical minerals before significantly reducing reliance on fossil fuels. Renewed hostilities between the US and Iran may further accelerate this dual-track approach — maintaining fossil fuel security while building clean energy capacity.

The energy transition is now expected to continue on a dual track, more so than in the past. It will no longer be driven just by climate goals, but also by energy security. Because of that, the transition will continue, but fossil fuel use will fall more slowly than it would have without geopolitical tensions.

Views are personal

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OPINION

The
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{ OUR TAKE }

Partitioning a party's legacy

The top court should catalyse the formation of rules on defections and determining majority

At the heart of the many dubious political manoeuvres that have blighted India's democracy in recent years is the question — what is the real political party in case of a defection or a split, and who gets to lay claim to the original name and symbol? Unfortunately, a lack of clearly defined parameters has encouraged multiple controversial ad-hoc decisions affecting the futures of major parties such as the Shiv Sena (more than once), the Nationalist Congress Party and, possibly, the Trinamool Congress. Now, the Supreme Court appears poised to intervene and clarify this confusion. A bench comprising Chief Justice of India Surya Kant and justices Joyymala Bagchi and V Mohana observed that there must be clearly defined criteria to determine the majority in a political party when rival factions stake claim to its name and election symbol, indicating that such disputes cannot be resolved solely on the basis of the numerical strength of legislators.

This is welcome. The court is correct in noting that there should be defined criteria to determine the concept of "majority", needing a more nuanced and thorough examination than merely counting legislators. Such guidelines can come either from a political party's constitution itself, or evolve through wide consultations held by the ECI. After all, despite multiple defections and splits, the concept of a majority has not been adequately clarified, leading to a situation where respective speakers or chairpersons of Houses have massive discretionary powers. As a result, adjudication on splits and defections is now a politicised affair, leading to Opposition allegations that the ruling dispensation always has an upper hand.

HT has noted repeatedly that a toothless anti-defection law has done little to stem the tide of political defections. At the same time, many political parties — run as personal fiefs and tightly controlled by families or personalities — have throttled internal democracy and ensured that party committees and constitutions are mere rubber-stamps that exist to further the agenda of the party supremo. Unfortunately, India's sharply polarised polity doesn't hold out much hope of a consultative process where parties can collectively come up with such guidelines. The Supreme Court should consider stepping in at the earliest and catalyse the formation of uniform and transparent rules to govern defections, the determination of a majority, and the adjudication of the recipient of party names and symbols. Such a step can dispel some of the chaos engulfing India's political system today.

Trust in E20 fuel needs transparency

Complaints about E20 petrol, mandatory at Indian fuel pumps since April, have run for months. The disquiet has been largely on social media, but in recent weeks, two industry letters have given it technical weight. On July 24, petrol pump dealers wrote to the Centre saying they can test dispensed fuel only for density and water paste — alluding to an inability to test for humidity that has become a unique Achilles heel for fuel stocks that can spoil. Days later, the Society of Indian Automobile Manufacturers (SIAM) flagged chloride and moisture contamination as damaging vehicle components, then withdrew the letter within hours of it becoming public, citing a need to authenticate the readings. The government has answered by pointing to monitoring already in place — monitoring both parties describe as inadequate.

Criticism of ethanol-blended fuel has long centred on ethanol itself — that it drops mileage, saps power, and corrodes interiors. The new letters make a different case. Ethanol is not the problem; the supply chain from distillation to storage may be introducing contaminants the specification does not screen for and the retail chain cannot detect.

Ethanol blending has a real case on energy security and forest savings. The gaps deserve engagement, not defection. The signals in the two industry communications — even in withdrawal — are serious enough to warrant a closer look at the programme's specification and its retail chain. Some of the political framing around E20 is opportunistic. That does not answer the questions the disclosures now raise: whether the E20 specification is adequate to what millions of vehicles are now being asked to run on; whether the retail chain, limited to density and water-paste testing, can catch what the specification does not; and why an industry body wrote a technical letter one day and walked it back the next.

No news content for AI training without licences

Large language model developers would be well advised to proceed with caution and to not violate copyright protections on the basis of misconceived interpretations of the Delhi HC's interim order in *ANI vs. OpenAI*

The Delhi High Court's interim order in *ANI Media Pvt. Ltd. v. OpenAI* (2025) refusing injunctive relief, may be a precursor to recasting India's copyright laws and interpreting existing laws in light of evolving technologies, to ensure transparency and effective balancing of owner rights with that of public interest. Further appeals and developments on this order are inevitable. This, being an interim order, does not decide rights of all large language models (LLMs), but its impact in evaluating the legality of use of copyright-protected content in training and reproductions by LLMs cannot be disputed. This being an interim order, it would be premature to assume unfettered use of publicly available data. For the public, sans technicalities, the relevance lies in continued availability of technology-enabled conveniences. For the copyright owners, this is a wake-up call to strengthen their rights through statutory upgrades and use of technology

to protect their publicly shared proprietary content. A copyright owner's rights over proprietary content restrict third parties from reproducing and communicating to public such content without consent of the owners. Section 14 of the Copyright Act, 1957 (the Act) explicitly restrains "storing" of such data without owner consent. The question of LLMs being trained using copyright-protected content scraped from the web, without consent of the owner of such data, cuts to the heart of the protections afforded under the Act.

In *ANI v. OpenAI*, the Delhi High Court delves into copyright and LLM fundamentals, and upholds ANI's copyright claims to its news content, along with the reiteration that "original literary works" that are available free of cost and publicly accessible are nevertheless entitled to copyright protection. This is critical to combat rampant plagiarism.

However, where the Delhi High Court based its refusal of injunctive relief is the factual comparison of ANI's claims of violation with actual reproductions by ChatGPT. The HC found the commonalities to be inadequate. The reproductions by ChatGPT cannot be disputed. This being an interim order, it can be considered infringements of proprietary content is left open to a decision in trial. ANI's failure to demonstrably show substantial reproductions that warrant restrictions on OpenAI is a factual finding and will not impact cases where copyright owners are able to show substantial infringement. If reproductions are identical or

substantially similar to the copyrighted content, injunctive reliefs will follow, as was the outcome in *GEMA v. OpenAI*, decided in the Regional Court of Munich.

The remaining issues framed and decided at a preliminary stage are the legality of storing proprietary data and "fair use" exemptions. The findings here are most likely to form the basis for an appeal by ANI and any other copyright owner to distinguish from this interim order.

Trends across jurisdictions point to restrictions on misuse of publicly available data, as in the *GEMA* case, and permissibility under fair dealing, including the three-factor test formulated by the HC. Critics, while extensive submissions were made interpreting "derivative" and "transformative" works, the same does not form the basis for the final conclusion of the Court.

Copyright protection under the Act is ringfenced by exemptions under Section 52. Under Section 52(1)(a), "fair dealing of any work", among other things, for "private or personal use, including research" would be non-infringing. The Explanation further qualifies that "storing" in any medium for the purposes of this provision would not amount to infringement. Section 14, which restricts storing by third parties without licence from owners, has been read with Section 52(1)(a) by the HC to hold that while, in general, "storage" of copyright-protected data is an infringement, it would not be so when it falls within the exemptions. The HC follows the Supreme Court of Canada in *CCH Canadian v. Law Soc-*



NS Nappinai



A final decision in *ANI v. OpenAI* would go a long way in laying down jurisprudence on the intersection of AI and copyrights.

ADDESTOCK

ety of Upper Canada, while liberally interpreting the "private or personal use" including for research". The court does emphasise that the "research is at the behest of humans and for the benefit of humans", but then fails to clarify how training of human-made technology would qualify under this exemption.

On "fair dealing", the Court formulates a three-factor test of whether OpenAI used ANI's data only for training its LLMs, whether the outcome causes actual or potential damage to the business of ANI, and whether the functions performed by ChatGPT serve public interest. On these, the Court holds that ChatGPT's outputs are distinct from those of ANI and that extracts cannot harm the business prospects of ANI. With respect to the first test, the Court relies on factual findings to hold that Open AI has only used the data for training. The Court's stand with respect to the third test remains tentative as convenience has been confused with public interest. The need to clarify primacy of ownership

rights over convenience, therefore, still remains to be tested by judicial review. Public interest lies in having access to copyright-protected content and not in infringement thereof. Such access can be assured even through licensing, including compulsory licensing in case of hoarding of knowledge.

It remains to be seen which among the many grounds for rejection of injunctive reliefs will sustain further judicial review. A final decision in this case would go a long way in laying down jurisprudence on the intersection of AI and copyrights. Meanwhile, developers would be well advised to proceed with caution and to not violate copyright protections on misconceived interpretations of the HC judgment. Copyright owners need to tighten their technology-enabled protections, while battling for clarity in statutes.

NS Nappinai is senior advocate, Supreme Court, and founder, Cyber Saathi. The views expressed are personal

FIXING EXAMS: SYSTEMIC OR CONSTITUTIONAL REFORMS?

{ SRIDHAR RAJAGOPALAN } EDUCATION ENTREPRENEUR

Move from testing memory to testing understanding

Close on the heels of Dharmendra Pradhan resigning as the Union education minister — after student protests over NEET and CBSE irregularities — the constituted a high-power task force chaired by Infosys co-founder Nandan Nilekani, to overhaul the country's education system. While deploying advanced technology and tightening logistics are essential steps, we risk missing the wood for the trees.

The ongoing crisis is not a sudden failure of administration, but the inevitable outcome of a fundamentally broken architecture. Leaked papers, compromised marking systems, and the desperation of millions are symptoms of an education system that has prioritised rote memorisation over cognitive development for decades.

Tactical interventions such as elite committees, harsher punitive provisions, and bureaucratic shuffling only address the perimeter, not the core. To address the latter, the political class must confront deep-seated resistance and overhaul how we assess our children. From primary school to secondary board exams, our system rewards the accurate retrieval of textbook information rather than the application of concepts. What has changed over the years — at a glacial pace — is the acceptance that this is the problem. But our exams and our classroom pedagogy have not changed in tandem.

A significant percentage of students in our country struggle to acquire foundational literacy and numeracy. Even in our elite private schools, when we assess for deep understanding, our students perform below the international average. There is a belief that challenging course material and exams are unfair to those who are socially or economically challenged; this has led to the system "compensating" by lowering the cognitive demands of exams, setting in motion a cycle that teaches less and expects less. This pedagogical gap is directly linked to the desperation that fuels exam syndicates and paper leaks. When an assessment system fails to cultivate genuine problem-solving abilities, the students are left entirely dependent on a narrow battery of competitive exams. Furthermore, because the exams test memory rather than cognitive agility, possessing the question paper beforehand guarantees success. Our exams were designed to evaluate complex reasoning — utilising Item Response Theory and pedagogical research on what concepts students find more and less difficult — even a leaked paper would be of little use to a student who lacks the underlying conceptual framework.

While moving NEET to a multi-stage, computer-based testing format is an obvious recommendation, to truly resolve this crisis, the newly formed task force and policymakers must look beyond cybersecurity and logistics. We need the following structural reforms.

Transforming board examinations: Our board exams must move away from being memory tests. We need a definitive shift toward assessments where questions are designed to test understanding. Today, a student can achieve exceptionally high scores simply by memorising past papers and textbook answers. Until we

Tactical interventions such as elite committees, harsher punitive provisions, and bureaucratic shuffling only address the perimeter, not the core

design exams where a student must genuinely understand the material to pass, the incentive to cheat or rely on coaching factories will remain insurmountable. We must also benchmark ourselves for improvement by participating in international assessments such as PISA.

Implementing multi-tiered assessment architecture: The logistical challenges of securely testing millions of anxious candidates simultaneously puts the entire system under serious strain. A universally accessible, basic qualifying examination can evaluate foundational competencies. Only those who clear this benchmark should proceed to advanced, high-stakes competitive exams. The model meaningfully reduces the administrative burden on testing agencies and diffuses the anxiety that currently defines our exam season.

Leveraging large-scale learning data: We must deploy large-scale learning data tools to track student comprehension long before they reach Class 12 or university entrances. By rigorously evaluating item response parameters and diagnostic metrics throughout a student's lifecycle, we can identify remedial learning gaps early. **Rejecting systemic implementations:** We have seen major systemic changes, such as the CUEI, implemented with haste. Meaningful assessment reform is a complex systemic endeavour that requires extensive operational strategy, pilot testing, and rigorous evaluation of parameters. Rushing these changes risks failure and could further erode public trust.

The anger of our youth is entirely understandable. They deserve a system that sets them up to succeed. A secure exam that tests the wrong things is still only a partial fix. True reform will require expert, significant political capital to work through the resistance that any deep change inevitably meets.

Sridhar Rajagopalalan is co-founder, Educational Initiatives. The views expressed are personal

{ P WILSON } LAWYER

Centralised education policy can't deliver true reforms

Dr B.R. Ambedkar once said, "Examination is something quite different from education, but in the name of raising the standard of education, they are making the examinations so impossible and so severe that the backward communities which have hitherto not had the chance of entering the portals of University are absolutely kept out."

The progressive shrinking of states' space in education policy did not begin yesterday. It began with the National Policy on Education of 1968, adopted by the Union Government in the wake of the Kothari Commission, which formalised the three-language formula. Even before that policy took full shape, CN Annadurai, then Tamil Nadu chief minister, spearheaded a historic resolution in January 1968 in the assembly, rejecting the three-language formula in favour of a two-language policy (Tamil and English). That resolution was the institutional expression of a people's determination to protect linguistic identity and educational opportunity. Tamil Nadu has adhered to this policy, delivering high literacy and strong higher-education outcomes.

However, the constitutional reordering effected by the 42nd Amendment — which transferred education from the State List to the Concurrent List — demoted the states' legislative competence. The exclusive domain of the states became a shared field, which the Union increasingly dominated. This set the stage for successive national frameworks that have steadily eroded the autonomy of states to shape education according to their realities.

The National Education Policy 2020 has reversed the same pressure under a new guise. Its three-language formula, however flexible it claims to be on paper, is experienced in non-Hindi-speaking states as an instrument of linguistic imposition. When national boards and funding mechanisms push three languages as the default, states that stand by their two-language policy are portrayed as obstructive. Uniformity is preferred over genuine federal accommodation.

The NEET controversy exposes the same centralising logic. Tamil Nadu's public health system long depended on medical graduates selected through a transparent, state-centric process that prioritised local needs and social justice, while also fulfilling its constitutional mandate of maintaining public health. Tamil Nadu took the litigation route to keep NEET away since its inception (through regulations promulgated by the Medical Council of India); only in 2016 did the Union government make NEET compulsory nationwide, from 2017.

A single national entrance examination, conducted in a format that privileges coaching-centre culture and urban advantage, has systematically disadvantaged rural and underprivileged students. The Tamil Nadu assembly has twice passed legislation seeking exemption from NEET. The delay in presidential assent and the Union's refusal to amend the National Medical Commission Act demonstrate that while states may legislate, the Union remains an effective veto. The Tamil Nadu government, in fact, had

If the states' space for policy-making in education continues to shrink, even with so-called reforms, we risk a homogenised system that serves neither excellence nor equity

to file a suit before the Supreme Court challenging the withholding of assent by the President of the state NEET Exemption Bill. A private member's Bill in the Rajya Sabha to make NEET optional for states, introduced by me, awaits meaningful consideration.

The protests at Jantar Mantar in New Delhi and the failure of the Union government to enact a national examination system into sharp public focus. The agitation saw young people demand accountability and systemic reform. It underscored not just public anger but also the systemic weaknesses and crisis of confidence in centralised testing, which is not confined to one region.

These developments form part of a larger pattern. National testing frameworks, model curricula, and conditional funding increasingly determine what is taught, how admissions are conducted, and which languages are privileged. Cooperative federalism is reduced to after-the-fact consultation. When states assert their constitutional space, they are accused of parochialism. When the Union centralises, it is celebrated as national integration. This asymmetry is unsustainable.

Education policy that ignores regional languages, local knowledge systems and state-specific equity concerns produces alienation. If the space for policy-making by states continues to shrink, even with so-called reforms, we risk a homogenised system that serves neither excellence nor equity. The Union must respect the legislative and executive competence of states in the concurrent domain. National frameworks must remain guiding, not binding. Tamil Nadu will continue to defend its two-language policy and its right to determine medical admissions, not out of defiance, but out of fidelity to the constitutional promise of a diverse Union and the prospect of real reforms. The space for states in education policy-making in education must be restored and protected. Anything less diminishes the future of our children.

P Wilson is a senior advocate and member of Rajya Sabha. The views expressed are personal



Editor's
TAKE

Assam floods: A national calamity

Floods play havoc in Assam every year, but the scale of this year's devastation calls for a robust and effective flood management strategy

Six more deaths on Wednesday pushed this monsoon's toll in Assam to 95, with over 1.6 lakh people affected across 563 villages in fourteen districts now on high alert. Embankments have breached in seven places. Nearly 17,000 hectares of cropland lie submerged. Relief camps have opened and the Centre has released emergency funds. All of it is necessary. None of it is new. That is the real story of Assam's floods: not that they happen, but that they happen on schedule. Last year the toll stood at 26 dead and 6.3 lakh affected. In 2022, the Brahmaputra submerged 32 of the state's 35 districts and displaced three million people. Each time, the same script plays out – rescue, relief, condolence, forgetting – until the next monsoon revives it. Some of this is geography. The Brahmaputra carries one of the heaviest silt loads of any river on Earth, steadily raising its own bed and narrowing its capacity to hold water. Assam's fifty-odd tributaries, fed by intense upstream rain in Arunachal Pradesh and Nagaland, can turn flash floods into disasters within hours, as Upper Assam districts unused to flooding at this scale discovered this year. But much of it is policy. Assam's chief flood defence remains nearly 4,800 km of embankments, of which the state's own water resources minister admits over 60 percent need repair.

Roughly ₹30,000 crore has been spent on this approach over six decades, and by the water resources department's own admission, no long-term flood or erosion mitigation measures have ever been implemented – only short-term patchwork, rebuilt and re-breached every year. Wetlands that once absorbed excess water have been encroached upon for construction, including in Guwahati, where poor drainage now produces urban flooding on top of riverine flooding. And India still manages its most consequential upstream relationship, with China, through ad hoc hydrological data-sharing arrangements rather than a binding treaty, leaving early-warning systems partly blind upstream. There are signs of a better direction. Delhi approved ₹692 crore last October to restore two dozen wetlands across nine districts, explicitly framed as a shift from embankments toward natural flood buffers. Multilateral lenders have committed several hundred million dollars more toward a genuinely integrated, basin-wide approach. These are the right instincts. But they remain add-ons to a system still built around embankment contracts and annual relief cycles, not replacements for it. A real water policy for Assam would make basin-wide planning – flood control, irrigation, wetland restoration, urban drainage – the responsibility of one empowered authority, not scattered departments. It would zone floodplains against construction, fund flood mitigation as permanent infrastructure rather than emergency spending, and give riverine and char-dwelling communities, who have read these rivers for generations, a real seat in planning them. Assam does not lack rainfall warnings or relief funds. It lacks the political will to treat flooding as a governance failure as much as a natural one. Ninety-five deaths later, that is the reform actually due.

Handloom weaving the future of Viksit Bharat

As India marks the 12th National Handloom Day, it is time to view handloom as a strategic sector that values sustainability, authenticity and resilient supply chains



GIRIRAJ SINGH

The making of a developed nation is not defined by technology alone. It is shaped by the ability to transform enduring strengths into engines of future growth. As India advances towards Viksit Bharat 2047, we are investing in frontier technologies, strengthening manufacturing and building globally competitive industries. Yet one of our greatest strengths has been with us all along – our handloom tradition. On August 7, as India marks the 12th National Handloom Day, it is time to view handloom as a strategic sector for a world that values sustainability, authenticity and resilient supply chains.

Prime Minister Narendra Modi's vision of Viksit Bharat 2047 is built on prosperity, self-reliance, inclusivity and cultural confidence. Handloom embodies this vision by bringing together heritage and innovation, while driving women-led development, rural entrepreneurship, livelihoods and global competitiveness.

In the Vijay Rath discourse, Lord Rama teaches that lasting victory is built not on power, but on values. Those very values have sustained India's handloom tradition for centuries. Every handwoven fabric reflects the courage to preserve tradition, the patience to perfect every thread, the integrity of honest craftsmanship and the wisdom passed down through generations. That is why handloom is not merely a craft, but one of India's greatest civilisational strengths. From the Indus Valley Civilisation, where cotton was first cultivated and woven, to the eighteenth century when Indian textiles dominated global trade, India set global benchmarks in textile excellence. Bengal's legendary muslin, so fine that a 25 metre length could pass through a ring, along with Banarasi silk, Kanchipuram weaves, Pochampally Ikat and countless regional traditions, earned India worldwide admiration. Today, as the world turns towards authentic, sustainable and handcrafted products, we have a historic opportunity to reclaim that leadership. Our next handloom revolution must export not just textiles, but craftsmanship, heritage, innovation and trust, making every handwoven product an ambassador of Brand India.

Handloom is India's largest cottage industry, supporting the livelihoods of more than 35 lakh weavers and allied workers, nearly 72 per cent of whom are women. Over the past decade, the Government has strengthened the sector through the Raw Material Supply Scheme, 797 handloom



clusters, over 1.24 lakh improved looms, skill upgradation for nearly 97,000 artisans, and initiatives such as Producer Companies, GI tagged products, the Handloom Mark, India Handmade certification, Urban Haats and Design Resource Centres. Today, 29 Weavers' Service Centres provide end to end support through training, upskilling, design development, raw material assistance and market linkages, while the 11 Indian Institutes of Handloom Technology are being strengthened to expand advanced training and develop niche, high value handloom products. These initiatives mark a shift from supporting handloom as a welfare activity to building it as a globally competitive creative industry. The forthcoming National Handloom and Handicraft Programme will strengthen 1,800 clusters across 500 districts, benefit 65 lakh weavers and artisans, and establish Handmade in India as a globally recognised brand. The forthcoming National Handloom and Handicraft Programme will accelerate this transformation by strengthening 1,800 clusters across more than 500 districts, benefiting 65 lakh weavers and artisans and establishing Handmade in India as a globally recognised brand.

Innovation has always been part of India's handloom journey. Mahatma Gandhi's Ambar Charkha made spinning easier, faster and more efficient, advancing the vision of self-reliance. More recently, Assam's Maina Loom and the Chitrnanjan Handloom developed in Sivasagar have shown how better loom design can make weaving easier and more productive. Building on this legacy, the Centre of Excellence for Handloom Technology, established with the Indian Institutes of Technology, is developing lighter, stronger and easier to use looms that reduce physical effort and improve productivity, including for persons with disabilities. Under

the Centre, the Handloom 4.0 initiative uses digital tools and Artificial Intelligence to monitor productivity, quality and maintenance, and is being piloted on 100 looms before expanding across the States.

Technology should empower the artisan, not replace the artisan. Platforms such as VisionNXT can help forecast demand, identify design trends, authenticate genuine handloom products and connect weavers directly with global markets. At the same time, product diversification into premium silk, natural fibres, sustainable fibres and innovative blends can create high value products and unlock new markets. Combined with better branding, value addition and direct market access, these innovations can significantly enhance weavers' incomes. Our vision is to enable every weaver to earn a dignified and aspirational income, with the ambition of ₹50,000 per month in the years ahead.

The future of handloom depends as much on mindset as on markets. Our weavers are not merely a workforce. They are entrepreneurs, innovators and creators of value. By enabling them to build brands, move up the value chain and reach global markets, we can transform handloom into one of India's most dynamic creative industries. This is also a call to India's youth to bring together heritage and technology, creativity and enterprise, to shape the next chapter of handloom.

On this National Handloom Day, let us celebrate our weavers not only as custodians of our heritage, but as architects of India's progress. And let us make handloom a part of our everyday lives. Every handloom product we buy and wear strengthens a weaver's livelihood, preserves a timeless tradition and carries India's story to the world. By choosing handloom, we do not just wear our heritage – we help weave the future of Viksit Bharat.

EVERY HANDLOOM PRODUCT WE BUY AND WEAR STRENGTHENS A WEAVER'S LIVELIHOOD, PRESERVES A TIMELESS TRADITION AND CARRIES INDIA'S STORY TO THE WORLD. BY CHOOSING HANDLOOM, WE DO NOT JUST WEAR OUR HERITAGE — WE HELP WEAVE THE FUTURE OF VIKSIT BHARAT

The writer is the Union Minister of Textiles

PIC TALK



A peacock perches on a wall near Varun Sagar Lake in Ajmer district, Rajasthan. PHOTO: PTI



RAJYOGI BRAHMA KUMAR NIKUNJ JI

2ND OPINION

Attitude and behavior are woven into the fabric of daily life. Research has shown that individuals register an immediate and automatic reaction of good or bad towards everything they encounter in less than a second, even before they are aware of having formed an attitude. Most of the people hold complex relationships between attitudes and behavior that are further complicated by the social factors influencing both. This explains why two people placed in the same situation often respond very differently. The present state of the world, in which we live, is what it is because of certain systems viz. social, political, economic, religious and others, all these woven together into a complex structure, called society. These systems, in turn, are built on certain attitudes and values which various nations, com-



munities or groups of people have come to acquire over a period of time. When these attitudes remain unquestioned for long, they slowly turn into rigid beliefs. These attitudes, in their turn, are based on the ideas, ideologies or beliefs which people have acquired, over a period of time, from others or have learnt by first-hand experience.

Many of these beliefs were relevant in a different era, but in a rapidly changing world, they now need re-examination. So, if we want to build a better world order, there is no way to it except through attitudinal change or the shift in values and that change or shift, as has been pointed out earlier, cannot take place unless certain age-old beliefs are changed. Let us, therefore, not forget that the improvement in the self, betterment of our relationships and the spirit of service of others would not be possible without Attitudinal Change, and in order to bring

about the attitudinal change, we have to give to the society a new, convincing and inspiring ideal and also the ideology necessary to achieve that ideal.

Most of our attitudes are built up in our family and hence the deterioration first starts in the family and then it penetrates into the society. So, in order to bring about a better world, we must inspire people to make a better family. Today, the family is disintegrating and so we find that there is a tendency of separatism and fragmentation all over the world, as a result of which a country like India that is known for its rich cultural heritage and family values is now witnessing more and more nuclear families as compared to joint families which acted as a strong support system for every member.

The criteria of every relationship today is "Give & Take". And when relationships become transactions, trust slowly erodes.

We must remember a fact that a man who is dissatisfied at home, would spread dissatisfaction and tension outside as well. So, before this erosion of values devastates us, we should seriously think about changing our attitudes and start building better families, for, better families would make a better world. So, don't wait too long, adjust your attitude right now. You'd be surprised how much you really can change the world just by changing your attitude.

The writer is a spiritual teacher and a columnist

LETTERS TO THE EDITOR

Public statements must be backed by evidence

Apropos the recent statement by K Kavitha, the founder of Telangana Rakshana Sena, alleging that *The Pioneer* newspaper has been acquired for approximately ₹188 crore by KT Rama Rao or persons connected with the BRS, without being supported by verifiable evidence, has come as a surprise.

On the contrary, the publisher of the newspaper has outrightly rejected the allegations and said that no such transaction has taken place.

Political leaders have every right to raise questions, but statements regarding the ownership and independence of a longstanding media institution can impact the employees, readers, advertisers and business associates of the entity.

Public discourse must, therefore, remain factual and responsible. Either credible evidence must be placed in the public domain or the statement should be formally clarified.

Unverified allegations when repeatedly circulated through digital platforms can cause lasting reputational and commercial damage moreso when such statements are made to settle political scores.

Media ownership is a matter of record

The controversy arising out of K Kavitha's reported statement regarding the ownership of *The Pioneer* highlights the need for responsibility in political communications. The statement that the newspaper has been purchased for ₹188 crore has been categorically denied by the publisher.

The ownership and shareholding of a company are matters capable of verification through official records. Instead of allowing speculation to spread through social media, the parties concerned should place authentic documents before the public. Unsupported claims can undermine the credibility of both political leaders and media organisations.

Freedom of expression is essential but it must be accompanied by accountability, particularly when the statement has the potential to affect the reputation, editorial independence and commercial

interests of a newspaper. Also, to raise questions about bias in a media organisation is a serious concern and must be corroborated by facts as it threatens freedom of Press. The TRS leader must come clean in her allegations, or else the reputation of over an 150-year-old publication is bound to be tarnished in a game of political one-upmanship.

Political debate must not damage institutions

As a vivid *The Pioneer* reader for generations, the statement of K Kavitha that the newspaper was taken over by KT Rama Rao or BRS came as a shock recently. Having being based out of Allahabad, Lucknow and New Delhi, the acquisition claims were absorbed with a pinch of salt.

However, the newspaper's prompt rejection of the claim came as a pleasant surprise.

Political leaders make statements to settle political scores. But Kavitha's statement raising doubts over the credibility of a brand which has lasted over 165 years is a matter of serious concern.

By simply alleging that a change of ownership would undermine freedom of press is a serious charge. The Telangana leader must provide evidence substantiating her sale remarks against the newspaper or retract her statement with an apology. Such unfounded statements on the social media impacts the business entity severely, affecting its finances and credibility both.

Leaders must refrain from dragging business entities into their political manoeuvres without any evidence and stoip using social media to further their intentional bias.

SPACEX MOON CRASH OFFERS VALUABLE SCIENTIFIC RESEARCH OPPORTUNITY

An out-of-control rocket stage from Elon Musk's SpaceX has crashed into the lunar surface at a speed of nearly 8,960 km/h. According to NASA, the impact poses no threat to Earth.

The object was the upper stage of a SpaceX Falcon 9 rocket launched from Florida in January 2025 to carry three lunar landers from Japan and the United States into space. After completing its mission, the rocket stage remained in orbit, gradually drifting under the gravitational influence of the Earth, the Moon and the Sun before eventually colliding with the lunar surface.

While the incident may appear alarming, it presents a unique scientific opportunity. Unlike natural meteorites, whose size, speed and composition are usually

unknown before impact, scientists already possess detailed information about this rocket stage, including its weight, dimensions and velocity. This makes the event especially valuable for research.

By studying the newly formed crater and the dust ejected by the impact, researchers can gain deeper insights into the Moon's surface, impact processes and the geological evolution of celestial bodies. Such observations may also improve our understanding of how the Moon and the wider Solar System formed billions of years ago.

The incident highlights how even an unintended space event can contribute significantly to scientific knowledge and future lunar exploration.

YASHASWI BAIRAGI | UJJAIN

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

SANJAY MISHRA | NEW DELHI

VIPUL SINGHAL | NEW DELHI

ASHOK KUMAR | LUCKNOW

Why the Cauvery dispute needs science, trust and ecological renewal

The immediate crisis may be managed through compliance and dialogue, but lasting peace in the Cauvery basin will require far more than court orders. It demands transparent, science-based water management, real-time hydrological data, climate-responsive water allocation mechanisms, and, above all, the restoration of forests



BK SINGH

'The dispute between Karnataka and Tamil Nadu over the sharing of Cauvery water is a hundred years old. The Cauvery Water Management Authority (CWMA) ordered Karnataka on 28 July to release 3,500 cusecs of water every day for fifteen days. Biligundlu, a water-measuring station in Tamil Nadu, records the outflow from Karnataka. The CWMA was constituted by the Supreme Court in 2018 to oversee the implementation of the Cauvery Tribunal Award. The long-pending dispute was resolved by the Supreme Court in 2018, allocating 404.25 TMC to Tamil Nadu, 284.75 TMC to Karnataka, 30 TMC to Kerala and 7 TMC to Puducherry. In the same order, the Supreme Court also recognised 740 TMC per year as the drinking water requirement for Bengaluru.

Due to deficient rainfall during June and July this year, Karnataka's reservoirs were 65.6% below the 30-year average level by the end of July. Karnataka moved the CWMA again, arguing that releasing water at this stage would jeopardise the water supply required for drinking purposes up to June 2027. The State argued that Tamil Nadu had already benefited from the earlier releases of water and would soon receive the North-East Monsoon. It further added that maintaining a flow of 3,500 cusecs would require a release of 7,000 cusecs from the upper reservoirs, considering the dry conditions of the riverbeds and transmission losses. Tamil Nadu opposed the move and charged Karnataka with not sharing the distress-sharing formula. The CWMA rejected Karnataka's submission and directed it to continue releasing water according to the 28 July order. However, due to the sudden revival of the monsoon in early August, the four reservoirs, namely Krishna Raj Sagar, Hemavati, Kabini and Harangi, in the Cauvery basin are receiving an inflow of 81,000 cusecs of water a day. In view of this, the Karnataka Government conducted a meeting of representatives of all political parties and decided to comply with the direction of the CWMA. Despite this, Tamil Nadu is knocking on the doors of the Supreme Court.

The overall drought situation in Karnataka is quite severe. Mandya farmers are protesting over water for agricultural crops. Bengaluru is totally dependent on Cauvery water. Karnataka must present relevant data on the drought to the Central Government, concerned ministries and authorities. Furthermore, MPs from Karnataka should also raise the issue in Parliament. The Government should aggressively bring the data into the public domain and use back-channel communication to explain the prevailing hydrological conditions within the bureaucracy. A bilateral meeting between the Chief Ministers of the two states would be a welcome step, but it has been put off amid escalating tensions over the Cauvery water-sharing dispute. It is hoped that it materialises soon.

The crisis in Cauvery water sharing has been caused by a steep rainfall deficit in the catchment during the first two months of the south-west monsoon this year. The IMD and WMO have forecast a Super El Niño, which may impact the rainfall pattern from August/September onwards; however, the rainfall deficit during June and July is attributed to local weather conditions. The IMD's forecast covered all regions of the country, but the Western Ghats region of peninsular India has registered a greater rainfall deficit compared with other parts of the country. However, the WMO's latest update predicted the possibility of a positive Indian Ocean Dipole (IOD), which could offset the impact of El Niño.

El Niño is a climatic pattern involving the warming of surface waters in the central and eastern tropical Pacific and is linked with a weak monsoon and relatively harsher summers. The IOD is governed by the difference in sea surface temperature between the western and eastern tropical Indian Ocean. A positive IOD helps form stronger monsoon winds and can partly nullify the influence of El Niño.

The Cauvery water dispute between Tamil Nadu and Karnataka is a flashpoint in distress years, when reservoir levels are low and riverbeds are dry. In this opinion piece, let me bring out some short-term and some long-term solutions to deal with the issue.

Hydrologists are of the view that the principle behind sharing water in distress years is to distribute the shortfall proportionately between the states. In other



A STREAM ORIGINATES FROM EVERY PATCH OF SHOLA, CARRYING WATER DOWNHILL TO JOIN LARGER STREAMS AND TRIBUTARIES BEFORE FINALLY FLOWING INTO RIVERS. IT IS THESE RIVERS THAT FEED WATER TO THE RESERVOIRS. THE FLOW OF WATER IN STREAMS ORIGINATING FROM THE SHOLAS CONTINUES EVEN AFTER THE END OF THE RAINY SEASON, CONFIRMING THAT THE WATER REMAINS STORED IN THE ROOTS OF THE TREES

The writer is the retired Head of the Forest Force, Karnataka

words, the water received in the basin should be shared proportionately among all stakeholders. The principle is accepted by all, but the difficulty arises when stakeholders question the quantity of the rainfall deficit, reservoir storage, inflows, drinking water requirements, or any other data presented by the other side. A third-party assessment of the data may be acceptable to both sides.

Experts have flagged genuine issues and have called for updated studies on siltation in major reservoirs, accurate live storage of water, rainfall, and transparent real-time hydrological data. Any formula worked out on the basis of these data will inspire greater confidence among stakeholders and would be more acceptable. They also add that climate variability has made droughts more frequent. The allocations designed on a monthly schedule and based on a normal monsoon do not work in distress situations. The allocations must be made dynamic and should depend on science-based temporal and spatial data, certified by a third party.

Among the several reservoirs in the Cauvery basin, Krishna Raj Sagar, Harangi, Hemavati and Kabini are the main ones, where gates are opened to release water to Tamil Nadu. The catchments of these reservoirs were heavily forested, but, with the passage of time, anthropogenic pressures led to the degradation of forests in the catchments. As a result, large quantities of silt come down through streams and tributaries and get deposited in the reservoirs. The rate of siltation is directly proportional to the loss of tree cover in the catchments. Frequent desiltation of the reservoirs is not practical, as dewatering of reservoirs during the summer season is often avoided to save summer crops. A high proportion of the dead storage in the reservoirs contains silt. Continuous deforestation in the catchments will have to be prevented so that their water-holding capacity is not compromised.

The current tension between the two states can be resolved by exchanging authentic data, but the long-term solution can come only by preserving the landscape and avoiding changes in the land-use pattern of the catchments. The Cauvery catchments in Karnataka comprise good-quality forests as well as shola forests interspersed with grasslands. Apart from the legal and illegal cutting of trees to satisfy different interests, such as land grabbing and the felling of valuable trees, the grasslands are set on fire every year. Although the fire does not enter the sholas, it scorches all around their periphery. Every year, the sholas shrink, and so does their capacity to hold water.

The roots of trees in the sholas act like a sponge and store water during the rainy season. A stream originates from every patch of shola, carrying water downhill to join larger streams and tributaries before finally flowing into rivers. It is these rivers that feed water to the reservoirs. The flow of water in streams originating from the sholas continues even after the end of the rainy season, confirming that the water remains stored in the roots of the trees. As the sholas shrink, the summer flow in the streams depletes. A special drive must be undertaken to prevent fires and conserve the sholas, as well as all other forests in the river catchments.

This year's drought has also triggered a war of words between the political parties of the two states. The Karnataka Government is set to revive its Mekedatu Project on the River Cauvery, planned to solve the drinking water problem of Bengaluru city. Tamil Nadu opposes the project, fearing that its share of Cauvery water would decline in future distress years. In my opinion, this project would be an environmental disaster, as 5,000 hectares of dry deciduous forests would have to be sacrificed. The loss of forests would make wildlife homeless and increase human-wildlife conflict. The population density of elephants in the area is quite high; elephants straying into villages would trample people and damage crops, creating an irreversible situation.

Green hydrogen needs a climate finance architecture



RIA SINHA

India's National Green Hydrogen Mission (NGHM) aims to catalyse more than ₹8 lakh crore (over US\$100 billion) of investment while developing an annual production capacity of 5 million metric tonnes of green hydrogen by 2030. The ambition is not merely to decarbonise hard-to-abate sectors but to position India as a global hub for green hydrogen manufacturing and exports.

Yet mobilising capital at this scale will require more than generous incentives or larger climate funds. It will require a financial system capable of financing technologies that are commercially promising but have yet to evolve into mature infrastructure assets. As the Reserve Bank of India advances its climate risk framework and financial institutions increasingly integrate climate considerations into lending decisions, the focus must now shift from managing climate-related financial risks to building the institutional architecture that enables climate investments themselves.

This explains an important paradox in India's energy transition. Commercial banks readily finance utility-scale renewable energy (RE) projects, yet green hydrogen, battery energy storage and industrial decarbonisation projects continue to struggle to achieve financial closure. The conventional explanation is that banks remain overly risk-averse. That diagnosis, however, mistakes the symptom for the problem.

Banks are not unwilling to finance climate technologies; they are unwilling to finance risks they cannot adequately assess or price. A 500 MW solar park today can comfortably secure long-tenor debt, whereas an equally ambitious green hydrogen project often struggles to attract financing. The difference lies less in the technology than in the predictability of future cash flows. Competitive auctions, standardised power purchase agreements, payment security mechanisms, declining technology costs and experienced developers created stable revenue streams that lenders could underwrite with confidence.

Green hydrogen presents a fundamentally different proposition. Despite the NGHM and significant public support, lenders continue to confront four unanswered questions: Who will purchase green hydrogen? At what price? Under what contractual arrangements? And for how long?

Similar uncertainties confront battery energy storage, where revenues depend on evolving ancillary service markets and capacity payments, and industrial decarbonisation projects, where returns often arise from avoided costs rather than dedicated revenue streams. These sectors are commercially promising, but they have not yet developed the predictable revenue models that conventional project finance requires. These are not merely financing constraints. They are bankability constraints.

This distinction fundamentally changes the policy response. If capital scarcity were the principal challenge, mobilising larger climate funds or attracting additional international finance would be sufficient. But where projects lack revenue certainty, investable risk profiles and mature market structures, additional liquidity alone is unlikely to unlock commercial investment. International experience points in a different direction. Germany's Carbon Contracts for Difference (CfDs) and H2Global programme reduce market risk by providing long-term revenue certainty for green hydrogen and industrial decarbonisation. The UK's Green Investment Bank demonstrated how specialised public institutions can crowd in private capital into commercially nascent sectors. The common thread across these models is institutions designed to convert uncertainty into investable opportunities. India's next challenge is building the institutional architecture that makes emerging climate technologies bankable. Recent research by the Chintan Research Foundation proposes a Climate Finance Architecture Framework in which emerging sectors become investment-grade only when risks are systematically reduced as projects mature.

The first stage is pipeline creation. Institutions such as MNRE, SECI and state governments should move beyond production incentives towards project preparation facilities, standardised long-term hydrogen purchase agreements, industrial demand aggregation and common infrastructure within hydrogen hubs to create a pipeline of investment-ready projects with predictable contractual arrangements.

The second stage is early-stage risk absorption. Institutions such as the National Investment and Infrastructure Fund (NIIF), sovereign-backed climate funds and multi-lateral development banks should establish platform-level investment vehicles capable of absorbing technology, construction and market risks across diversified portfolios rather than financing individual projects. Such platforms can anchor private investment by improving risk allocation.

The third stage is commercial debt mobilisation. Once project risks begin to decline, specialised lenders such as IREDA and REC, together with commercial banks, should provide long-tenor debt supported by blended finance structures, partial credit guarantees and risk-sharing facilities. Public finance should complement, and not replace, commercial capital by addressing risks that private lenders cannot efficiently bear.

The fourth stage is financial intermediation. India requires specialised intermediaries capable of aggregating projects, warehousing assets, standardising documentation and refinancing operational portfolios. Individual green hydrogen projects may remain too small or risky for institutional investors, but diversified portfolios can evolve into investment-grade assets capable of attracting pension funds, insurance companies and global climate investors.

The final stage is capital recycling. Regulators, capital markets and institutional investors must facilitate green bonds, securitisation, InvITs and other market-based instruments that enable mature assets to be transferred from bank balance sheets to long-term investors. Recycling capital is essential if commercial banks are to finance successive waves of climate investments without stretching their balance sheets.

India's renewable energy sector offers an important lesson. Solar parks did not become bankable because banks suddenly became more willing to lend. They became bankable because institutions progressively allocated risks, standardised market practices and created financing mechanisms aligned with lenders' risk appetite.

Green hydrogen now demands the same institutional evolution. India's leadership in the next generation of clean technologies will ultimately depend not only on technological innovation or larger financial commitments, but on whether its financial institutions evolve as rapidly as its energy ambitions. The next chapter of India's energy transition will therefore be written not by capital alone, but by a Climate Finance Architecture Framework capable of systematically converting technological promise into investable infrastructure.

The writer is a Senior Research Consultant at the Centre for Climate Change and Energy Efficiency, Chintan Research Foundation

Beyond ritual: Sawan as a catalyst for environmental responsibility



GAURAV KUMAR SHARMA

When the first monsoon clouds gather over the Himalayas and the fragrance of rain rises from the earth, something stirs deep within India's collective memory. Sawan does not merely announce the arrival of a new season; it awakens an ancient relationship between faith and nature. Rivers begin to swell, forests regain their emerald hues, and the land breathes again after months of scorching heat. It is no coincidence that this sacred month is dedicated to Lord Shiva, who bears the Ganga in His matted locks, dwells amidst the Himalayas, and embodies the eternal harmony between humanity and the natural world. To worship Lord Shiva has always been to honour the rivers, mountains, forests, and every form of life that surrounds Him. Perhaps that is Sawan's deepest message—that devotion reaches its highest expression when it inspires responsibility towards the very creation Lord Shiva represents.

This spirit comes alive in the Kanwar Yatra. Millions of devotees undertake the pilgrimage carrying the sacred Ganga jal, transforming individual faith into a remarkable expression of dis-

cipline, equality, and collective service. Along the route, citizens, voluntary organisations, and temples establish bhandaras, medical camps, and resting facilities, while local administrations ensure sanitation, healthcare, traffic management, and public safety. Together, they create one of the world's largest examples of community participation inspired by faith. The Bhagavad Gita captures the essence of this spirit through Lord Krishna's timeless teaching—Karmanye vadhikaraste ma phaleshu kadachana—that duty performed without expectation of reward is itself an act of worship. Offering water to a weary pilgrim, keeping the pilgrimage route clean, protecting a river, or planting a tree are not separate from devotion; they are devotion in action.

India's environmental consciousness is deeply rooted in its civilisational heritage. The Vedas revere rivers as mothers and forests as sacred spaces of learning.

The concept of the Panchamahabhuta—earth, water, fire, air, and space—reflects an ancient understanding that humanity and nature are inseparable. The Ramayana portrays forests as landscapes of wisdom and coexistence, while the



Mahabharata reminds us that dharma sustains the balance of the world. Long before sustainability entered global discourse, Indian thought had already recognised that human well-being depends upon ecological harmony.

Today, this timeless wisdom finds contemporary expression in Mission LiFE (Lifestyle for Environment), which encourages environmentally conscious choices through everyday behaviour.

Sawan offers an ideal opportunity to translate that philosophy into practice. An inspiring example already exists in Lucknow's Green Bada Mangal initiative, which has shown how a

deeply rooted religious tradition can embrace eco-friendly practices by reducing single-use plastics, promoting biodegradable alternatives, ensuring effective waste management, and encouraging community participation.

The Kanwar Yatra has the scale to take this spirit even further. Refill water stations instead of disposable plastic bottles, reusable steel utensils in bhandaras wherever feasible, biodegradable alternatives where necessary, and responsible waste segregation can together make the pilgrimage an inspiring model of sustainable public participation. These practices do not change tradition; they strengthen it by reflecting the timeless Indian ethos of living in harmony with nature, and they complement other national initiatives such as the Swachh Bharat Mission and Namami Gange, which have reinforced cleanliness, responsible waste management, and river conservation through active public participation. Their lasting success lies in the partnership between government, communities, and citizens, demonstrating that sustainability becomes truly transformative when it evolves into a people's movement.

One of Sawan's greatest strengths is its scale.

A reusable bottle instead of a disposable one, a cloth bag replacing plastic, a sapling planted along a pilgrimage route, or a wrapper picked up instead of ignored may appear small. Yet, multiplied by millions of devotees, these simple acts reduce waste, protect biodiversity, and preserve the sanctity of pilgrimage routes. Environmental conservation succeeds best when it becomes part of culture rather than compulsion, and Sawan provides precisely that opportunity.

As another Sawan unfolds, it offers an opportunity to every stakeholder—devotees, Kanwariyas, temple committees, volunteers, community organisations, local administrations, and governments—to make one of the world's largest annual pilgrimages one of its most sustainable as well. Cleaner pilgrimage routes, environmentally responsible bhandaras, plastic-free public spaces, and active citizen participation are not departures from tradition; they are a reaffirmation of the values that have always defined it. This Sawan, let every prayer be accompanied by a conscious act of conservation, every bhandara become an example of sustainable seva, and every Kanwariya an ambassador for nature. Among the finest offerings we can make to Lord Shiva is the resolve to leave behind cleaner rivers, healthier forests, and a greener India for generations to come. In serving nature, we honour Lord Shiva—not only in faith, but in action.

The writer is a Media and Communication Officer with the Press Information Bureau, Government of India

Administrative records can reshape policy

MEHAKK BHARADWAJ

Every few years, India's official statistical machinery undertakes one of the largest data collection exercises in the world. Surveyors travel across the country to record household incomes, employment, health outcomes, sanitation practices and educational attainment.

These surveys, from the National Family Health Survey (NFHS) to the Periodic Labour Force Survey (PLFS) have long been the backbone of evidence-based policymaking. Yet, by the time the data are cleaned, analysed and published, the country they describe has often moved on.

Today, evidence about India is also being generated continuously as a by-product of routine digital transactions. Every UPI transaction, GST return, welfare payment, school enrolment and hospital registration leaves behind a digital administrative record. Individually, these records exist to deliver public services. Collectively, they provide governments with a continuously updated picture of the economy and society.

This points to an important shift within official statistics: the growing use of administrative data as a complement to surveys and censuses. The Ministry of Statistics and Programme Implementation has described administrative data as data generated as a by-product of routine administrative processes, offering granular insights that help move governments towards more continuous and comprehensive data systems. Administrative data should not replace surveys; it should complement them. Surveys remain indispensable for measuring outcomes that routine government records cannot capture such as perceptions, aspirations, unpaid work and household well-being. Administrative data, however, offers something surveys often cannot: timeliness, scale and operational detail. Used together, they

can move policymaking from retrospective assessment to real-time governance.

Built on the Jan Dhan-Aadhaar-Mobile (JAM) architecture, platforms such as the Goods and Services Tax Network (GSTN) and the Unified Payments Interface (UPI) generate high-frequency indicators of economic activity. The high-frequency indicators tracked by the Government include electricity consumption, the Index of Industrial Production (IIP), steel and cement production, GST collections, e-way bills, PMI manufacturing and services indices, railway freight, air passenger traffic, bank credit growth, port cargo traffic, and merchandise exports and imports, among others.

Rather than waiting months for survey estimates, policymakers increasingly rely on administrative signals such as GST collections, e-way bill generation and digital payments to assess consumption trends, monitor compliance and refine revenue forecasts.

The Covid-19 pandemic demonstrated why this matters. Lockdowns disrupted household surveys precisely when governments needed timely evidence. Administrative data fills that gap. India's CoWIN platform provided real-time vaccination dashboards, while existing beneficiary databases under the Pradhan Mantri Garib Kalyan Yojana enabled rapid delivery of food grains and cash assistance.

The lesson was clear: resilient governance depends not on collecting more data during a crisis, but on using existing administrative records effectively.

Building an integrated administrative data ecosystem is an ongoing effort. Education databases rarely connect with welfare registries, labour records often operate separately from health systems, and departments continue to collect similar information in incompatible formats.

The Ministry of Statistics and Programme Implementation (MoSPI) has been working actively to address



these gaps. Initiatives such as the National Metadata Structure (NMDS) and data governance guidelines are important first steps towards common standards and greater interoperability, but much more remains to be done.

Fragmentation is not the only challenge. Administrative records are generated primarily to deliver and administer programmes. Their statistical value therefore depends on how well they are harmonised, validated and standardised for measurement, an area where classification and metadata standards make a significant difference. They capture those who interact with government systems while often overlooking those who remain outside them.

India's large informal workforce, for example, leaves only a partial administrative footprint. Similarly, healthcare databases record those who access services, not necessarily those who need them. Without careful validation, administrative data can reinforce existing blind spots rather than eliminate them.

The challenge, therefore, is not simply technical but institutional. Linking databases across departments requires common identifiers, shared metadata standards and robust privacy safeguards. Equally important is public trust. Citizens must be confident that information shared for one public purpose will not be misused for another. In this regard, MoSPI has also given directions on data harmonisation. MoSPI is actively handling the institutional gap, such as listing unique identifiers, international and national classifications/standards among other efforts.

International experience offers useful lessons. Estonia's X-Road platform demonstrates how government agencies can securely exchange information while ensuring citizens provide the same information only once. Rather than replicating this model, India should adapt its underlying principles to its own federal governance structure, building an interoperable, privacy-preserving data exchange architecture that enables departments

to work together while maintaining clear accountability. The future of official statistics is not a choice between surveys and administrative data. Surveys will continue to provide representative estimates and measure dimensions that administrative systems cannot. The role of surveys, however, should increasingly shift towards validating administrative records, identifying coverage gaps and correcting systemic biases rather than repeatedly collecting information that governments already possess.

India does not suffer from a shortage of data. It suffers from disconnected data. The next frontier of evidence-based policymaking lies not in collecting more information, but in connecting the information already available through secure, interoperable and trusted public sources. That is how administrative data can become not just a record of governance, but a foundation for smarter governance.

The writer is an Embark India Development Fellow at the Ministry of Statistics and Programme Implementation. The views are personal.

100 Years Ago



Front page of The Statesman dated 07 August 1926

OCCASIONAL NOTE

MORTALITY statistics do not convey accurately the incidence of sickness in a town or country, for, of course, only a proportion die of those taken ill, and it may happen that in an area where, and during a time when, many more people than usual have suffered from some disease, the mortality statistics may even show an improvement. Some of the forms of influenza prevalent in India often put half the population of a town into bed, but no signs of its prevalence are to be found in the figures compiled by health officers. In places like Calcutta, where there are many and large hospitals in which accurate registers are kept, it would not be impossible for some one who had the time and patience to compile a chart showing, apart from the mortality returns, the seasons and months in which sickness is most rife. Pending the publication of such a chart people interested in the subject have to rely on their own experience or on the statements of medical practitioners and others. So far as Calcutta is concerned the general view is that three periods of the year are likely to be unhealthy. January is the month for colds and coughs, and April and September for various unpleasant kinds of fevers. It will be noted that the worst months of the year from the point of climate, May and June, when it is hottest, and July and August, when it is dampest, are not included in these periods.

News Items

INDUSTRIAL MISSION TO AMERICA

EMPLOYERS AND MEN REPRESENTED

(BRITISH OFFICIAL WIRELESS.)
RUGBY, AUG.

IT is understood that the Commission which, with the approval of the British Government will proceed to the United States to enquire into industrial conditions there, will consist of five members. Two will be representatives of the trade union movement, two will represent the employers, and the Commission will be headed by Sir William Mackenzie, who has served on many important industrial enquiries.

An official of the Ministry of Labour will accompany the Commission.

The newspapers state that the two Trade Union representatives will be Mr. Ernest Bevin, General Secretary of the Transport Workers' Federation, and Mr. Kaylor, a member of the Executive Council of the Amalgamated Engineering Union.

Mr. Bevin is one of the chief Trade Union leaders. His championship of the dockers won him, several years ago, the title of the Dockers' Advocate. Mr. Kaylor was Industrial Advisor to several Government committees during the war.

The investigations of the delegation will not be confined to the United States, but will be extended to include Canada, and every important industrial centre in the two countries will be visited.

Ample facilities will be provided, both in America and Canada for the work of the delegation.

BIG NATAL FIRE

500 ACRES OF SUGAR CANE DESTROYED

DURBAN, AUG.

ONE of the most disastrous sugar cane fires in the history of Natal has destroyed 500 acres of sugarcane along the Illovo river. The fire spread for five miles along the coast to Durban. It is believed that at least twelve natives have been burned to death. Three Europeans were trapped in the blazing fields, but two escaped miraculously by lying down and allowing the flames to pass over them. The third was able to get out of the path of the fire.—Reuter.

Odisha's Gen Z faces a campus crisis

KARTIK PRADHAN

When young voices gathered at Jantar Mantar recently to demand accountability and fair recruitment, the spark resonated far beyond the national capital. For the youth of Odisha, that wave of student assertion hits close to home. An entire generation in the state is currently caught in a tiring loop of administrative blunders, delayed recruitment notifications, and legal deadlocks. What was supposed to be a journey of higher learning and career building has turned into a test of survival.

Look at the sheer number of roadblocks hitting a young candidate in Odisha today. The Sub-Inspector recruitment exams have been rocked by scam allegations. The Revenue Inspector examination, handed over to controversial testing agencies, faced severe technical glitches that ruined months of hard preparation for thousands of rural aspirants.

For those aiming at academia and teaching careers, the wait is even more agonizing. Even for university gold medalists, NET qualifiers, and Ph.D. scholars who have proven their academic merit, the path forward is

blocked by procedural paralysis. The State Selection Board lecturer recruitment has been stuck in court for over two years, leaving qualified candidates waiting date after date while state colleges run with massive faculty shortages.

Similarly, thousands of teaching aspirants find themselves stuck due to legal and administrative delays surrounding the Leave Training Reserve (LTR) teacher recruitment process. Compounding these issues, the National Council for Teacher Education recently issued show-cause notices to 15 B.Ed colleges across Odisha over alleged illegal faculty appointments and eligibility violations. When teacher training institutes themselves fail basic compliance, what kind of educators are we preparing for the future? This carelessness is not limited to higher education, as it starts right in school. The recent disclosure of 1,678 factual errors in state school textbooks showed how deeply quality control has slipped. From primary school books to university recruitment, administrative apathy seems to be the common thread running through the system.

Even when the government tries to modernize, the execution burdens

the students. The state launched a unified HIMS portal for faculty recruitment across universities, which was supposed to simplify applications. Yet, an applicant applying to four different universities through this portal is forced to pay separate, heavy application fees for each institution. Adding to the frustration is the practice of re-engaging retired faculty members. While thousands of NET and Ph.D. qualified young scholars sit unemployed, re-hiring retired professors closes doors for the next generation.

Because of these hurdles, Odisha's youth are beginning to push back. At VSSUT in Burla, students raised their voices against rigid uniform rules that felt disconnected from a modern engineering campus. Across the state, aggrieved aspirants of LTR teacher recruitment and other stalled exams are taking to digital platforms and street demonstrations to demand swift court resolutions and fair recruitment schedules. These are not isolated protests, as they show a growing refusal among students to accept administrative inefficiency as normal.

There is also a glaring contradiction in state policy. While the government's fee waiver scheme from KG to PG is



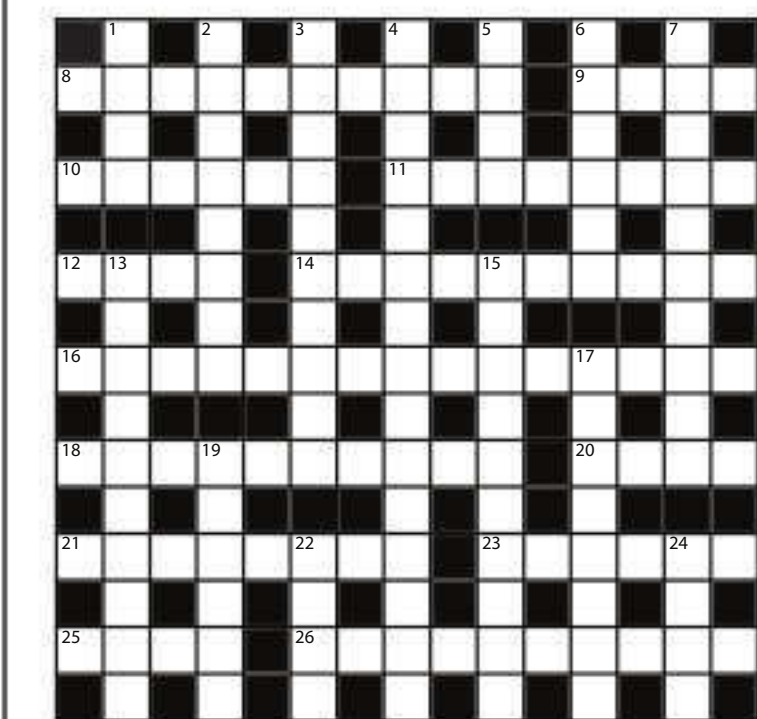
a welcome initiative on paper, the ground reality for self-financing courses tells a different story. Students in these programmes continue to pay exorbitant admission and development fees, turning higher education into a costly burden for middle-class families.

This brings us to a crucial turning point. As recruitment scams, court stays, and administrative flaws pile up, the question is no longer just about fixing individual exams. It is about the future of Odisha's youth.

Will Gen Z need an intellectual revolution by building a clear, organized demand for transparency, digitized exam governance, and merit-based hiring before a real change can happen on the ground? Or will the youth allow these systemic failures to quietly pass by? The answer to that question will decide not just the fate of our campuses, but the future of the state itself.

The writer is a Gen Z scholar from Odisha and Gold Medalist in M.A. Political Science from the Central University of Punjab.

Crossword | No. 293544



Yesterday's Solution



ACROSS

- 8 River Test perhaps associated with certain types of plant (10)
9 See 1 Down
10 Where one might go to mix and produce New Order (6)
11 Effete English rogue gripped by depression (8)
12 Person who employs American head of state (4)
14 Explicit film stopping progress

- 16 Where Force acts also leads to violence and vandalism (6,2,7)
18 Approach case of leprosy with treatment of dubious validity (10)
20 Show embarrassment, ultimately going pink (4)
21 Relatively unknown economist ran German banks (8)

- 23 Dull parent replaces contents of diary (6)
25 Glance through second novel by Kipling (4)
26 Where fare-dodger's journey ends? (10)
DOWN
1/9 Horny beast and colonist run off together (8)
2 Big Brother writer has cast actor for second half (8)

- 3 Reporter's still writing material? (10)
4 Boring way to describe Reading? (6-2-3-4)
5 Look to oust broadcaster's central position in syndicate (4)
6 Word used by unprincipled genius (6)
7 Publicist dashes round entrance outside court (4,6)
13 Part of fence catching small rider

- in Grand National lottery? (10)
15 American tortoise jumped into water to get bird (10)
17 Characterful piece given alternative title, oddly (8)
19 Damp and sticky like shellfish? (6)
22 Struggle to breathe when doctor rings (4)
24 Core component deleted from Android's top-level directory (4)

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

INTERNATIONAL EDITORIALS



OPINION

El-Sayed’s Deflected Bigotry



UNRULY REPUBLIC
By Barton Swaim

Michigan’s Democratic Senate primary went about as well as it could for Republican nominee Mike Rogers, and about as badly as it could for the country. An easy win by Abdul El-Sayed, the Bernie Sanders-endorsed anti-Israel leftist, might have forced so-called establishment Democrats—particularly elected ones—to acknowledge their problem.

That problem is of course antisemitism. Mr. El-Sayed’s single-point win over Rep. Haley Stevens after leading in the polls by an average of 10 points will allow normie Democratic pols to assume the antisemitic mania infecting their party has begun to fizzle out. He will likely lose in November, and the party’s moderately pro-Israel liberals can remain in their silent placidity.

A brief refresher on Mr. El-Sayed’s crankery. He has refused to acknowledge the Jewish state’s right to exist. He has repeatedly, you could almost say obsessively, criticized Ms. Stevens for accepting campaign contributions from the American Israel Public Affairs Committee, or AIPAC. He damns terrorists with faint praise, as when he condemned the attack on a Jewish school in West Bloomfield, Mich., before excusing the perpetrator with the words “hurt people do hurt people.” And of course Mr. El-Sayed campaigns with Hasan Piker, who, as a podcaster

rather than political candidate, has the luxury of making explicit his hatred for Israel.

Ms. Stevens, who spent the campaign avoiding the subject of Mr. El-Sayed’s not-quite-spoken animus, last week ventured a diagonal allusion to it. “You want to blame all your problems on Jewish Americans,” she said in an online post. But she also vowed to support him in the general election—a paradox that nicely captures her party’s pusillanimity on the Jewish question.

Democrats face a choice: denounce him for antisemitism or remain silent.

Forget the Michigan race’s narrow margin. Some 750,000 Midwestern voters pulled the lever for Mr. El-Sayed and did so at a time when violent assaults on Jews and synagogues crowd the headlines: another data point, for those who need one, that the ancient bigotry spreads apace. The mayor of New York has spent his first months in office defaming the Jewish state. The succession of progressives who’ve won Democratic primaries in New York, New Jersey and Colorado rode to victory on the strength of their anti-Israel tirades.

I haven’t forgotten the right—top-rated podcasters bedevil their listeners with lies about Israel, the vice president of the United States refuses to distance himself from one of them, and every-

where young, mostly male reactionaries dabble in theories pinning America’s problems on the Jewish state. But GOP officeholders and conservative scribblers have mostly found the nerve to speak up.

What explains Democrats’ urge to de-emphasize or ignore it all? Leave aside cowardice and self-interest. A cartoonish ahistorical perception of antisemitism plays a large role.

Bigotry among the tutored and well-spoken almost always wears a costume. Reading the history of medieval and early modern Europe, I wince, as a Christian, at the intermittent pogroms and bursts of Jew-hatred. The Jews’ economic success, together with their cultural and religious nonalignment, provoked resentment among the masses and hostility among the clergy. The idea that Jews deserved expulsion because their forbears had killed Jesus made little sense inasmuch as (a) his death, according to Christian doctrine, made salvation possible, and (b) Jesus and all his disciples were themselves Jews. Weak arguments gave permission to atrocious behavior. That was their point.

A great many Nazi political leaders and military officers didn’t think of themselves as antisemites or bigots at all. They felt compelled to perpetrate horrors against the Jews—as ordinary Germans and Austrians silently, if reluctantly, approved—because a collection of allegedly scientific theories about racial corruption made it all necessary. Adolf Hitler himself thought some Jews good people but believed the hard realities of

race made this fact irrelevant.

Long have well-meaning, enlightened Westerners assumed that the liberal values regnant in their democracies would arrest any attempt to revive antisemitism. Toss that idea. Today’s antisemites indulge in the oldest bigotry precisely because liberal values demand it—so they tell themselves and each other. Hence the need to invent stories about the Israeli military starving Palestinians and Israel’s prime minister commanding the targeting of children. These and a thousand similar lies don’t cover 100% of Jewry the way German racial theories did, but they go a long way. Deflecting to Israel, Benjamin Netanyahu and AIPAC allows the modern progressive to deplore the overwhelming majority of Jews—the ones who won’t renounce Zionism—while retaining progressive values. Why scorn Israel? The principles of humanitarianism! Jew-hatred always finds a way.

The enlightened 21st-century antisemite absolves himself by noting the existence of anti-Zionist Jews—much in the way late-medieval churchmen could remain complacent in their unchristian hatred because, after all, Paul of Burgos (1351-1435) and Johannes Pfefferkorn (1469-1521), Spanish and German Jews respectively, had converted to Catholicism and zealously advocated the persecution of Jews.

Elected Democrats would do their party and their country a service by concluding that Mr. El-Sayed will lose in November and denouncing him as the antisemite he is. Or they can keep silent.

BOOKSHELF | By George Woudhuysen

A Siege Reconsidered

1453

By Anthony Kaldellis
Oxford, 352 pages, \$29.99

By 1453 the Roman Empire’s domain had been reduced to Constantinople and some thin strips of coastal territory outside the city, as well as a few Aegean islands and the Peloponnese. But even over those areas, Constantine XI, the Roman emperor, had limited control. At Constantinople, every government decision involved negotiations with the representatives of the great Italian maritime republics, Venice and Genoa, who dominated the city’s economic life and enjoyed extensive legal privileges. The imperial capital was a shadow of its former self, its population perhaps 30,000, down from a medieval peak nearly 10 times that.

Sensing opportunity, Mehmed II, the Ottoman sultan, arrived at the walls of Constantinople on April 5. He brought with him perhaps 60,000 soldiers, along with numerous cannons, some of enormous size, to besiege the city; a newly constructed fleet patrolled the Bosphorus. The Ottomans had extensive experience besieging cities, plundering wealth and selling prisoners into slavery. The outcome appeared inevitable. On May 29, Constantinople fell and Roman history came to an end.

The siege is the subject of Anthony Kaldellis’s “1453: The Conquest and Tragedy of Constantinople.” It is a story that has been told before, not least by Stephen

Runciman, whose 1965 book was long the standard treatment. Mr. Kaldellis, a professor of classics at the University of Chicago, shows a refreshing willingness to question the received wisdom. The result is a triumph.

Mr. Kaldellis’s most important contribution is to argue that “the fall of Constantinople was not inevitable, and the defense was not doomed.” Many modern histories of the siege assume that there was only one possible outcome. The ruinous state of the Roman Empire and the size of Mehmed’s army make this seem like a natural conclusion. But Mr. Kaldellis shows that this appearance is misleading: The siege was a very close-run thing.

To make his case, Mr. Kaldellis takes his readers deep into the historical context. The Ottoman Empire was a relatively recent creation. It was less a state than a territorial war machine that needed a constant flow of victories, with the loot and slaves they brought, to keep going. It had nearly collapsed in a chaotic civil war that began in 1403 and was only resolved in 1413. Mehmed’s grip on power was also shaky. He had only recently come to the throne and had turned 21 shortly before the siege of Constantinople began. There were many in the Ottoman camp who would not have been displeased to see him fail.

The Roman situation was dire, and the Romans knew it, but it was not entirely hopeless. Constantinople had a superb strategic position and massive ancient defenses: a huge moat, an outer wall, and an inner wall studded with towers. These features were a millennium old in 1453 but they remained formidable even in the age of artillery. Meanwhile the empire’s Italian allies still had the upper hand at sea—even at the height of the siege the Ottomans could not prevent ships from leaving or arriving. Roman strategy was therefore clear: Cling on long enough for Ottoman resolve to falter, some discontented portion of Mehmed’s empire to revolt, or aid from Christian Europe to arrive. If any of these happened, the empire might have survived.

The Roman situation before the fall of Constantinople was dire but not hopeless. Ottoman victory was not inevitable.

Mr. Kaldellis evokes the drama and uncertainty of the siege. Mehmed’s cannons pounded the walls while his soldiers tested the city’s defenses. The Romans, their ranks stiffened by Genoese and Venetian troops, did their best to resist. They made frantic repairs to the walls as the bombardment continued and looked hopefully for the rumored relief fleets that the Venetians and Pope Nicholas V were preparing.

The strategy nearly worked. On April 18 and 19, they fended off Mehmed’s first general assault. On the 20th, four Christian galleys fought their way through the Ottoman blockade. Mehmed rode his horse to the edge of the sea and watched in impatient fury as his navy failed to stop them. There was serious discontent in the Ottoman camp. Another major assault on May 6-7 failed as well. “By late May 1453,” Mr. Kaldellis writes, “Mehmed was running out of options.”

And so he gave an order for one last all-out effort to take the city. It barely succeeded. Constantine had appointed Giovanni Longo Giustiniani, a Genoese mercenary, to command the defenses. At the height of the fighting in the main breach, after repeated Ottoman attacks had been beaten back, Giustiniani was badly wounded and withdrew to seek treatment. His disappearance caused a panic among the defenders and they were routed. If Giustiniani had not left, it is possible the assault would have failed. Constantine died in the defense. As Mr. Kaldellis writes, “while Mehmed won the glory,” Constantine “gained the honor.”

Mr. Kaldellis movingly describes the city’s fate. Slavery was the best most of its inhabitants could hope for. A few lucky (mostly Italian) refugees escaped, bringing news of the disaster to the Christian forces that were still slowly gathering in the Aegean. Mehmed executed many prominent Romans.

The fall of Constantinople marked the end of the Roman Empire as well as of a living medieval Roman culture. The institutions and elites that had sustained interest in Greek literature and the ancient past were swept away. Only Orthodox Christianity, under strict Ottoman supervision, survived.

After a period of dithering, Mehmed made Constantinople his new capital, sparking a transformation of the Ottoman world from a loose agglomeration of subject peoples and vassal kingdoms, held together by regular campaigning, into a true empire. Western Europe, which had been remarkably relaxed about the siege as it was happening, found itself confronting an enemy much more formidable than before. The Venetians, in particular, who had dragged their feet about aiding the Romans, came to bitterly regret the fall as the Ottomans gradually chipped away at their maritime empire in the eastern Mediterranean.

Things might have been very different. “If Venice had sent just two ships of well-armed knights and experienced commanders,” Mr. Kaldellis suggests, “it would have made a world of difference.”

Mr. Woudhuysen is an associate professor of Roman history at the University of Nottingham.

The Big Midterm Question: Money

By Karl Rove

As we approach Labor Day—unofficial start of the general-election season—campaigns are obsessed with money. In these final months, good campaigns worry over whether there’s enough cash to run ads, deploy organizers, unleash digital efforts, pay staff and keep the candidate on the move. This time around, which party will have the financial lead this fall is a big question.

At a candidate level, Democrats have the hard-money edge in both Senate and House races.

The most recent Federal Election Commission reports on the nine most competitive Senate races show Democrats outraising Republicans in seven and with more cash on hand in five. Of these races—Alaska, Georgia, Iowa, Maine, Michigan, New Hampshire, North Carolina, Ohio and Texas—Democrats must win seven to take the Senate. Excluding Maine, where Democrat Troy Jackson replaced Graham Platner as a Senate candidate less than two weeks ago and has yet to report his fundraising, Senate Democrats told the FEC they’ve raised \$290 million, while Republicans have brought in \$196.8 million. More important, Democrats have \$117.3 million cash on hand to the Republicans’ \$85.3 million.

The GOP can claim some sort of fundraising advantage in only four Senate races. Republican candidates in Iowa and Maine appear ahead both in total fundraising and cash on hand. Maine’s Mr. Jackson has said he received \$2 million within three days of his selection and had raised \$1 million before the convention that picked him. Republican Senate candidates in Alaska and Michigan were outraised overall but have more cash on hand.

In the five other battlegrounds, Democrats raised more money and have more cash on hand. The problem for Republicans is acute in Texas and Georgia. In the Lone Star State, the Democrat raised \$68.6 million with \$21.6 million cash on hand, while the Republican raised \$9.2 million and has \$1.8 million in the bank. The Peach State’s Democrat raked in \$98 million and holds \$42.6 million; the Republican collected \$7.4 million and retains \$2.1 million.

In the House, Republicans are in slightly better shape. In the 18 House races the Cook Political Report considers toss-ups, 10 Republicans out-raised their opponents. Each party has an equal number of races—nine—in which it has more cash on hand. In total, Republican House candidates in these contests have collected \$86.7 million while retaining \$51 million, Democrats \$82 million with \$41.6 million in cash. (This includes the

money of each party’s leading candidates in Florida and Wisconsin, where primaries are coming.)

But Democrats can’t rest easy—in super PAC, committee, national party organization and large outside group money, the GOP has big advantages. The seven largest Republican PACs and party committees have about \$1.17 billion cash on hand. The eight biggest Democratic ones have roughly \$494.2 million.

Republicans need Trump’s help to overcome Democrats’ candidate-cash lead.

While candidates can buy television much more cheaply than PACs and party committees under Federal Communications Commission regulations, GOP groups’ mountain of money could more than wipe out whatever candidate-money advantage Democrats have.

But maybe not, because \$461.5 million of the GOP’s advantage sits in the MAGA Inc. and Never Surrender PACs. Both are controlled by Trump world, and the president may decide he prefers to keep the cash for his presidential library.

The GOP House and Senate super PACs said earlier this

year where they’ll spend their dollars. They were signaling the White House political shop where its help was needed. Trump money is needed in the Texas and Georgia Senate races, where the president’s endorsement decided the primary and his picks are lousy fundraisers. There are also dozens of House seats considered “lean” or “likely” Republican seats that need financial support.

If President Trump deploys those dollars, it will matter if he does so directly or through Republican super PACs. The former would mean “MAGA Inc.” and “Never Surrender” disclaimers on the ads, which would bring harsh attacks from Democrats. The president’s low approval rating already hurts GOP candidates a lot, so why not lower his profile in ad campaigns?

Whichever party comes out with a bigger pot of cash, money is no guarantee of victory. Good candidates, appealing visions, voter enthusiasm, capable organization and the national environment will each have a strong effect. But in that post-Labor Day sprint, money could tilt the balance—and the president has plenty of it.

Mr. Rove was senior adviser and deputy chief of staff for President George W. Bush and is author of “The Triumph of William McKinley” (Simon & Schuster, 2015).

The Ohio Man Who Proved Hitler Wrong

By Bob Greene

Ninety years ago this week—in the early days of August 1936—a 22-year-old American accomplished something majestic, to be remembered as long as people celebrate the idea that no race or religion is inherently superior or inferior to another.

A soft-spoken young man, Jesse Owens was the son of black Alabama sharecroppers. Sickly as a child, he began working in the fields when he was 7, expected to bag 100 pounds of cotton a day. When he was 9, his family moved to Ohio, where in junior high school it became evident that he had a talent for running.

Did he ever. In Berlin in that summer of 1936, Adolf Hitler was host of the Olympic Games. Hitler’s goal was to establish once and for all that there was an Aryan master race, symbolized by Germany’s Olympians. Owens, by that

point a champion track athlete at Ohio State University, was on the U.S. team.

In a newly constructed 100,000-seat Olympic stadium, the grandson of slaves showed Hitler how wrong he was. Owens won the gold medal in the 100-meter dash. He won another in the long jump. He won a third gold in the 200-meter dash. He won a fourth in the 400-meter relay. Each time he stood with his gold medals on the awards podium as “The Star-Spangled Banner” sounded through Hitler’s stadium, the world received the message loud and clear.

Few people alive today have firsthand memories of Owens’s triumph in Berlin. Many of us born in central Ohio after World War II didn’t know, because we were so young, of the indignities he had faced when he returned to a segregated U.S. from the Olympics, after the cheers had faded—the trouble finding meaningful

work, the barnstorming, carnival-like tours in which he raced against horses, motorcycles and dogs to support his family.

In the late 1950s and early 1960s, though, America was beginning to change, and with

Ninety years ago in Berlin, Jesse Owens won one gold medal after another.

that change Owens received the respect he deserved. You could see that respect in the eyes of central Ohioans who came out to see him speak each time he, in middle age, returned to his old college town to visit; you could hear the respect in their voices as they talked about him. This was the great Jesse Owens. And he walked among us.

OPINION

REVIEW & OUTLOOK

March of the El-Sayed Democrats

Abdul El-Sayed’s victory in Michigan’s Democratic Senate primary on Tuesday is no surprise in this year of rising radicalism in the party. But maybe hold off on French Revolution 2.0. Democratic voters made the race far closer than pollsters predicted, and now Mr. El-Sayed will have to persuade voters beyond Ann Arbor and the white liberal gentry.

Mr. El-Sayed, an articulate 41-year-old public-health official, was expected to roll over Rep. Haley Stevens. But his lead was 1% on Wednesday when the race was called. The narrow victory suggests many Democrats had second thoughts about nominating a man with radical views hailed by Bernie Sanders and Alexandria Ocasio-Cortez as the next great progressive hope.

Progressive is an understatement. Mr. El-Sayed now says he’s a “capitalist,” distancing himself from the Democratic Socialists of America, but his agenda remains the full Bernie Sanders. He continues to support Medicare for All. He favors a wealth tax and an enormous expansion in federal entitlements for child care and more. He wants to abolish Immigration and Customs Enforcement, saying the agency “is about normalizing paramilitary force on our streets.”

He has a particular animus toward Israel and has campaigned with Hasan Piker, the Mao Zedong fanboy and Soviet Union admirer who has said the U.S. “deserved 9/11.” Mr. El-Sayed wants to cut off all U.S. military aid to Israel, which he accuses of genocide in Gaza.

When Israel killed Iran’s Ayatollah Ali Khamenei in a bombing run this year, Mr. El-Sayed was taped saying that he’d stay silent because “I also want to remind you guys that there are a lot of people in Dearborn who are sad today.” Dearborn is the center of anti-Israel, Hamas-sympathizing Democratic sentiment in the state.

AIPAC, the U.S. pro-Israel lobbying group, spent heavily for Ms. Stevens. But it’s a sign of the sharp turn against Israel among Democratic

voters that so many found none of his views or associations disqualifying. Another message is that Democratic primary voters want candidates who share their anger no matter their policy views.

But winning a primary isn’t the same as winning the general election in a swing state like Michigan. Mr. El-Sayed will face Mike Rogers, a one-time FBI agent and former head of the House Intelligence Committee. Mr. Rogers is a strong candidate who lost to Democrat Elissa Slotkin two years ago by fewer than 20,000 votes out of more than 5.4 million cast. He has shown he can unite the moderate suburban and MAGA wings of the state GOP.

Mr. El-Sayed is counting on anti-Donald Trump fury to unite Democrats despite his radical views. Look for the Democratic establishment, including Gov. Gretchen Whitmer and Senate Minority Leader Chuck Schumer, to rally behind him despite their support for Ms. Stevens. Ben Rhodes, Dan Pfeiffer and the rest of the Barack Obama apparat are already lined up for him.

The stakes here are higher than a single Senate race. Nominating a leftist could cost the party a Senate majority that is very much in reach. If Mr. Rogers wins, one lesson will be that Mr. El-Sayed was too far left to win in a swing state even in what is likely to be an excellent Democratic year. Democrats might rethink this year’s headlong rush left as they consider the 2028 presidential race.

But if Mr. El-Sayed wins, he will immediately become a media favorite bent on colonizing the Democratic Party from the socialist left. He has said one of his first tasks will be trying to defeat John Fetterman, the pro-Israel Pennsylvania Democrat who is up for re-election in 2028. “Put one ogre on a pike and then everyone else gets the message,” he told a donor, according to leaked audio.

Heads on pikes? What, no guillotine? Michigan voters have to decide how polarizing and left-wing they want American politics to become.

Will Trump Leave Ukraine Without Patriots?

Vladimir Putin has pounded Ukraine with ballistic missiles for so long that his brutal assaults are often no longer above-the-fold news in the U.S. Meanwhile, President Trump is preoccupied with Iran. But a hard question can’t be ignored: Is Mr. Trump going to let a U.S. friend, which has fought valiantly for four years against a common adversary, run out of air defenses?

Mr. Putin’s strikes Wednesday on Kyiv killed 17 people, and by early press reports Ukraine wasn’t able to take down any of the incoming missiles. Ukraine doesn’t advertise its defense inventory for obvious reasons, though it has long been low on Patriot interceptors. Mr. Trump has floated letting Ukraine build its own Patriots under license, and increased allied production is a good idea, since every country in the free world needs more.

But Mr. Trump later mused that he might not give Ukraine the license after all, and Kyiv requires cover now, not in months or years after setting up production. Ukraine understands it must do more than swat down Mr. Putin’s missiles, which is why it is running a campaign of strikes deep inside Russia. Providing more U.S. long-range missiles would help. Yet Ukraine has

already regained some momentum on the battlefield, and it is imposing heavy manpower costs on Mr. Putin, which is remarkable given the relative demography of the combatants.

Mr. Putin is still betting he can eventually pound Ukrainian society into submission. Will Mr. Trump, who usually talks about the war as a humanitarian tragedy, allow it?

Yes, the U.S. also needs to replenish its own interceptor stockpiles amid the Iran war. “I was shocked at the number of Patriots we fired,” Retired U.S. Navy Rear Adm. Mark Montgomery said in an interview on our Potomac Watch podcast this week. The U.S. might have “burned through 2,300.” Compare: “We gave 600 to Ukraine, many of which were older and through other partners,” he said. “Ukraine is not the problem.”

The answer is for Congress to pass the defense funding for a wartime production footing. Ukraine’s survival is more than humanitarian work. It’s a U.S. interest, and Patriots over Kyiv are defending stability and freedom on the European continent. Mr. Trump is busy elsewhere, but Russia’s war is grinding on, and the President will own what happens on his watch.

Colorado Progressives Hike the Tax Slope

Progressives are on a state-hopping campaign to raise taxes on high earners. Their next target is Colorado, where they submitted signatures on Monday for a ballot initiative in November that would replace the state’s flat tax with a steeply progressive income tax. Is the goal to depopulate Aspen?

Colorado’s relatively low 4.4% flat income tax has been a major draw for businesses and young professionals. It’s one reason the state’s population has surged over the last couple of decades. But now progressives want to make Colorado more like California and the high-tax states that many of its inhabitants left.

The proposed ballot Initiative 195 would replace the flat 4.4% rate with six income brackets ranging from 3.7% (for individuals earning up to \$25,000) to 8.4% (above \$1 million). Proponents say Coloradans earning less than \$500,000 wouldn’t pay more in tax since the top rate for individuals making less than \$500,000 would remain 4.4%.

But they skip over that the brackets wouldn’t be adjusted annually for inflation. More people would rise into higher brackets and pay more in tax as their incomes grow. Because small businesses typically pay tax at individual rates on pass-through income, many would see sharp increases. A family farm that has a good year would be punished with a higher tax bill.

Under I-195, Colorado’s top rate would rank by far the highest in its neighborhood, which includes Wyoming (no income tax), Arizona (2.5%), Utah (4.45%), Oklahoma (4.5%), Nebraska (4.55%), Kansas (5.58%) and New Mexico (5.9%). Colorado’s slopes may offer world-class skiing, but you don’t have to pay state

taxes to enjoy the powder.

Additional revenue raised by the progressive tax would also be exempt from Colorado’s constitutional limit on tax revenue growth, which is pegged to the rate of population growth plus inflation. This has been a crucial restraint on political spending appetites. Under I-195, the Democrats who control the statehouse would enjoy a bigger spending allowance. Revenue could also become more volatile since incomes of high earners wax and wane with capital gains.

Colorado like most states is seeing healthy revenue growth thanks to strong capital gains, but progressives are still seeking to soak the rich. Democrats this year have imposed millionaire taxes in Washington (9.9%), Rhode Island (8.99%) and Maine (9.15%). If there’s an economic downturn, look for progressives to seek even higher rates.

Progressives in Colorado and these other states say the graduated tax is needed to compensate for federal Medicaid cuts in last year’s GOP tax bill. But the Congressional Budget Office projected last month that federal Medicaid spending will increase 34% over the next decade notwithstanding the modest GOP reforms.

The truth is progressives want more money to redistribute on expanding entitlement programs and to reward their union allies. Yet history shows that once a progressive tax system is in place, spending keeps rising as revenue does and rates follow.

Democratic Gov. Jared Polis, who can’t run for re-election this year, has said a graduated income tax would be “absolutely devastating” to Colorado’s economy. He’s right. But it would be great for Utah’s economy.

LETTERS TO THE EDITOR

Americans Got Wealthier but Don’t Feel Like It

John Steele Gordon is right that the past four decades have produced extraordinary wealth, and the case is even stronger than the Forbes 400 makes it look (“A Brief History of Wealth Creation,” op-ed, Aug. 3).

Real median personal income rose from \$26,750 in 1982 to \$45,140 in 2024 in constant dollars. The Congressional Budget Office finds real wealth in the median American family up 131% between 1989 and 2022, and up 232% at the 25th percentile. Ordinary households took part in that wealth generation.

Two things happened alongside that. The gains skewed upward: Families in the top 10% went from holding 56% of American wealth to 60%, while the share held by the 51st through 90th percentiles fell from 37% to 33%.

Meanwhile, what got cheaper diverged sharply from what got dearer. Clothing costs about a third more than in the early 1980s, against a near-tripling of prices overall. Televisions and phone-call prices collapsed. But the median new home, which took 3.4 years of median

household income in 1982, took 5.0 years in 2024. Published tuition at public four-year colleges doubled in real terms in 30 years. Healthcare now absorbs 18% of gross domestic product.

Americans grew richer in the goods that markets could freely supply, and poorer in the three purchases that define middle-class standing: a house, a degree and a doctor. Those are the sectors where U.S. policy constrained supply, subsidized demand or did both. I work in one of them.

That is why the wealth data and the public mood point in opposite directions. A family can hold more real assets than earlier generations did and still find the ladder harder to climb because the rungs that matter got more expensive faster than the wealth arrived.

The answer isn’t to redistribute the Forbes 400. It is to let people build, and to stop underwriting demand in industries that do not answer it with supply.

GILBERTO DE LIMA LOPES JR., M.D.
University of Miami

Fix America’s Social Security the Kiwi Way

In his op-ed “Australia’s Not-So-Super Retirement System” (July 22), Samuel Gregg correctly explains that Australia’s superannuation system offers both inspiration and caution for Americans seeking to reform Social Security. The most important lesson is that greater reliance on personal retirement savings can reduce strain on government budgets and the burden on taxpayers. By moving toward a lower, flatter benefit that provides a backstop against poverty, Congress can reduce reliance on Social Security for middle- and higher-income earners and free up resources for capital accumulation.

Unlike Australia, however, the U.S. shouldn’t mandate savings on top of Social Security. As Australia’s experience shows, this risks promoting the creep of special interests, politics and excessive regulation into retirement saving.

Americans are already saving successfully through voluntary retirement plans without government mandates. Among full-time workers, 83%

have access to an employer-sponsored retirement plan, with four out of five covered workers participating. U.S. assets in voluntary retirement plans are substantial, delivering the highest income replacement share among Organization for Economic Cooperation and Development countries.

A better model is New Zealand, which provides all retirees with a flat retirement benefit coupled with automatic enrollment in the KiwiSaver plan, but, unlike Australia’s compulsory superannuation system, workers are allowed to opt out.

The U.S. could learn from the Land Down Under: Embrace greater personal ownership and funded retirement saving while avoiding unnecessary regulation, political interference and compulsion. Retirement reform should empower workers to build wealth, not expand opportunities for government or special interests to control retirement savings.

ROMINA BOCCIA
Cato Institute
Washington

Warsh’s Silence Manufactures Market Noise

Your editorial “Warsh Makes Markets Do Their Job” (Review & Outlook, Aug. 1) defends Federal Reserve Chairman Kevin Warsh’s silence by dismissing “forward guidance.” But Wall Street isn’t asking the Fed to promise a rate path. It simply wants to know the Fed’s reaction function. Market participants want to know how the Fed would respond to hotter inflation, a weakening labor market or an oil shock. Wall Street isn’t trying to steal signs, just to see the rulebook.

With the Fed’s reaction function unknown, every bit of economic news and data now carries two uncertainties: what it says about the economy, and what the Fed will make of it. The latter is manufactured noise. No one expects the Fed to script an unscriptable future or tie itself to the mast.

Mr. Warsh says he wants investors

to “play the ball and not the referee.” But a referee recedes into the background only when players know how he’ll call the game. Major League Baseball introduced automated ball-strike challenges this season to make the strike zone more consistent. By keeping his own zone obscure, Mr. Warsh has made himself the most-watched man on the field.

JACK RABUCK
Sonoma, Calif.

Trapped Inside a Labyrinth Of Government Paperwork

Judge Glock’s book review “A Wrench in the System” (Bookshelf, Aug. 3) about “the growing burdens of government paperwork” reminded me of an experience I had with government bureaucracy:

I tried to use an online form to obtain a renewed passport, which I believed would save the government and me time, paper and money.

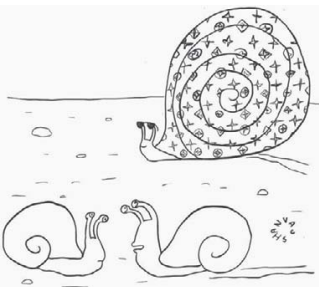
I carefully read the directions for the photo. I put white paper on the wall, and my partner took the picture. I was careful not to smile. Rejected! The photo background wasn’t white enough. So we went to the nearest drugstore and paid \$17 for a photo. Rejected! The background still wasn’t white enough. I called the drugstore and was promptly given another try. Rejected! I called the number on the U.S. Passport website. The Passport help line staff suggested using another computer. Rejected again!

I gave up. I printed the form, attached the drugstore photo and sent it in. So much for saving paper. I received the passport three weeks later.

PATRICIA MACZKA
Galena, Ohio

Pepper ... And Salt

THE WALL STREET JOURNAL



“He hasn’t been the same since he won the lottery.”

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OPINION

Success Builds in the South Bronx

By Kyle Peterson

Bronx, N.Y.
In America’s poorest congressional district, an immaculate \$245 million K-12 public school is welcoming about 2,400 students this month, with a mission to get them all into college. Normally, New York politicians would elbow for front-row seats at the ribbon cutting. But watch to see who breathes a word about Success Academy Bronx K-12, a flagship charter school that’s intended as a model for the nation.

Will Mayor Zohran Mamdani attend a grand opening? “We’ll invite him,” says Eva Moskowitz, the non-profit charter network’s CEO, in a tone of resignation. “I’ve tried to have a sit-down with the mayor, but he has refused.” Success Academy is effectively the state’s fourth-biggest public-school district, teaching about 22,000 of Mr. Mamdani’s underage constituents at 59 sites. Ms. Moskowitz can’t get the mayor for tea?

After 20 years of operating public schools, she has thoughts, and if Mr. Mamdani doesn’t want to hear them, others will. “My hope is governors, mayors, local philanthropists will be able to come to this building and see what’s possible for poor children,” Ms. Moskowitz says. “We do technology differently. We do bathrooms differently. There is no aspect of public education that we have left alone. Because we think it’s pretty broken.”

The school is six stories, with an exterior of green-glazed brick to nod at tradition while conveying difference. There’s plenty of red brick in the commercial building across the street, though what draws the eye is its graffiti. Inside, the school has high ceilings and big windows, a 300-seat auditorium, a gym, a ceramics studio and a court for a soccer variant called futsal. A play area with wooden blocks is decorated, as architectural inspiration, with photos of the Golden Gate Bridge and the Taj Mahal. A reading nook looks out at Yankee Stadium.

Other than the storybooks and other signs of K-12 clientele, the facilities wouldn’t be out of place at a nice university, and that includes the sloping lecture hall. “We don’t want poor kids to show up on a college campus never having had a lecture,” Ms. Moskowitz says. “So in 11th and 12th grade, two days a week in the curriculum, the teacher lectures.



Success Academy Bronx K-12 opens this month.

Math, science, English, history.”

Conducting a tour last month before the arrival of any students, she delights in countless design details. Check out the ladies’ room, which has full-length mirrors. A rooftop playground features small hills of turf. “Most district schools would not have mounds this high,” she says. She believes taking reasonable, calculated physical risks is part of growing up: “I picked out all of the equipment, and I rejected many of the pieces because they were too ‘safe.’ ”

Success Academy’s \$245 million charter opens to 2,400 K-12 students—and soon to policymakers who want to see how it’s done.

Here’s another school staple: “I have a lot of views on lockers, an *enormous* number of opinions on lockers,” Ms. Moskowitz says. “Most lockers in America are metal, and they make a huge amount of noise.” Success Academy has dark millwork lockers with no locks. “You’re not allowed to open a lock without consulting a lawyer,” she says. “I have none. I just open them. And when you can do that, the kids tend not to bring contraband.”

Other surprises? “We have rather big class sizes,” Ms. Moskowitz says. “In kindergarten, 32,” albeit with two teachers to a room. “In middle school, 36. In high school, 40. Very antithetical to the class-size mandates.” Students read books of their choice 30 minutes a day. “We actually only do 10

minutes of direct instruction per subject per day,” she says, with lectures for upperclassmen being an exception. “Going to school is like going to work. You *work* in school.” A U.S. history class, for example, might be spent analyzing sources.

It’s a culture of expectations. “Our middle-schoolers take four years of biology, chemistry and physics,” Ms. Moskowitz says. “When they get to high school, they take AP Calc, AP Bio, AP Chem and AP Physics. All of them, 100% of them.” Not everybody aces every Advanced Placement exam, though overwhelmingly they pass the state’s standardized tests, and according to Success Academy every graduate in recent years has been accepted to a four-year college.

Don’t forget that charters are public schools, open to everyone, with students accepted by lottery. Statistics for the new Bronx K-12 aren’t collected, but Success Academy projects about 91% of students will be black, Hispanic or multiracial, and 90% will qualify for free or discounted lunch. The upper grades are moving in from another location, and about 600 new admits won a lottery that had close to 3,500 applications.

Direct control of the Bronx building, a Success Academy first, means no political tussles over repairs or storage space. The construction was funded by \$100 million from former Mayor Mike Bloomberg, with most of the rest from a bond issue. “The message is not that you must have a building like this in order to educate kids exceptionally,” Ms. Moskowitz says. “However, children deserve—poor children deserve—a building that looks like this.”

Bronx officials appear oddly unenthusiastic about this quarter-billion-dollar neighborhood investment. The office of Borough President Vanessa Gibson didn’t reply to an interview request. Neither did state Sen. José Serrano. Assemblyman Landon Dais, who did answer the phone, sounds tepid. “I do like the fact that they built this beautiful state-of-the-art campus,” he says, “and for Success Academy families, I think it’s going to be good for them.”

Still, Mr. Dais says he knows students who tried Success Academy and left, and he opposes lifting the state’s cap on the number of charters, even as he acknowledges their agility. He “fought like hell” two years ago to get \$2.2 million for district schools, including to build 10 science labs. “Not a dollar has been allocated,” he says. “We actually just sent an email off last week asking for follow-up.”

To his mind, the demand for Success Academy speaks to a need to fix traditional K-12 schools, which won’t ever be as nimble as other options. “Government can’t work like business, because as government you have a duty to serve all,” Mr. Dais says. “The United States military will never be as efficient as a private contractor, but there’s things that the military has to do that a small contractor doesn’t have to do.”

Ms. Moskowitz hasn’t given up on turning the K-12 aircraft carrier. “My interest is really in trying to end what I consider educational defeatism,” she says. Last month Success Academy released a lacerating report saying more than 900 city schools have failure rates above 50% in reading, math or both. “Imagine a hospital where more than half of patients died from routine procedures. A fire department that failed to respond to more than half its calls,” the report said. “No other public institution would be permitted to operate in this way.”

Success Academy Bronx K-12 is one part of Ms. Moskowitz’s answer. Too often across America, “schools are really about warehousing of children,” she says. “You kind of put a fence around them, sprinkle some teachers and principals. You hand out work sheets. You collect them. The idea here is shock and awe. It could be very different if we committed to being very different.”

Mr. Peterson is a member of the Journal’s editorial board.

Finance ‘Reform’ Feeds Nasty Campaigns

By Sam Kay

Americans hate political campaigns. They’re typically relentlessly negative—built on outrage rather than ideas—and dominated by organizations most voters have never heard of. Many of these problems stem from the campaign-finance reforms that sought to clean up our elections.

After Watergate, Congress believed that limiting direct contributions to candidates would reduce the influence of money in politics and make campaigns more transparent and more democratic. The rules had the opposite effect. Political spending has increased, and much of that money simply migrated to outside organizations rather than flowing directly to candidates. Campaign-finance laws prohibit candidates from coordinating with these outside groups, but they inevitably find ways to communicate through increasingly elaborate legal workarounds.

Misguided laws direct money to outside groups, which find ugly messages easier than positive ones.

In *National Republican Senatorial Committee v. Federal Election Commission* (2026), the Supreme Court’s decision struck down the ban on coordination between party committees and candidates. It’s a welcome correction. Such restrictions changed the way political organizations communicate and made it harder for voters to follow the money.

When coordination is prohibited, producing positive campaign advertisements becomes extraordinarily difficult. Outside groups can’t bring the candidate into a studio or use campaign footage, family photos and other personal materials that help tell a compelling positive story. Attack ads are much easier. Groups can pull an opponent’s old remarks, votes, news clips and unflattering footage from the public record, add ominous music and a narrator, and build an effective commercial.

This has helped create the political environment Americans despise. Thanks to *NRSC*, party committees will have the ability to produce positive advertising. The same should be true for super PACs and other outside groups, which remain bound by coordination restrictions. Until that changes, the incentives will continue to favor negative ads.

These restrictions have also made campaigns less transparent. Instead of hearing primarily from candidates, voters are bombarded by party committees, super PACs, labor unions, trade associations, advocacy organizations and issue groups. Every message carries a different disclaimer. Every organization has a different legal structure. The result is a fragmented advertising environment in which accountability is diluted and few voters know who is actually responsible for what they see.

Campaign-finance reform needs a different approach. Individuals, corporations, unions and other organizations should be free to contribute as much as they want directly to candidates’ campaigns—with real-time disclosures of every contribution, rather than relying on a web of nominally independent outside groups.

Greater candidate control over spending makes it clearer to voters who is responsible for a campaign that gets too negative. That is a stronger check than today’s system, in which candidates can distance themselves from harsh advertising because it comes from someone else.

Critics will argue that larger direct contributions invite corruption and pay-to-play politics. Those concerns are legitimate. But contribution limits haven’t eliminated the influence of wealthy donors or corporations. They have simply changed how that influence is exercised. If donors spend millions, that money should flow directly to candidates. Voters can then clearly see who is funding whom and judge that relationship for themselves. And if support ever crosses the line into illegal conduct, it should be aggressively investigated, prosecuted and punished.

Congress and the courts should continue moving political spending back to candidates. For decades, lawmakers have responded to the flaws in our political system by layering on new campaign-finance restrictions. It is time to recognize that instead of solving problems, those rules created new ones.

Mr. Kay is a pollster at the Republican consulting firm OnMessage Inc.

False Unanimity at the National Academies

By Steven E. Koonin

When the National Academies of Sciences, Engineering and Medicine speak, Americans assume they are hearing from thousands of the country’s most accomplished researchers. That isn’t always true.

The academies released a report on July 16 asserting that specific extreme weather events can be tied to greenhouse gas emissions. Media coverage treated the report as the collective judgment of more than 8,400 members—each elected for a lifetime of distinguished achievement. The report itself reinforces that impression, declaring that it “represents the position of the National Academies.”

But look who actually wrote it. Of the 14 report authors, only one is a National Academies member. Of the 14 reviewers, only one is a member. Only one of the two people overseeing the review process is a member. The report states that reviewers “were not asked to endorse the conclusions or recommendations . . . nor did they see the final draft before its release.” There is no indication that more than a few academies members even saw the report before it was released.

The National Academies’ institutional seal is being used to bless the conclusions of a small committee, not the thousands of researchers whose prestige gives that seal its weight.

That isn’t a fluke. It is how the system works, as I know from six years as chairman of an academies oversight committee. The National Academies are really four entities under a single brand. Three of these

are the honorific academies, with elected membership earned, permanent and under no obligation to produce reports. The fourth is the National Research Council, a staff-run operation that solicits studies, recruits committees and produces reports. Academies members oversee the process at a high level, but day-to-day decisions are made by non-member staff and outside experts.

For routine topics—asphalt composition, poultry nutrition, aircraft cabin temperatures—this distinction is less important. There is little controversy and limited public consequence.

Weather attribution, on the other hand, is at the center of a live, consequential policy debate. Decisively linking extreme weather to emissions would bolster billion-dollar tort claims. But the science itself is contested: Attributing a specific storm or heat wave to emissions requires disentangling human influ-

ence from natural variability in inherently chaotic systems.

On a topic like this, placing a committee’s judgment on the academies’ institutional letterhead isn’t neutral. It launders a contestable

A climate report spins an illusion of elite scientific consensus.

conclusion into the apparent consensus of thousands of elite researchers—a consensus that was never solicited, debated or explicitly endorsed.

The fix consists of two simple steps. First, be honest with readers. Every report should carry a disclaimer—for example, “While this report has been endorsed by National Academies leadership, it has not been endorsed, or even reviewed, by

Give John Adams His Place on the Mall

By Jackie Cushman

We recently marked the 250th anniversary of July 4, 1776.

But urgent unfinished business remains. Our independence might never have been won without John and Abigail Adams. Aug. 2 marked 250 years since John Adams signed the Declaration of Independence. He knew that in signing, he was risking his life and the lives of his family.

Thomas Jefferson called John Adams “the Colossus of Independence.” Abigail Adams, a brilliant political

thinker, advocate for women’s education and shrewd businesswoman, was her husband’s closest confidante and adviser. Yet while there are monuments in the nation’s capital for Washington and Jefferson, there is no memorial to the Adamses. There should be.

The Senate should pass the bipartisan Adams Memorial-Great American Heroes Act, which passed the House unanimously in December. In July, the Senate Subcommittee on National Parks heard the bill, which would reauthorize the Adams Memorial Commission, tasked with building the memorial, through December 2032. It specifies a location for the memorial just south of the White House. The site is fitting, since John and Abigail were the White House’s first residents.

John Adams rose to prominence in 1770 by courageously defending British soldiers charged in the Boston Massacre. He insisted on the rule of law and a fair trial even when public sentiment opposed him. He was the leading voice for independence in the Continental Congress. Adams recommended that Jefferson draft the Declaration of Independence. He served as the first vice president and second president and set the precedent for the peaceful transfer of power to a member of a rival political party—Jefferson.

Congress formed the Adams Memorial Commission in 2019. A majority of the commissioners, including me, were appointed by December 2023 and got to work. But the effort will stall if Congress doesn’t extend our timeline, which originally expired in December 2025.

Historian David McCullough described the current oversight bluntly: “There is no memorial, no statue in his honor in our nation’s capital, and to me that is absolutely inexcusable. It’s long past time when we should recognize what he did, and who he was.”

The Senate can meet McCullough’s challenge. John Adams was neither a Republican nor a Democrat. He was an American patriot. At a time when much of our politics has become partisan, this bipartisan bill offers a unifying win for the country.

Let us finish this work so that future generations standing before an Adams memorial can appreciate the full measure of the family’s contributions to America’s independence, our Constitution, our diplomacy and our commitment to liberty under law.

Ms. Cushman is chairman of the Adams Memorial Commission and president of the Adams Memorial Foundation. She is co-author with her father, Newt Gingrich, of “5 Principles for a Successful Life.”

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How to solve Britain’s prisons crisis

It will require changes to sentencing as well as building more capacity

Just as it was for Sir Keir Starmer two years ago, Andy Burnham’s political honeymoon has been cut short by the prisons crisis. Faced with his first public backlash, the new prime minister has had to cut back a plan to release about 6,000 prisoners early to ease severe overcrowding. Excluding some offenders convicted of rape, grooming and serious child sexual offences has reduced the number by about 1,000.

There is understandable public anger, though, that the exemptions do not exclude all serious violent offenders or manslaughter convictions. Two men convicted of manslaughter over the death of PC Andrew Harper, dragged behind a car for over a mile, are eligible for release after serving half of their custodial sentences, instead of two-thirds.

Burnham is under pressure to tweak the plan further.

The unfortunate reality is that he cannot afford to cut it back too far. The male prison estate in England and Wales is at about 98 per cent of capacity, with fewer than 2,000 spaces left. Without the release scheme, projections suggest prisons could be full by November – further gumming up the backlogged criminal justice system. The overcrowding is the result of years of policy choices and underfunding under previous governments.

The failure of the prison estate to keep pace with demand is in part due to Conservative “austerity” policies in the 2010s, as well as planning delays and construction failures. But the prison population has also grown sharply – owing less to increases in prisoners being charged than to the growing length of their sentences. The average custodial sentence, excluding life sentences, increased 38 per cent from 14.4 months in 2012 to 19.9 months in 2025.

Growing court backlogs, exacerbated by Covid-19, have also caused a jump in prisoners on remand. An overstretched probation system has led to more offenders being recalled to prison, and may also have made judges less willing to impose community sentences rather than custodial ones.

Tougher sentencing is a political choice. Polling suggests it reflects more “punitive” attitudes among the British public than in continental Europe. But it has led to an incarceration rate in England and Wales (and Scotland, which runs its own justice system and has a similar capacity problem) that is much higher than big western and northern European counterparts or Canada – though below Australia and the US. Yet offending rates in those counterparts are generally similar or lower.

Part of the answer to the capacity squeeze is to construct more prisons. But, at more than £500,000 per place – far more, per square foot, than luxury housing – the costs are huge. Investing

Overcrowding is the result of years of policy choices and underfunding under previous governments

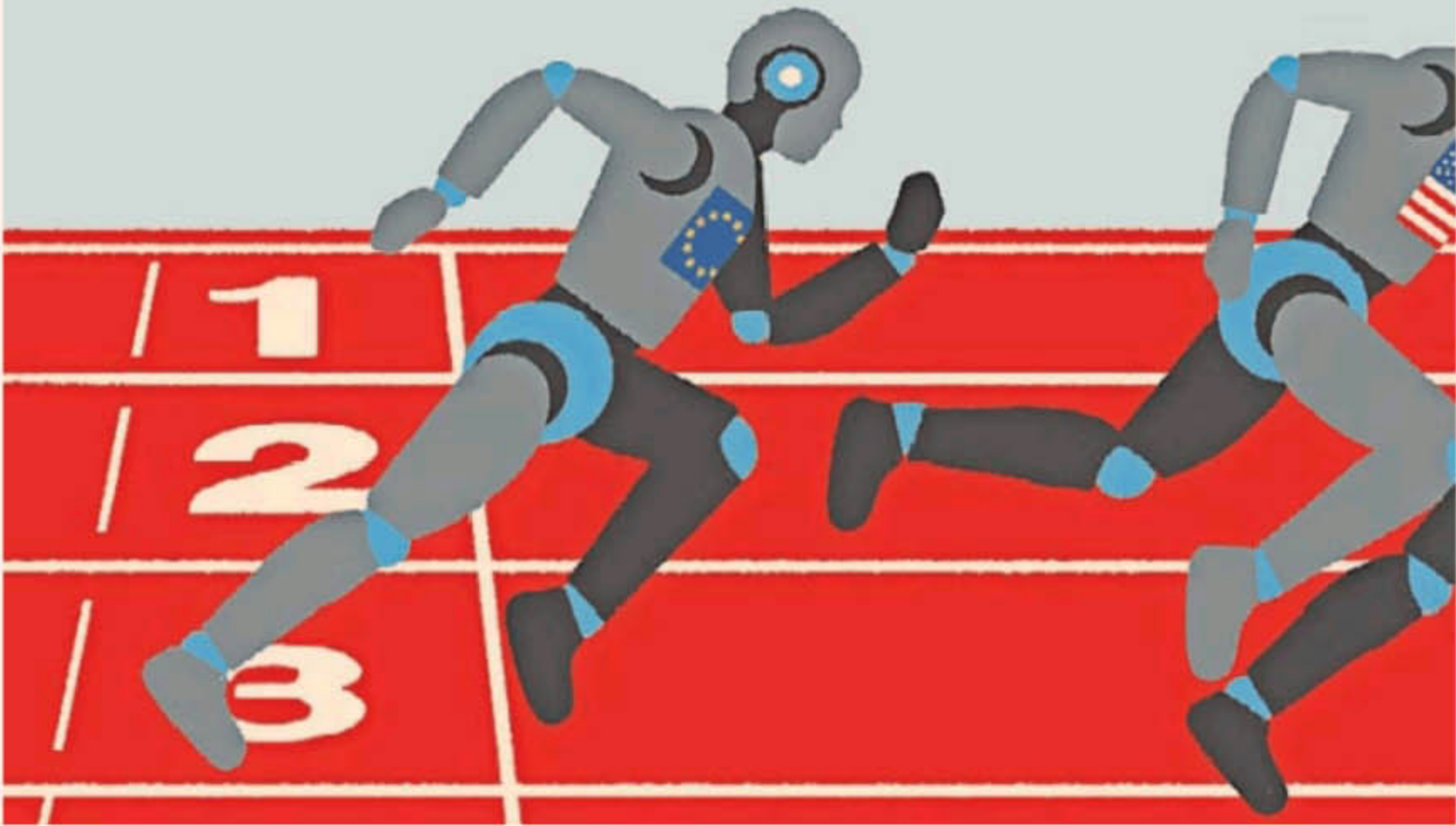
more in the probation service should reduce recall rates and give judges more confidence to award non-custodial sentences. Even then, though, prison capacity is unlikely to keep pace. Sentencing reform, to bring it more in line with European peers, will almost certainly be needed too.

A start could be to replace sub-12-month sentences – which have very high reoffending rates – with tougher, community-based rehabilitation that tends to be more effective. The Netherlands tackled severe prison overcrowding in the 2000s in part by making a similar shift. Other European countries with lower prison rates also tend to impose shorter or fewer custodial sentences and make greater use of conditional sentences, fines or community service, as well as putting a bigger focus on rehabilitation. For Britain, that would mean a major political and cultural shift. If it wants to break the cycle of prison overcrowding, however, it has little choice.

Opinion Politics

Europe must do more to harness its AI ambitions

Maria Hergueta



European Council president António Costa is scheduling a discussion among European heads of state about AI this autumn. Better late than never. Leaders must use this opportunity to catch up and align on AI policy. While the US and China treat the technology as a key priority and instrument of state power, the EU has not even decided on a collective political course.

Today, any discussion of digital sovereignty or strategic autonomy is, in effect, a discussion about AI. This global gamble creates a risk for Europe. Without sovereign AI options, Europeans are dependent on foreign platforms and tools. These dependencies go beyond commercial decisions. They mean that decisions made by foreign governments have a dispro-

structures to co-ordinate emergency responses and benefit from sharing lessons learnt. The summit should decide on those.

Dedicated task forces have created urgency and focus during past crises in Europe, including Covid and the financial crisis. They are merited here too. A clear AI policy package should include hiring AI talent into policy positions and developing national AI security institutes, as well as a broader talent programme to grow and attract AI talent (back) to Europe.

Within the continent there already exists tremendous energy and appetite for stronger EU leadership on AI. National AI strategies have been announced and adopted, some universities are decoupling from non-EU tech providers and intelligence agencies are choosing domestic systems over those offered by international companies. Tying such bottom-up decisions with an EU-wide vision should scale and boost the bloc’s competitive position by dividing labour between member states and leveraging capital incentives, ideally in sync with industry. European leaders can do a real service to people worldwide who are deeply unhappy with the two-flavour menu of AI they are currently offered.

Being ambitious politically does not mean prioritising AI above everything else. Yes, Europe can choose to do AI differently and not copy the extractive Silicon Valley way of reducing people to consumers and societies to markets. Europe is and will remain far removed from the Chinese model of state-directed companies and innovation. But being principled and right on paper translates into very few results in today’s data, capital and compute-driven world. If Europeans believe AI can add value while respecting democratic values and increasing safety, they must show so.

The summit this autumn must have a clear agenda and real ambition from which European leaders walk away with a comprehensive AI strategy.

It should therefore conclude with serious political buy-in and a tangible strategy that unites the leverage that comes from Europe’s single market and wealth: incentivising investment into sovereign capacity such as compute, making AI chokepoints more resilient, and setting priorities for which capacities must be nationally held first.

Any strategy is only as good as its execution. The summit must provide conclusions and actions. The EU cannot afford to waste this opportunity and spend the autumn merely learning and brainstorming about AI.

The writer is a fellow at Stanford University’s Institute for Human Centered Artificial Intelligence and author of ‘The Tech Coup’

Letters

Brussels’ nuclear power incentives offer a model for the UK

News of the decision to extend the life of Sizewell B (Report, July 8) will come as no surprise to those in the industry.

Its original construction is well suited to life-extension. Although the reactor’s design is usually licensed for a 40-year period, the principal constraint to extension, the reactor vessel’s “neutron embrittlement”, is something that can be closely monitored. This is the process whereby

high-energy neutrons from the nuclear reactor core bombard metal components, making the steel hard and more brittle.

Similar reactors have demonstrated that being in operation for 60 years – and potentially 80 years, subject to regulatory approval and condition – is achievable. Originally licensed lifespan and potentially useful lifespan are two very different concepts.

But Britain is facing the prospect of a declining nuclear output over the next decade, even with Sizewell B’s life extension. As we wait for Hinkley Point C and Sizewell C to come online, the fear is that nuclear development loses momentum.

The EU this month announced plans to allow governments in the bloc to include nuclear power as a category of energy spending with greater

flexibility. It is an acknowledgment that the EU increasingly sees nuclear alongside renewables as an important route to energy security and decarbonisation, and a lesson the UK could do with observing.

Vince Zabielski
Partner, Pillsbury; Former Nuclear Engineer; and Senior Nuclear Counsel for UAE Nuclear New-build Programme, London EC2, UK

VAT reform? Here’s why it will be difficult to achieve

Joel Suss’s opinion piece “A truly progressive VAT would solve a lot of UK tax problems” (July 29) is right that we talk too little about value added tax. It is the second-largest source of revenue to the Treasury, the exemptions are a mess of historical accidents, and reform could raise serious money. However, his prescription is where the wheels come off. Suss proposes removing most exemptions and compensating low-income households with automatic, real-time rebates at the point of sale.

How would the state’s till know who these households are? Most people do not file tax returns. The UK’s pay-as-you-earn (PAYE) system knows about individuals, not households. The self-employed report income months in arrears.

The closest thing we have to a live income feed is universal credit’s real-time information system, and everyone knows how flawed this is.

Suss’s recommendation would require a new, centralised database linking every citizen’s household income to every electronic transaction they make, which is of course unworkable. Or people would need to register,



prove their status and claim a rebate – again tricky to administer.

Suss further suggests households with incomes below around £20,000 a year pay no VAT whatsoever. A hard cliff edge like that would spike the effective marginal tax rate – the real rate on the next pound earned – so it would be better to taper it, which means a sliding scale of personalised VAT rates – more machinery,

more data, more room for error.

Every time HM Revenue & Customs builds a mechanism that pays money out automatically, industrial-scale abuse follows. We saw this with R&D relief, Covid support schemes and VAT repayment fraud. The idea that HMRC will be able to deliver real-time transaction-level rebates for 28mn households is pure fantasy.

A better solution to the VAT reform debate is a root and branch review of what goods and services VAT applies to. Zero-rate the things we want more of – genuinely healthy food, education and green products perhaps. Then push the rate up on the things we want to discourage.

Yes, David Cameron’s warning in 2012 to “never touch VAT definitions – it’s not worth the trouble” was learnt the hard way. However these things are complicated and there will always be pushback – there is no shying away from that.

It would arguably be less painful, however, than constructing a live household income surveillance layer across the entire retail economy and then defending it from fraud, error and public revolt.

Andrew Oury
Owner and Partner
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A high street conundrum

Polly Mackenzie writes that high street blight can be reversed through new uses for shops that have been affected by internet shopping, and that landlords with empty shops should be forced to sell (Opinion, August 3).

I would argue that the real barrier is the dysfunctional planning system. It gives too much power to local opponents – who feel free to opine on everything from design to construction to floor plans to “character”.

My local high street has a third of shops closed but any proposal to convert those properties to homes is met with opposition and the council caves. One proposal to convert to flats has been battled around for years. Another, to add two floors, was opposed simply because it could be seen from the high street and was therefore detrimental to character.

As high streets convert from selling goods to selling services – salons, restaurants, coffee shops, educational centres – they need housing density to be successful. We need more local people, more footfall. But progress is impossible without changes to planning. Fix this first.

Abigail Perez
London EC2, UK

The US and China treat it as a tool of state power, but the EU has not even decided on a joint course

portionate impact on European national security.

Political leaders must therefore confront the AI side of security head-on as tension builds between AI labs and geopolitics. They should prioritise trust and safety.

In the US, where investment in AI is breaking all records, the Trump administration regards AI as a source of its hegemonic global ambitions. President Donald Trump is taking ever more steps to boost US advantages in AI capacity, access and agency. Reports suggested that Anthropic’s latest Mythos AI model was being used by US intelligence agencies, while access for European allies was limited.

This presents a new security challenge for the EU. The recent Nato summit in Ankara saw European leaders confront the reality of an unreliable and possibly adversarial America that forces the EU to develop and maintain its own military and defence capacities. Cybersecurity is integral to resilience. Technological developments also make it clear that divorcing economic choices from security objectives is impossible. Corporate actions have an increasing impact on safety and security.

AI is at the heart of this inconvenient truth. To tackle potential threats from cyber incidents or exploitations of dependencies, EU states must set up

OUTLOOK

MUMBAI

India’s voter roll revision brings more bureaucratic misery



by Krishn Kaushik

For a few weeks this summer it seemed my Indian citizenship was in jeopardy. I did not break any laws or move to another country.

Instead, a national exercise to revise voter rolls resulted in me, along with millions of others, believing I had been thrown off India’s voting register.

I was born in India. I possess an Indian passport, pay taxes and have been assigned a unique digital identity as a resident. And yet, according to the government, none of these were enough to validate that I am Indian.

The cause of this problem was the Election Commission of India’s decision to launch a “special intensive revision” of the voter rolls – the first in more than two decades.

All voters in India need an Electors Photo Identity Card, or Epic, to vote. My Epic number has enabled me to vote in four national and several state elections. After the revision, however, I learnt that my Epic number ceased to exist; the regulator could not find my name in voter rolls before the last revision.

As a journalist who has covered Indian politics and policy for over a decade, I have had prolonged and close interactions with this country’s dreary bureaucrats. I am aware the bureaucratic monolith is unyielding. But nothing has made it so clear that the core of Indian bureaucracy’s belief system is suspicion than the revision of the voter rolls.

For the uninitiated, it may sound like a small clerical error – something

that should be easy enough to rectify. The election commission has called it “logical discrepancies”.

But the scale of exclusions means that re-enrolling is proving difficult for those who were wrongly ejected.

One friend attempting to re-join the voter register was told that her passport, one of the 11 documents allowed as proof by the election commission, had been rejected. Another was asked to find her 40-year-old birth certificate. She managed to dig it out but is not yet sure if it has been accepted.

Just because systems for redress exist does not mean they always work.

R Rajagopal, a revered former newspaper editor, was denied a passport because his name did not feature in West Bengal’s revised voters’ list. As the Editors Guild of India noted, if this could happen to a public figure like Rajagopal, it could happen to anyone.

“The fate of others who have been similarly disenfranchised by a bureaucratic stroke of the pen, and lacking the voice to seek redressal can only be imagined,” it wrote. This “highlights the misery that millions of Indians are being put through”.

Voting registers affect many areas of life in India. Before someone can receive welfare, they are asked to prove their citizenship.

India’s opposition claims that the revision exercise was done at the behest of the Hindu rightwing Bharatiya Janata Party.

In recent regional elections, Prime

Minister Narendra Modi’s BJP managed to win control of the eastern state of West Bengal for the first time. The elections were preceded by 2.7mn voters in the state being wiped off the registers, which some claim played a crucial role in the party’s victory.

Being left off the electoral rolls also makes millions vulnerable to what human rights activists claim is a targeted crackdown against Muslims in a state where they account for more than a quarter of the population.

Following the elections, the BJP has expelled more of the residents it believes to be “illegal immigrant” families – mostly Muslims – deporting them to neighbouring Bangladesh.

Rajagopal did finally manage to get his passport after the opposition took up his case.

As for me, just as I was hunting through my documents to gather all of the evidence I would need to regain my right to vote, I received a call from a confused junior official saying my registration had not been cancelled. Instead, for some inexplicable reason, my Epic number had been changed.

The relief came with a twinge of guilt, for how easily we let ourselves be questioned.

Recent reports suggest it will take courts more than 20 years to go through all the challenges to the voter-roll revision. For those excluded, the actions are a reminder that no rights can be taken for granted.

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Opinion

Who needs consultants in the age of AI?

BUSINESS

Robert Armstrong



In the age of artificial intelligence, what happens to people who sell the human variety? It's a pressing question for a lot of professions (not least opinion writers), but is especially acute for strategic consultants, who not only sell ideas but charge a lot for them. In other professional services industries such as law and accounting, the provider is paid in part for taking on legal responsibility. Someone has to sign off on accounts or legal opinions, whether they were drafted by an AI model or not. Strategy advice lacks this virtue. It's simply good or bad, useful or pointless. If a large language model can do it better, faster or cheaper, we should use the model and fire the consultant.

The threat is big, but not necessarily existential. Before saying why, it's worth

being clear about what we mean by strategic consultants, and what they do.

Firms such as McKinsey, Bain & Company and Boston Consulting Group work closely with senior executives to solve high-level business problems. This is in contrast to consultants who focus more on technology or business process implementation and outsourcing (the share prices of Accenture, Tata Consultancy and Capgemini reflect a lot of AI disruption worries there, too). The underlying service the strategics provide is a matter of debate. There are at least three theories; in descending order of cynicism, they are: providing a nominally objective and prestigious stamp of approval to choices management has already made; acting as a conduit for best practices to move between companies without resorting to industrial espionage; and helping managers make their companies more productive.

These are not mutually exclusive accounts, and whichever you like best, you can see how AI presents a threat. Doing industry research and presenting it clearly; isolating broad patterns among the strategies of multiple compa-

nies; and recommending options for action are all things the strategics have charged for. AI is brilliant at all of them. If it can go into a slide deck, it's almost certainly turning into a commodity.

But that's not where the value has been for a long time, according to the consultants. The analytic or technical challenge — describing the problem and reimagining the company in a way that

Charging by desired outcomes is the future. Per diem work is on a burning platform

solves it — is now the easy part. The hard part is getting the organisation to make the recommended changes. Everyone in an executive suite or in a boardroom has different beliefs, acts under different incentives and worries about different things. Not all of them will speak openly or even honestly. Gaining the trust of the ones who matter and extracting compliance from dissidents, and then guiding a

process that enacts change from top to bottom, is the job. "AI continues down the path of making strategy and recommendations easier. The competitive advantage is how well you orchestrate change," Kristy Ellmer, a managing director and partner at BCG, told me. A former senior consultant put it more plainly: "this is a contact sport."

Luis Garicano, an economist and co-author of *Messy Jobs*, frames the consultant's challenge as an information problem. The knowledge needed to plan a corporate transformation is dispersed among different people and is often tacit rather than explicit. People who have it often hide or distort it for their own benefit. And it may not even be grasped until people sit down and talk things through. So the problem is not just that an AI model cannot do the face-to-face work of building consensus behind a plan. It's that the dataset that would be needed to train an AI to design the plan does not exist; it only comes into existence when humans engage in the planning struggle. Garicano compares those who think AI can solve this sort of problem to the socialist central planners who

— as the economist Friedrich Hayek pointed out — wrongly believed they could do without the local knowledge revealed in market prices.

To sum up, in the age of AI, strategic consultants don't actually sell intelligence at all. They sell a process.

Even if you believe this argument, the strategic consulting industry seems certain to get smaller. Analytic and technical work was the bulk of the meal the industry once served to customers, while the bespoke process of helping management adapt to change was the special sauce. Now there is just sauce.

The challenges will be how to train young consultants when there is not much bulk analytic work to be done, and reforming the fee model. On the latter front, change has begun. More firms are charging not for their time, but by desired outcomes. This is the future. Per diem work is on a burning platform.

Doctors are notoriously bad at taking their own advice. It will be interesting to see how the strategics do at transforming themselves. Consultant, advise thyself.

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Europe and the eternal north-south rift

WORLD AFFAIRS

Janan Ganesh



Last weekend, when the Spanish prime minister called some other European states "selfish", even allies must have winced. This is not because Pedro Sánchez was without a case. Governments were proposing to (literally) isolate Spain after a surge of migrants into Ceuta. Some had got their facts wrong. It is just that many see him as a stickler for the national interest himself. He has rejected Nato's ambition to spend 5 per cent of GDP on defence, as Russia would not be "bringing its troops across the Pyrenees". Nations on the other side of those mountains found that line wanting in solidarity.

Northern and southern Europe inhabit increasingly different mental worlds. The consuming focus of the north is Russia. Unless Vladimir Putin mellows in the autumn of his life, this will not change soon. The south, which has less exposure to that problem, can cite other priorities. One is climate change, which discriminates according to latitude. Sánchez once suggested that Spain's efforts against it should count as defence expenditure. This summer's wildfires make it harder to dismiss him as a sophist.

The feud between Sánchez and the Italian prime minister, Giorgia Meloni, over Ceuta masks how similar the two countries are on defence. Earlier this year, she ruled out sending Italian troops to secure a post-conflict Ukraine. (And she is a Russia hawk by the standards of her country's right wing.) Like Spain, Italy has only just met Nato's longstanding 2 per cent target. In a recent poll, Italians were the only surveyed nation that opposed an increase in national defence spending.

There are exceptions, such as well-armed Greece, and ambiguities, such as whether France is northern or Mediterranean, but core defence budgets as a share of GDP are generally lower on the southern side of the 45th parallel. In peacetime, this scarcely mattered. In the future, it could be all-defining. It is one thing for Europe to disagree over economic management, as the then frugal north and high-debt south did for decades. It is another to disagree over what counts as an existential threat.

On its own, this would be enough to cause north and south to grow apart. But aggravating things is the migrant issue. Mediterranean countries are the natural point of entry for irregular arrivals from Africa. With luck, Europe will come together to defuse the problem. Picture the north subsidising the south's border fortifications, and all of Europe taking an on-the-ground role in Africa to improve people's lives at source. (France had a counterinsurgent mission in the Sahel until 2022.)

The trouble is that even writing this



scenario down brings home its fantastic unlikelihood. Chad's fertility rate is around six births per woman; Spain's is scarcely above one. Raw demographic pressure will push Africans towards Europe in numbers that even masterful policymakers would struggle to manage. If the southern frontier proves porous, northern states might demand harder internal checks on south-to-north movement *within* Europe. That is, no Schengen area or — worse for European togetherness — a fragmented one.

North versus south is a political rift hardwired into the world. I wonder if Kemi Badenoch has to contain a laugh when Andy Burnham talks about Britain's, which is close to non-existent by global standards. Nigeria, where she grew up, moved its capital from coastal

It is one thing to disagree over economic matters, it is another to disagree over what is an existential threat

Lagos to interior Abuja at least in part to bridge its north-south gap, which is grounded in religion and differing experiences of British rule. India changes — in income, in attitude to the Hindi language — as you move south. The split is ingrained even in the UK's peer countries. Think of Italy or Belgium, or Germany. (In Thomas Mann's *Buddenbrooks*, a woman from Lübeck reacts to Munich as though it were Neptune.) The US fought a civil war along latitudinal lines. The once-Confederate states still vote differently to the north-east.

You find the north-south problem everywhere because different latitudes produce different weather, and so different crops, and culture is to some extent downstream of these material conditions. In all the above cases, there is a strong enough central state or fervent enough national feeling to hold things together. As a continent, Europe has little of either. In 2020, its north-south gap was shrinking. The derided "Pigs" had made budget cuts and other reforms that brought them closer to the northern economies, as was (and is)

reflected in bond yield spreads. Complacency about Russia was almost pancontinental. The onset of war has opened the gap again.

A continent that was torn along an east-west axis for decades might be reverting to the more ancient north-south one, rooted not in the old Catholic-Protestant schism but in different threat perceptions. This matters because numbers matter. It is soothing to say that democratic Europe has 500mn-plus people — against Russia's 145mn — but Italy and Spain are over a fifth of that. If the EU becomes more of a defence club, it is easy to see how Britain joins, but some existing members might drift to the margins.

The north skirts this subject, for fear of being seen to caricature Mediterraneans as carefree voluptuaries. The south, for its part, does not want to seem un-European. But there is a divergence of interest here, born of hard geographic fact. Those who aspire to divide the continent have all too much to work with.

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Stop assuming GDP is an indicator of prosperity

Ehsan Masood

Not yet 50 and already a veteran chief economist to Pakistan's Planning Commission, Mahbub ul Haq wrote in 1963: "It is well to recognize that economic growth is a brutal, sordid process. There are no short-cuts to it . . . The road to eventual equalities may inevitably lie in initial inequalities."

At the time, he was an evangelist for a kind of "growth at all costs" philosophy, then at the leading edge of economics. Guided by economists sent to Karachi from Harvard University, Haq and his colleagues helped the fledgling nation grow at around 6 per cent during the 1960s. Pakistan came to be known as the "development miracle".

Yet five years later, Haq had changed his mind. You did not need to be an economist to see that sustained growth

had failed to eliminate the country's structural poverty. The architects of Pakistan's first five-year plan wanted to prioritise affordable housing, spending on public health and education. But their US-trained advisers put more emphasis on industrial policy, specifically on those that would boost a relatively small number of conglomerates. The economist Khadija Haq, who happened to be Haq's wife, found that just 20 family groups controlled most of the industrial corporations, insurance companies and banks then listed on the Karachi Stock Exchange.

Writing later in *The Poverty Curtain*, Haq argued: "It is time to stand economic theory on its head, since a rising growth rate is no guarantee against worsening poverty."

Haq, who died in 1998, could have been writing today. From Tunisia in 2011 to Bangladesh in 2024, country after country has gone through a similar kind of cycle: billboard-worthy rates of economic growth masking unemployment — especially among the young — as well as high levels of wealth inequality and social unrest, which, in a few cases,

led to revolutions. More than ever, we need to rethink GDP as an indicator of economic growth.

Nearly six decades after Haq's epiphany, the rest of the world now seems to be catching up. UN secretary-general António Guterres has made reform of global rules for economic measurement a priority for his second term. And it may well be his most important legacy.

Billboard-worthy rates of growth often mask high levels of wealth inequality and social unrest

In 2021, Guterres got the chief executives of the major multilateral agencies including the IMF and the World Bank to write a paper summarising what was right and wrong with GDP. Their paper, "Valuing What Counts", called for a political moonshot to decouple GDP from progress. Guterres then assembled a second group of independent academic economists who came to a similar

conclusion. UN member states, led by Spain and Guyana, have begun an inter-governmental process to adopt new metrics — including possibly a new composite index — that goes beyond GDP.

Countries have essentially two choices. They can change what GDP measures, so it doesn't just count the monetary value of all finished goods and services. Instead, it would also capture things such as unpaid housework, or misleadingly named "externalities" such as the natural capital and ecosystem services on which human life and future wellbeing depend and which are either threatened or have already transgressed safe limits. This, however, is proving fiendishly hard to achieve.

An alternative choice is that we all just stop using the GDP index as the main yardstick for prosperity — which just about any economic statistician will tell you is no bad thing — and start to run economies according to a dashboard of indicators instead. Many of these, including getting every child into school or universal healthcare, are already being measured in the UN Sustainable Development Goals. They just

need elevating to the status of GDP.

In his later years, Haq went to work for the UN where he led the design of the Human Development Index, a calculated attempt at dethroning GDP. It would be just as vulgar but stand for better things, he told Amartya Sen, his friend and collaborator on the project. But the HDI team made the error of setting up their new index as a parallel indicator to GDP — but one that existed outside the UN system of national accounts. This enabled GDP to continue its reign for another three decades, untroubled by its new competitor.

As Guterres prepares to leave office, his successor must continue to champion the UN's Beyond GDP work. They cannot undo history, but they can study what went before. To paraphrase Haq, the world can ill-afford being endlessly preoccupied with the refinement of the national accounts when not enough is being done on the real problems of mass poverty.

The writer is an editor at Nature and author of 'GDP: The World's Most Powerful Formula and Why it Must Now Change'

Green transition won't be driven by self-interest alone

Noah Gordon

With a significant proportion of global supplies of oil and liquefied natural gas bottled up in the Strait of Hormuz since the start of the US-Iran war, the world has been rushing to find readily available alternatives to fossil fuels.

The conflict has accelerated a clean energy boom already under way. The clearest real-time measure is sales from China, the world's green workshop. In March through June, Chinese exports of solar panels and components, batteries and electric vehicles were 47 per cent higher by value (\$84.9bn) than in the same period last year.

Anyone who cares about the climate should be glad to see millions of people installing technologies that will cut future emissions. Unfortunately, this pursuit of self-interest can only take the clean energy transition so far. The idea that incremental individual decisions will be enough to curb the threat of climate disaster is a fantasy. Governments must keep tilting the playing field, for three reasons.

First, self-interest is most effective when the investments are small and the payback is fast. This cleantech boom is mostly driven by many individual purchases of solar panels for Nigerian roofs, heat pumps for European apartments or batteries for Australian garages. It would take expectations of a much longer gas and oil shortage to drive change in industrial sectors that remain nearly completely reliant on fossil fuels.

Admittedly, there have been two large investments in clean heavy industry

Individual decisions will not stop climate disaster. Governments must keep tilting the playing field

outside China in the wake of this latest fossil fuel shock. The UK-listed company Atome has taken a final investment decision on a \$665mn plant in Paraguay that will produce ammonia-based fertiliser without natural gas. And the green steel company Stegna has secured another \$1.65bn in financing to allow it to complete a plant in Sweden to make steel with hydrogen rather than coal.

Both deals required unusually favourable geography — grids fed by abundant hydropower — as well as strong policy support. Stegna's plant is protected by the EU's rising carbon price and carbon border levy, while Atome got its green fertiliser facility thanks to financing packages from multilateral institutions including the International Finance Corporation and the Green Climate Fund.

Whereas buying an EV today is a bet that petrol will be expensive this year, investing hundreds of millions in a green fertiliser facility is a bet that natural gas-based fertilisers will be comparatively expensive or undesirable in the 2040s. Self-interested economic actors take such decisions only if governments point them in the right direction.

Second, the quest for economic resilience drives policymakers towards domestic coal as well as domestic sunlight. India, for instance, has approved about \$4bn in subsidies to gasify coal. China, too, is pairing its long-term investments in clean heavy industry with major new spending on highly polluting coal-to-chemicals projects.

Rebound effects also cut against a self-interest-driven transition. When China shifts to EVs and cuts its oil demand, it makes it more affordable for Americans to keep driving their big trucks when the Strait of Hormuz is closed.

Finally, one essential step of the transition cannot be taken out of narrow self-interest or a desire for affordability: carbon removal. Even if emissions were to fall rapidly, the scenarios for keeping global warming below 2C entail gigatonnes of carbon removal through novel technologies each year by mid-century. Today the world removes only about 2 megatonnes per year by such means. So the world needs a thousandfold scale-up of a technology that is a global good.

It's a wonderful thing to have clean energy progress driven by economic self-interest and the need for energy security. But there's still no avoiding the need for states eventually to force fossil-fuel operations to shut down and mandate carbon removal.

The writer is a fellow at the Carnegie Endowment for International Peace

Opinion

Life was impossible, and then it got worse

Millions of Americans struggle today in sometimes unimaginable ways.



Nicholas Kristof

OKLAHOMA CITY After a 1,000-mile road trip across a swath of America, I can't get one person out of my mind: Trinity Goodman, a cheerful, chatty woman in Oklahoma City who had a bandage on her arm.

The reason for the bandage? Goodman, 44, survives by selling blood plasma twice a week. She had \$3.78 in her checking account, one cent in her

people who are losing food stamps and other benefits and increasingly desperate — and resentful, understandably, of elites who seem indifferent to their struggles. A recent Washington Post-Ipsos poll found that two-thirds of Americans consider groceries unaffordable.

Goodman is among those feeling the squeeze, and there appears to be some risk that she will lose her food stamps — and in that case she doesn't know how she would get by.

I'm on my annual win-a-trip journey, which I started 20 years ago to take a university student on a reporting trip to cover neglected issues. Usually we travel abroad, often in Africa, but this time we explored poverty, addiction and human trafficking in Oklahoma, Arkansas and Kentucky.

My student winner this year is

complex post-traumatic stress disorder that has left her unable to work. She has applied for disability benefits, and says she was denied, but is now appealing.

I asked Goodman what message she would have for Trump as the cuts and work requirements he ordered ripple across the land.

"You do not know what you're doing to people who are struggling to live," she said. "You got money in the bank. You don't know how it feels to struggle. Live in my shoes for one day. You wouldn't be able to handle it."

In Pine Bluff, Ark., a largely Black city that is struggling economically, racked by crime and losing population, I visited the home of Latoya Foster, 31, a single mother with six children who has lost food stamps and as a result is behind in rent.

error rates may lead to wrongful denials of benefits. In addition, some three million Americans have lost Obamacare health insurance since the beginning of this year, after Republicans cut subsidies to help pay for insurance.

Without food stamps, Foster now is behind in her rent — \$650 a month for a three-bedroom home in a crime-ridden neighborhood — and accumulating a \$25-a-day late fee on top of the rent owed.

"I hit rock bottom daily," she told me. "The more I work, the harder stuff gets."

And then she broke down and wept. The push to cut benefits for struggling Americans is partly rooted in a desire to trim federal spending, but that's hard to square with the expense of the Iran war, as well as subsidies for

caused of fraud, laziness or personal irresponsibility. Yes, many end up making bad choices, but we fail them before they fail us.

Trump initially proposed eliminating Head Start, the federal program with bipartisan support that serves those vulnerable children in poverty. He later backed off that idea, but congressional investigators found that his administration illegally withheld \$12 billion from the program for several months, causing great hardship.

But while it's easy to focus on Trump and Republicans cutting Medicaid, food stamps and other benefits, it's not just the Trump administration that seems to have a myopia about Americans falling behind.

Democrats talk a good game about housing being a human right, but the three states with the highest rates of



PHOTOGRAPH BY TAMARA REYNOLDS FOR THE NEW YORK TIMES

savings account to keep it open, and six pennies in her piggy bank.

"That's my full assets," she said, smiling in mockery of her own poverty. "Barely making it," she added. "It's really hard and it's miserable."

She dwells in an America that many of us might have trouble imagining. For five years she staved off homelessness only by staying in the home of a man who was not a romantic partner but who took advantage of her vulnerability, she said, by regularly demanding sex. A heroic local nonprofit, Hope

Community Services, helped her get low-income housing for \$50 a month, she said; otherwise she would still have to choose between unwanted sex and homelessness.

Food stamps, \$298 a month, sustain her, but they can't be used for toilet paper or feminine hygiene products. So she searches for them at church-run pantries — lifelines in much of America.

Haircuts are likewise unaffordable. "I've never been to a barber or any of those places," she said. "Never. I don't have that luxury."

Many sectors of America — and many Americans — are thriving. Yet my sense is that many of us are blind to how many people have been left far behind. So far behind that they scarcely inhabit the same country as the rest of us. And this pain across America is now magnified by President Trump's cuts in food stamps, Medicaid, mental health funding for children, pregnancy prevention initiatives and other social programs, as well as by rising gas and food prices. Republicans are also imposing tougher work requirements for benefits; this is reasonable in theory, but in practice such requirements have proved costly to administer and end mostly just driving people deeper into poverty.

On this trip, I talked to so many

Brunella Tipismana, who grew up in a working-class neighborhood in Lima, Peru, and just graduated from Yale University. One thing we saw repeatedly on this road trip is that poverty in America is not just about a lack of money, but is often multigenerational and self-replicating.

Goodman, for example, says she grew up steeped in trauma, in a toxic family that often abused drugs. She told us that she was raped and sexually abused beginning at the age of 6 or 7. She was 9 when her mother killed herself; afterward, Goodman was raised by other family members, she said. All the trauma left a mark: She says she was clinically diagnosed with

Foster works as a shift manager at Taco Bell, earning \$13.40 an hour. She relied on \$1,172 in food stamps per month — but they were abruptly cut off in May, apparently because of suspicion that two of her children were collecting improper benefits in other states. She denies that and says there was some kind of mistake in the system.

Nationwide, some 1.5 million children have lost food stamps under Trump's crackdown over the last year, according to the Center on Budget and Policy Priorities. It notes, and superbly reporting by my Times colleague Jason DeParle underscores, that pressure on states to cut costs and reduce

private planes and tax cuts for the wealthiest. It's also based on a perception that the "undeserving poor" are exploiting the system, but I think we exaggerate the degree to which it is the poor rather than the rich who get away with manipulations. As of 2019, according to ProPublica, the place in America with the highest percentage of tax audits was not a haven of billionaires but rather Humphreys County, Miss., with a majority Black population and a median household income then of roughly \$26,000.

In any case, the age group most likely to live in poverty — by far — is children, particularly children 2 years old and under, and they can't be ac-

sheltered homelessness right now are blue ones: California, Oregon and Hawaii. Liberals rightly protest Trump's plans to abolish the Department of Education, but it is a handful of red states — especially Alabama, Louisiana and Mississippi — that have shown astonishing progress and now may represent the best hope for American education.

A Black fourth-grader in Mississippi is now two and a half times as likely to test proficient in reading as a Black fourth-grader in California. Democrats have every right to call out Trump, but they should also look in the mirror at their own failures to help those left behind.

When the problems are structural, we tend to ignore them. Palo Alto, Calif., is full of well-meaning liberals — four-fifths of voters supported Kamala Harris over Donald Trump in 2024 — and it makes its outstanding public schools available to children of all colors and classes . . . as long as their families can afford an average home price of \$3.6 million.

It's understandable that many working-class Americans feel betrayed. As I see it, politicians of all parties have been far too complacent about Americans being left behind, even as 1.3 million Americans have died of overdoses since 2000. That's roughly the number of American service members who have died from all the wars in American history.

One reason for the complacency is that the problems, at least in their complexity, are often invisible. Americans may see a homeless person shooting drugs, but they won't see the arc of homelessness that began with, say, foster care — which at its worst is a government system of child abuse.

Courtney Williams, 31, endured that broken foster care system. I met her in Oklahoma City, where she is caring for a new baby and hoping her \$208 a month in food stamps won't be taken away.

We taxpayers paid for Williams to be incarcerated — three times — but we

Above, a homeless man who gave his name only as Mike at an exit ramp off I-44 in Oklahoma City. Below, Courtney Williams, with her baby, hopes she will not lose her \$208 a month in food stamps.



KRISTOF, PAGE 10

In defense of the Paramount-Warner deal

David Ellison

Many people have weighed in on Paramount's agreement to acquire Warner Bros. Discovery — media analysts, power brokers, political commentators, competitors and, of course, lawyers. For a transaction of this size, that is expected and appropriate. The one person you haven't heard from is me.

There is a reason for that. I believe that anyone who oversees a news organization — I am chief executive of Paramount, which owns CBS — shouldn't put a finger on the scale, especially on matters involving his own company. So when California's attorney general, 11 other state attorneys general and, a day later, the Writers Guild of America sued to stop the deal, I stayed quiet. I quickly learned such restraint has costs. While I was silent, others were happy to write my story for me. No more.

The states claim this deal will give one company too much influence over theatrical releases and cable operators, while the W.G.A. argues that our combined market power will hurt writers. Both suits imagine a Hollywood that no longer exists — an industry ruled by a handful of legacy studios.

Add up every hour Americans spend watching television, and a combined Paramount-Warner would account for less than 20 percent of all watch time — competing every day against Netflix, Amazon, Apple, which are all companies whose resources dwarf ours. Include YouTube's user-generated content in that math, and our share would drop to around 13 percent. A combined company would account for just 18 percent of the domestic box office over the past 12 months and only 22 percent, on average, over the past two years. Those are not the numbers of a company that can dictate what audiences watch or what writers get paid.

I believe this fight is not really about market share. If it were, it wouldn't have been reviewed and approved by regulators reflecting 45 countries, including the United States and China, as well as the European Union. I believe a plain worry sits beneath the briefs and the news releases: the news. The issue is whether I can be

trusted as a steward of Warner's CNN. There has been speculation about my politics, my loyalties, my intentions.

Unfortunately, I can't give anyone a view into my heart and mind, but I can share this: I have regularly voted for candidates of both parties; I hold some views that would be called conservative and others that would be called liberal, just like most Americans; and when it comes to our news operations, I do not aspire to lead these companies to bend their newsmen to my views. I believe that news should be based on facts and truth.

Great news organizations like CNN and CBS News are here to tell it straight down the middle. That requires newsmen that reflect the whole world, not one side of it. And it requires independence. Our journalists will continue to answer to the facts and to all the people they serve — not to any party or cause. These were founding principles for both CNN and CBS News.

The issue is whether I can be trusted as a steward of CNN.

There is much ground to recover. By Gallup's latest measure, just 28 percent of Americans said they trust the news — the lowest share ever recorded. The temptation is to say the problem lies elsewhere. Our obligation is to look inward and say: We can do better. We are in a moment when Americans trust few institutions, but journalists haven't always helped their case by refusing to engage with critiques.

Trust can't be argued back, but it can be earned back — story by story day by day. In an age when so much of what fills our screens is machine-generated or engineered to enrage, journalism from real reporters matters more than ever. That is the work I intend to pay for, patiently, for a long time.

Which brings me to what we aim to build. The Paramount-Warner deal began with the movies. I have loved film since I was old enough to sit still for one, and scenes from the movies have shaped who I am: a boy riding a bicycle silhouetted against the full moon, twin suns setting over the desert, jets dogfighting off California. Behind each of those moments stands



JAC C. HOFFA/ASSOCIATED PRESS

real money, real risk and hundreds of brilliant artists who tell stories and who count on movies to keep them employed.

That machinery is in trouble. Hollywood is losing ground to technology platforms whose algorithms reward the loudest voices. The work is leaving, especially from California — where I grew up and where I'm raising my family — draining the deepest pool of creative talent ever assembled.

I understand that promises from an executive in the middle of a merger invite skepticism. So judge us by the year we just had. Since I took over Paramount, we have nearly doubled our theatrical slate from eight films last year to 15 and greenlit 40 new or returning series for Paramount+, our streaming service. You can expect 90 series from our

television studios in 2026. We raised our content investment by \$1.5 billion. We did that before the deal was signed and any lawsuit was filed, because making more is the whole point of the company we are building.

The commitments we have made for the proposed Paramount-Warner extend that trajectory: 30 theatrical films a year; 170 television series annually, for our own platforms and for our competitors'; more than \$30 billion in annual content investment. I have learned better than to promise hits. In my career, "G.I. Joe: Retaliation" met financial expectations, "Top Gun: Maverick" exceeded them, and "Terminator: Dark Fate" fell short. I am proud of all these films, but nobody can dictate what audiences will love. What I can promise is the work, and more of it.

A deal this size is lived out in public, and I have felt every bit of it. I don't ask to be taken at my word; the work will be on screens where anyone can judge it.

Hollywood's story can have a happy ending only when we connect with our audience. It's the audience — the American people — that has the final say in whether a movie succeeds or fails, whether a news organization thrives or withers and therefore whether our industry succeeds or fails. I want to build a company with the strength and resources to deliver for those audiences who turn to us, for the storytellers who rely on us and for the country that dreamed this all up.

DAVID ELLISON is the chief executive of Paramount Skydance.

In Nicaragua, the fear of a fake election

BELLI, FROM PAGE 1

the state — and made clear that she would succeed Mr. Ortega upon his death. As he appears visibly diminished and increasingly incoherent, she, who is five years younger, is closer than ever to finally rising to the top.

Neither Mr. Ortega nor, much less, Ms. Murillo could win a free and fair election. Mr. Ortega lost the presidential election in 1990 after over a decade in power, and regained the presidency in 2007 having received only 35 percent of the vote. Although there are no longer any independent opinion polls inside the country, according to a survey conducted by Haganom Democracia, a well-known Nicaraguan non-profit now operating from Costa Rica, over 95.8 percent of Nicaraguans have a negative view of the future and 66.4 percent would leave the country if they could.

Whatever remains of Mr. Ortega's legitimacy is rooted in the revolutionary years and in his own revolutionary credentials. His name is associated — however distorted that association has now become — with the struggle against the Somoza dynasty, the triumph of 1979 and the mythology of the Sandinista Revolution.

In contrast, Ms. Murillo's power derives from her association with Mr. Ortega. She does not possess his history, his revolutionary authority or even his residual emotional connection with parts of the Sandinista base, and she is very unpopular in her own right. In a deeply religious and often superstitious society, she is frequently referred to as "la Chamaqua" or the witch, because of her frequent use of esoteric symbols and mystical language. She is considered both fearsome and an object of suspicion and ridicule.

Ms. Murillo appears to understand her situation perfectly. While constantly paying homage to her husband and presenting herself as the guardian of his legacy, she has methodically removed anyone inside the Sandinista movement who might contest her succession or offer a political alternative.

The mass denationalizations that

began in February 2023 fit this strategy of eliminating not only political opposition but even the legal existence of potential rivals. Hundreds of Nicaraguans, including me, have been arbitrarily deprived of our nationality. Many of us have been expelled from the country, had our property confiscated and been permanently prohibited from holding public office. The message is clear: Anyone capable of competing politically risks being transformed into a nazi.

The purges have extended beyond the traditional opposition. Even as Ms. Murillo saturates her speeches with references to God, Christ and the Virgin Mary, the regime has imprisoned or exiled priests and bishops who criticized its repression. The government has dismantled Catholic institutions, restricted religious activity and driven much of the church hierarchy from the country.

The crackdowns have also reached people who served the revolution and even those once close to the governing couple. The most revealing case may be that of Gen. Humberto Ortega, Mr. Ortega's brother.

Humberto was one of the principal strategists of the insurrection against Anastasio Somoza Debayle and later headed the Sandinista Popular Army. In a May 2024 interview, he publicly questioned the possibility of a family succession. He argued that it would be extremely difficult for Ms. Murillo or Mr. Ortega's children to retain power after Daniel's death and insisted that a successor would need to emerge from an electoral process.

Within hours, local media reported, the Nicaraguan police had seized his electronic devices and placed him under house arrest. He remained under constant guard until his death in a military hospital months later. Humberto's fate signaled that no revolutionary credentials, no history of service and no proximity to Daniel Ortega would protect anyone who questioned Ms. Murillo's succession.

Both Mr. Ortega and Ms. Murillo surely understand that they are at risk of being ousted as Somoza was nearly half a century ago. Ms. Murillo needs something more secure than a fraudulent election. She needs a system in which no authentic opponent may run, no unexpected political movement may emerge and no electoral result — even a manipulated one — can become a public judgment on her claim to inherit the country. Nicaragua's democracy, which so many fought to secure for so long, dies with her determination to wear the presidential sash, no matter the cost.

GIACCONA BELLI is the former president of PEN Nicaragua. Her books include "The Country Under My Skin."

FROM READERS

When companies retreat on climate change

Re "How to abandon your climate commitments and get away with it" (nytimes.com, July 17):

This article surveys the growing number of companies across various industries that are retreating from their climate commitments. I want to emphasize why backtracking by companies in the food sector is especially significant.

Global food systems are responsible for one-third of global greenhouse gas emissions. The article mentions the meat giant JBS and the retailer Walmart. It could have included McDonald's, which announced in May that it does not expect to reach its 2030 climate targets.

This retreat highlights three flaws inherent in many of the food sector's climate strategies. First, companies like McDonald's have prioritized short-term profit against long-term sustainability, even as supply chain disruptions from extreme weather affecting crops and commodities increase.

Second, they have neglected reducing the impact of disproportionately high-emission foods like meat and dairy, and have placed too much faith in faulty or nonscalable solutions.

Third, some businesses fail to advocate — and sometimes work to undermine — voluntary market mechanisms, like the Amazon Soy Moratorium, and regulations like the European Union Deforestation Regulation and the Securities and Exchange Commission's climate-related disclosure rules, which help to build sustainable, resilient supply chains.

There is still time to fix these errors. Rather than retreat from climate ambitions, companies like McDonald's should focus on shifting menus to lower-impact, plant-based foods and support industry-wide policies that will make their own climate commitments achievable.

Food businesses have much to lose from climate change, but they also have an opportunity to effect positive change now. As this summer blazes on amid wildfires, droughts and heat waves, let's hope they make the right choices.

SAMMY HERDMAN, DENVER
The writer is a senior campaigner for climate, food and agriculture at Mighty Earth.

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DAWN

Need for dialogue

THE interior minister's comments at an Islamabad seminar last week have sparked many a conversation about the state of the 'system'. Political leaders, as well as commentators, are all weighing in on the significance of his remarks, as he is seen to be close to those that matter in Pakistan. At the event, Mehain Naeqi had spoken, among other things, of the need for political parties to start a dialogue, and for national leaders to put aside their differences and discuss governance issues. Picking up on this thread, JUI-F chief Maulana Fazlur Rahman, while addressing an event in Quetta on Tuesday, stressed the need for holding a multiparty meet to discuss national problems, though he was critical of Mr Naeqi's call for new provinces. Speaking before the interior minister's comments, the PTI had last month similarly called for a 'grand national dialogue' involving political parties, the establishment and civil society.

As the maulana said, "force alone cannot resolve the country's political and security issues". The only way out of the quagmire is sustained political engagement, and a pledge by all stakeholders to stand by the constitutional arrangements. There have been some attempts in the past, after the 2022 upheaval, to kick off a grand political dialogue, but none of these have succeeded. Yet, since there is once again a feeling amongst the political tribes that dialogue is essential, and even those close to the powers that be have spoken of the need for engagement, a fresh attempt at reconciliation should be attempted. No doubt, this is not an easy exercise to undertake as the trust deficit between the opposition and the ruling set-up is immense. But surely a moderate approach from both sides can break the ice.

There is precedent from the past that can be emulated. Two decades ago, the PPP and PML-N signed the Charter of Democracy to bury the hatchet, and promised to strengthen the democratic system. A similar approach can be tried now to break the current deadlock. But for any such attempt to succeed, there must be complete political freedom, and respect for fundamental rights. The issues confronting Pakistan are monumental. They include violent terrorist insurgencies in two provinces, as well as socioeconomic disaffection across the country, while there is geopolitical volatility on nearly every border. These issues demand a national response. They cannot be addressed if the polity remains fractured. Differences between parties and groups are natural. But by addressing these in a democratic fashion, a way forward can be found. Both the government and opposition should support calls for national reconciliation and dialogue, and political veterans must take the initiative to get the ball rolling.

Bad press

THE government's move to impose restrictions on international media will not only alienate the foreign press, it will also hamper the state's own efforts to improve Pakistan's image abroad. To recall, the government recently mandated that anyone working for foreign media must now seek a no-objection certificate if they wish to report from anywhere apart from Islamabad, Lahore and Karachi. These new rules, named in typically Orwellian fashion the 'Foreign Media Facilitation Guidelines', supposedly "provide an administrative mechanism" for verification, coordination and facilitating access to foreign publications, according to the government. However, given the latter's unyielding reaction to a recent foreign media report on the polls in Azad Kashmir, which seems to have catalysed their formulation, it is clear that 'facilitation' is not quite what these rules are meant to achieve.

The rules require "foreign media houses, organisations and outlets working in Pakistan and all eligible journalists, media owners, media professionals, sources, freelancers, sponsors, fixers, attached persons, assignees etc., of Pakistan working or contributing for them" to seek accreditation and registration with the Ministry of Information and Broadcasting. Additionally, any Pakistani organisation or individual working with or facilitating foreign media "in any capacity" is also required to register with the ministry's External Publicity Wing. Buried within the rules is a provision that accreditation may be suspended or withdrawn if a journalist is judged to have acted against the country's ideology, sovereignty, security or public order. This exposes Pakistani journalists, fixers, translators and drivers who work with foreign journalists to possible retribution if the state does not like what international media publishes. What is the need for all this? Misinformation is answered with facts, and the state has no shortage of them at its disposal. With rules like these, the government is only making itself look like the villain in the eyes of the press. The guidelines must be withdrawn, or at the very least stripped of the NCC requirement and open-ended grounds for cancelling accreditation. A country that can be reported on only by permission will simply be reported on from a distance, by people forced to rely on second-hand accounts and harbouring an uncharitable view of the country's leadership. The picture that will emerge will be less flattering and the government will have no one but itself to blame for it.

Automobile concerns

PAKISTAN'S automobile industry is at a critical juncture. Sharp cuts in tariffs on the import of completely built vehicles in the current budget, risk weakening the domestic auto manufacturing base. The issue is whether policymakers want to strengthen local auto engineering or cede the market to imports. Consumers deserve lower prices but through greater local competition, and not policies that weaken industrial development. With assembly plants operating below capacity and parts manufacturers struggling, abrupt liberalisation would weaken the domestic automotive value chain. Local manufacturing depends on economies of scale, ongoing investment in technology, and predictable policy. Successful automotive hubs in Asia nurtured domestic production with carefully sequenced protection, while demanding greater localisation and higher quality standards.

We should adopt a similar approach. A stable, long-term auto policy can reassure investors while linking tariff protection to measurable performance. Assemblers should be required to deepen localisation, invest in R&D, improve quality and expand exports in return for continued protection. Such a strategy would strengthen the weaker industry, create skilled employment and reduce dependence on imported parts. There is also the issue of incentives. The government's willingness to provide tax relief for hybrid and plug-in hybrid vehicles — too costly for ordinary households — raises concerns. Cleaner transport is a worthy aim but incentives should not disproportionately benefit buyers of premium hybrid vehicles, while middle-income families are priced out of the market. A balanced approach would direct fixed support towards small, locally assembled cars. Such steps would stimulate demand where it matters most, increase production, boost local auto vendors and generate jobs across the manufacturing chain. They would also complement environmental goals by encouraging the replacement of older, less efficient vehicles with modern, lower-emission alternatives. Industrial policy is ultimately about choosing where scarce public resources deliver the greatest long-term return.

OPINION

BY ISHRAT HUSAIN



The growth-jobs paradox

Rapid GDP growth by itself cannot ensure enough jobs or social stability.

THE 2024 upheaval that toppled Sheikh Hasina's government in Bangladesh, alongside the youth-led protests over joblessness in India, point to a shared crisis across South Asia: strong economic growth has not translated into enough good jobs for a workforce that is more educated than ever before. An access to schooling and universities has expanded, so have people's employment expectations — expectations that a narrow job market has failed to meet, sparking widespread anger. In India, nearly 40 per cent of graduates under 25 can't find work, youth joblessness is near 24pc. Roughly four in five Indian workers depend on informal, insecure employment.

Economic theory holds that growth happens as workers shift from low-output farming to more productive factory and service jobs, and that this shift should expand labour demand and shrink joblessness. But India, Bangladesh and Pakistan complicate that story. India and Bangladesh have sustained 6-7pc annual growth for over three decades; Pakistan has managed only 3-4pc. Yet, none of the three has generated sufficient formal, productive work. Growth rate alone doesn't explain the shortfall.

Data from the Centre for the Study of Developing Societies show Indian employment expanding just 1.4pc a year from 2009 to 2021, then flatlining from 2012 to 2025 even as GDP kept climbing. The type of growth a country experiences, not merely its speed, appears to shape how many jobs it creates. India's economic transformation makes the point vividly. Agriculture accounted for 35pc of GDP in 1990, absorbing 55pc of the workforce; by 2025, as GDP share had dropped to 16pc, yet it still employed about 45pc of workers. Agricultural productivity relative to the rest of the economy fell from 0.34 to 0.40 over this period, a sign of chronic underemployment and surplus labour stuck on the farms. Meanwhile, economy-wide productivity nearly quadrupled, so, rising incomes come mostly from efficiency gains in industry and modern services, not new job creation. Workers haven't left agriculture at the rate that genuine structural change requires. The outcome is reflected in living standards: CLSA data put average urban household income at around \$20,000, and just \$3,600 in rural areas.

Part of the problem is that new, productivity-boosting technologies tend to displace low-skilled

workers faster than emerging industries can absorb them. For instance, India's IT sector has become a world-class tech hub, pulling in over \$13 billion in venture capital each year, spawning some 5,500 new startups and unicorns, and generating some \$300bn in annual revenue. Yet, it employs only around six million people, barely 1pc of the national workforce.

The roughly 2,000 global capability centres set up by MNCs add only about 2m jobs. Against this, India's labour force grows by some 12m young people annually, including about 1m engineering graduates, only half of whom are considered employable in their field. Over the past decade, the IT sector has added only about 1m jobs. India may handle over 30pc of global outsourced business-process work, but this tech-driven growth has been skill-intensive, not job-intensive.

As Indian industry and services keep climbing the value chain, the need for unskilled and semi-skilled labour is set to shrink further, a trend that AI, robotics, and automation may speed up, leaving policymakers with a dilemma: how to keep India competitive in technology while generating enough jobs for millions of young people without advanced skills. As services focus on finance, IT, e-commerce, and other knowledge-heavy fields, older labour-intensive jobs in retail and community and personal services contract.

Agriculture, the fallback employer for surplus labour, offers no real cure. Modernising it would raise productivity and rural incomes, but reform efforts run into political opposition — the Modi government's three farm laws sparked mass protests and had to be repealed. Even so, nearly 500m people rely on farming, a large share of them underemployed. How then the central paradox: the more agriculture modernises and mechanises, the fewer workers it will need, eroding its role as a buffer for surplus labour. Seasonal migration from poorer states like Bihar and UP to richer farming regions may also taper off as mechanisation reduces demand for hired labour. Briefly, agriculture can't continue absorbing new jobseekers indefinitely. Beyond the shifting nature of growth and its shrinking capacity to generate jobs, other structural issues compound youth unemployment: low participation by women in the workforce, premature decline of manufacturing, growing inequality, and above

all, a widening gap between what education delivers and what employers need.

India has expanded higher education dramatically: gross tertiary enrolment is approaching 28pc, with some 45m students in colleges and universities. Yet this growth hasn't produced better job outcomes: millions of young people remain out of education, work, and training. From 2004 to 2023, Indian universities turned out around 5m graduates a year; only 2.5m or so found jobs annually. The mismatch between supply and demand is severe. Between 2014 and 2021, over 230m applications competed for just 72,000 central government positions.

The quality gap is worse than the quantity gap. McKinsey research found only about a quarter of Indian graduates have globally competitive skills, with another fifth meeting domestic hiring standards, leaving more than half short of what employers want. Outdated syllabi, rote memorisation and weak hands-on training have left graduates credentialised but not always employable. Educated unemployment stems from higher education's disconnect with real economic needs. Students, families and institutions are fixated on degrees and scores rather than analytical thinking and problem-solving skills. Universities churn out graduates in fields with little market demand; technical and vocational roles go unfilled.

Government funding patterns deepen these imbalances. Elite schools like IITs and IIMs receive outsized public investment due to their prestige, while the overall cost of higher education keeps rising, forcing families into major financial sacrifices, often for degrees that don't pay off, as graduates face long jobless stretches or settle for work below their qualification level.

The lesson from South Asia is that rapid GDP growth by itself cannot ensure enough jobs or social stability. It needs to be more labour-absorbing, manufacturing needs new momentum, agriculture needs to enable rather than obstruct structural change, and education must build skills the modern economy actually demands. Otherwise, the gap between growth and employment will keep breeding frustration, endangering economic progress and political stability in the region. ■

The writer is the author of *Development Pathways: India, Pakistan and Bangladesh 1947-2022*.



BY KHURRAM HUSAIN



Wrecking the provinces

ONE good thing that has come out of this whole conversation about building the federation on new foundations is that it has exposed the most opportunistic elements among us. Those who crave the opportunity to enter public life but have no chance to do so as long as Pakistan remains even nominally a democracy are the ones most excited by the idea of dismantling the federal structure and replacing it with some rebranded form of a unitary state from the 1950s.

Let's get one thing clear. None of this is about bringing 'good governance'. These are gross words that are always used to mask implicit intentions. This is actually about wrecking the fortress into which the democratic forces of the country have been forced to retreat. The democratic forces are the political parties, which with all their inadequacies and imperfections, are the only carriers of the people's will in our society today. There are three main parties — the PTI, PML-N and PPP. Each controls one provincial government. Each is nourished, indeed kept alive, by the resources and powers of the provincial government they control. Without this control, their voice and presence in the country would shrink — much like the PML-Q shrunk when it lost control of the federal government in 2008, and then made a spirited attempt to try and gain control of Punjab in 2022.

This is exactly the situation that the 18th Amendment and its associated NFC award anticipated. That is why the provinces were strengthened and endowed with ample resources. The idea was to build little fortresses around the country into which civilian, democratically based power centres could retreat when the inevitable usurpation of non-democratic power came. That moment is now upon us, and the interior minister's words suggesting that the 'system has collapsed' and perhaps a new federal structure is needed are the first major growl of non-democratic forces against these fortresses.

The contest is now on. Underlying the whole affair is the struggle over resources and who gets how much. Since July 2023, Pakistan has been stuck in a grinding economic stabilisation pro-

gramme that has choked off growth and placed a heavy burden on the citizenry and owners of capital, just as the state could refund its fiscal and foreign exchange buffers. Those buffers have not been rebuilt — not even close. The State Bank hinted that it would have reached its reserve target by December, implying that from that point onwards the foreign exchange flowing into the country would be available to help finance private sector activity rather than being used for reserve building purposes. The announcement by the government of two subsidised credit schemes, at least one of which appears to directly breach constraints given to the IMF, is another indication that the gears are

Underlying the whole affair is the struggle over resources and who gets how much.

now shifting away from stabilisation and towards growth.

So here's what has happened. The political parties were allowed to own the hard part — stabilisation. But now that the gears are shifting towards growth, now that the party is set to begin and the hard work of the previous three years to bear fruit, there are rumblings of discontent rising from the depths of the state. It seems they want to keep the good times to themselves. First, they sought to find creative ways to roll back NFC allocations, and a compromise was reached in which the funds demanded by the centre were made available to them from provincial coffers without any modifications to the NFC formula. Now it seems more demands have arisen.

It won't work though. Redrawing the federation is too large an enterprise to pull off without violating the Constitution, and the DG EMPL was clear that violating the Constitution is a "red line" that nobody should cross. That statement

will remain operative until a new one. So until then it seems the instability rippling through the system will remain confined to verbal duelling between proxy voices. But notice has been served.

Underlying all this is the same question that has underlain all civil-military politics in Pakistan: resources. The game revolves around who controls the material resources of the state, and what purpose those resources are directed towards. One side has told us what they want: a 'hard state', meaning a state in which security of the realm is the foremost objective and no one else is allowed to stand in its way. It is in this vein that the interior minister, who has been aptly described by the defence minister as being both in and out of the cabinet at the same time, was able to express his views on how the 'system has collapsed' at an event hosted by a business lobbying group, during which he also gently criticised the prime minister's laptop scheme. It is worth noting that the same minister distributed laptops among students at the Quaid-e-Azam University under the same scheme in January this year, while the Punjab chief minister ran her own laptop distribution scheme for students.

In all this, the other side wants to buy back the Punjab voter, and hold on to the bones of their power in the meantime. This is taking state resources, and by maintaining the laptop scheme, the interior minister specifically targeted those schemes that are designed to help the ruling party in Punjab re-establish their connection with the voters they fear they have lost since 2017. Schemes such as these, and megaprojects, are exactly how the PML-N had built its relationship with the Punjab voter in the 1990s.

It does not yet look like the set-up will change much in the near future. There is still plenty of room for politics to keep matters afloat. But stabilisation has ended, and with growth set to resume, some changes are being sought. ■

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OPINION



BY F.S. AIJAZUDDIN

Breeding cockroaches

TRUST the ancient Greeks to have a word for it: 'hubris'. It means usurping attributes or powers that invoke divine retribution. Aristotle detected it in "naïve men [who] think that by ill-treating others, they make their own superiority the greater". Nothing has changed because humans have not evolved since then. They have learned more but understood less.

Human nature believes still with the same strengths, weaknesses, prejudices and fobias as the characters did in the days of the ancients — whether from the ages of Homer's *Iliad* or *Odyssey*, or the Mahabharata or the Tilmul-Badrabad. Backgrounds have changed; the psyche of combatants hasn't. The example, both Homer's epics can be transposed seamlessly into a modern setting, just as Shakespeare's plays can be performed in a contemporary context or modern dress without losing their dramatic force.

Hollywood, having exhausted ancient Rome as a source, has reached beyond, to ancient Greece, producing two popular blockbusters: *Troy* in 2004, and *The Odyssey* in 2026. Both used Homer's narrative as a crucible of ideas, adapting them to modern taste. Some purists have designated these films for deviating from the text. Classicists like Mary Beard and Emily Wilson have expressed outrage at the liberties Hollywood has taken with Homer. Wilson's retranslation of *The Odyssey* appeared in 2017, and her version of his *Iliad*, which took her six years to complete, appeared in 2023.

Understandably, she feels a certain proprietary ownership of Homer. She has expressed severe reservations about the use made by Christopher Nolan of her work as the backdrop of his latest film *The Odyssey*. Her criticism might have had more sting, had one reviewer in *The Atlantic* not thought her own translation as "distastefully modern". Wilson's book, version of *The Odyssey* is 592 pages long. As an audiobook, it takes 13 and a half hours to narrate. Christopher Nolan's film is just under three hours long, a welcome abridgement.

In approaching both Wilson's translation and Nolan's cinematic interpretation, one must remember that these epics — like orally transmitted damians — were never fixed texts. They were added to or subtracted from according to the mood and temper of each audience. They became "fixed" only after they had been committed to writing.

They have retained their appeal over the centuries both for the variety and skill of narration by hands and for the creative imagination of every listener. Each mind played within itself a version of the drama being recited. Films are no less. Nolan's personal adaptation should be appreciated

in that context. He uses ancient costumes to suggest authenticity. He plays primitive drums as background music rather than modern orchestration. The nearest parallel was John Williams' score in Steven Spielberg's film *Jane* (1975), in which the increasing heartiness of the hungry shark as it approaches its victim heightens the tension.

Nolan's inclusion of modern dialogue (for example, 'dad' instead of 'father') may grate upon the ears of purists. Such colloquialisms resonate with young audiences. They need to be introduced to Homer gently.

Nolan's film will be memorable, though, for two unforgettable iconic images. One is the stunning tableau of the wooden horse left by the devious Greeks as a gift for the unsuspecting Trojans. The horse lies half-embedded in the wet sand — a monstrous portent of the carnage soon to befall Troy. The second is Nolan's brilliant visual recreation of Circe converting Odysseus's sailors into swine. Nolan shows Circe massaging human muscle and converting it into porcine flesh. Those three minutes of cinematic genius are compensation enough. The rest of the film is a bonus.

Do Homer's epics have relevance for us today?

Do such epics have relevance for us today? Yes. If Aristotle were transported into the streets of any world capital — Washington, D.C., Tel Aviv, New Delhi, Riyadh or Islamabad — he would recognise the hubris has remained an immutable condition, unchanged since his time. It was fatal then, it is equally dangerous now.

Hubris has been described as "the insolent encroachment upon the rights of others". Since its creation, Pakistan has been a laboratory for every type of political alchemy. It has endured guided democracy, benevolent dictatorship, Islamic socialism, national reconstruction, green revolutions, yellow tractor and cab schemes, and now proposed 'structural reforms'. None has ever yielded an orderly trend into a stable future.

Pakistan's present population is over 240 million. By 2040, it will exceed 400m. That is the forecast not by idle sociologists but by the ministers of state for health Dr M.A. Razaq. We are breeding like cockroaches and will pay the price. Hubris in leaders often leads to a founding myopia. They need a corrective. They should heed the classics. ■

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BY NAEEM SADIQ

Bloated bureaucracy

ONE does not have to be a jaundiced cynic to reach the unfortunate conclusion that two factors — the unchecked daily arrival of 19,000 newborns and a colonial, reform-resistant, bloated bureaucracy — appear all set to seal the fate of Pakistan. The government tackles the first crisis through symbolic optics such as having the military chief on the Population Committee — while leaving the core reform unaddressed. The crisis of the disinterested and dysfunctional bureaucracy is managed by archaic appeasement tools, such as raising salaries, allowances, perks and bonuses. One might be the wrong country that diverts the resources meant for its people towards the luxuries of a non-performing parasitic elite. This has created a grotesque divide — a privileged few travel in Fortuners and Cadillacs, while thousands are condemned to decay and die in poisonous raw sewage-filled gutters.

Amid these existential threats, dismantling our obsolete bureaucracy is not an option. This article is about using a rigorous PDH (process, digitise, dismantle, improve) cycle that could radically transform and uplift Pakistan. The following text demonstrates how a lean task force of roughly a dozen committed citizens and domain experts can accomplish this transformation.

The first rule of change is to focus on the 'processes'. For instance, to map and document, in plain language, how every process 'actually' works — which is invariably different to how it is officially projected. Consider the example of the Balochistan Zakat Department, where over 100 employees consume Rs4.5 billion to distribute a total fund of Rs300 million. This needless clerical task could be redesigned and performed by just one individual.

Likewise, the Federal Zakat Department employs 13 officials (including one Grade 19, two Grade 18, two Grade 16 and two Grade 15 officers) to simply transfer the yearly zakat fund to the four provinces. This entire department could be easily abolished, with standing instructions given to banks for annual disbursements. Imagine the crushing burden of the Fortuners, perks and lifelong pensions awarded to such officials — a deliberately created burden that will weigh on taxpayers for generations.

Pakistan's much-publicised digital transformation is largely cosmetic and superficial. Expensive seminars and exhibitions showcase AI, while 98pc of the bureaucracy still does not even use email for routine correspondence. Millions of citizens in hundreds of union councils are

made to undergo convoluted and tortuous procedures for routine civil registrations. These processes are so painful that half of the deaths and 65pc of births are not registered for years. This could be highly simplified if all hospitals, BHUs and graveyards were to be directly linked to Nadra. Why must citizens be required to repeatedly provide the same photocopies and affidavits to multiple departments — something that can be avoided if all databases are integrated and shared across various state departments such as tax, housing, health, education, banks, pensions, salaries and immigration? A document filed with one department ought to be automatically available to all other authorised departments.

Successive pledges to introduce austerity and reduce the size of government have remained little more than empty rhetoric. A June 2025 announcement by the finance minister promised to trim 43 ministries and nearly 400 affiliated departments by June 30, 2025. The Sindh government's unmet promise in July 2020 to dismiss more than 10,000 'ghost employees' was yet another eyewash. Hundreds of departments, commissions and authorities have been created solely as well-paid parking spaces for friends and relatives. The Nepra chairman's monthly salary of Rs1.2m provides a minor glimpse of this patronage. Numerous symbolic departments and institutions, such as those responsible for human rights, child protection, right to information, Council of Islamic Ideology, Baloch-Mal, adalat and saib, poverty alleviation, workers' welfare, Nepra, EOMB and the 25 SOBs that cost Rs32bn in 2025 could be shut down.

Various overlapping ministries, such as communication, railways, maritime affairs and aviation, could be easily merged into a single ministry. The same is true of numerous police forces created under different fancy names. Pakistan continues to remain blind to two fundamental realities. Its future hinges on bringing its total fertility rate down from 3.6 to 2.0 and reducing government to one-quarter of its current size. The time to embark on these two reforms is now. ■

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FROM THE PAST PAGES OF DAWN

1976 Fifty years ago

Port Qasim vital

KARACHI: Prime Minister Bhutto yesterday [Aug 5] described Port Qasim — the second deep water port — to be built at Phitti Creek as a "vital segment in the infrastructure needed for the economic development of the country". Speaking at [...] the foundation-stone-laying ceremony [...] [he] said that Karachi Port has served the nation well, and it will continue to do so, but its heavy burden will, in the near future, be shared by the new port. [...] [He] said the need for a second major port had long been felt [...] but the people's Government, as soon as it could, took decisions and translated them into reality to relieve the growing congestion at the Port of Karachi. — *Staff reporter*

[Meanwhile, as reported by news agencies from Lahore,] Chief Justice Sardar Muhammad Iqbal and Mr Justice Nazim Hameed Shah have held that the President's proclamation of emergency in the country is constitutionally valid. They also held that, actual occurrence of war or of any internal violence is not necessary to justify a proclamation of emergency by the President. [...] These observations have been made by their Lordships while dismissing in limine a writ petition by Malik Muhammad Suleman, MNA from Shikarpur.

1951 Seventy-five years ago

Test blackout

KARACHI: Karachi had its first test blackout on Sunday night [Aug 4] from 10 to 10.30 p.m. As the sirens were sounded at 10 p.m., the city was plunged into darkness. At places sirens were not heard but the people took their cue from the street lights. The Manora lighthouse and the lights in the navigation channel were the only exception. Judged from the point of view of the citizens' cooperation the experiment was a great success.

The people did not wait to be told to put out their lights. Instances were very few where the police or the Civil Defence authorities had to intervene. The work of the [...] authority, was [...] made easy by the enthusiastic cooperation of the people. They urged their neighbours to observe blackout and even stopped some of the offending cars which were plying with their headlights on and some of the buses which had kept their inside lights burning.

The Director-General of Civil Defence, Mr S.N. Bakhsh, the Administrator of Karachi, and officials of the Civil Defence organisation for Karachi, went up in an aircraft to judge the success of the blackout. — *News agency file*

LETTERS TO THE EDITOR

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Letters may be edited for purposes of clarity and space. All letters should carry the writer's address, CNIC and phone numbers.

Social privilege gets disguised as merit



EVERY year, many Pakistani families celebrate the admission of their children to famed universities in foreign lands. These stories are told as proof that hard work always gets rewarded, and that talent inevitably rises to the top. Yet, these stories obscure a deeper reality. Long before these university applications were ever submitted, students had already been divided and sorted into vastly unequal systems of education that differ in quality as well as opportunities, networks and the cultural capital they provide.

Pakistan's elite schools do more than just educate the country's privileged; they reproduce privilege itself. By converting inherited social and economic advantages into credentials that appear meritocratic, they reinforce class divisions while masking them as individual achievement.

In fact, Pakistan's elite schools have become perhaps the most effective machinery for transforming inherited privilege into the appearance of individual success.

Pakistan's elite education provides far more than academics; it provides students with certain social assets, such as the right accent and dialect, fluency in the English language, confidence in interviews, debating, Model United Nations (MUN), internships, alumni networks, recommendation letters, guidance, counselling, exchange programmes and leadership opportunities.

This is only the tip of the iceberg. This cultural capital equips students to navigate elite institutions and social spaces in ways their equally talented government-school counterparts often cannot. Before even applying to universities, their educational trajectories have already been shaped by their unequal access to opportunity.

There is a clear educational apartheid in Pakistan where parallel school systems separate children by class long before they enter their adulthood. This includes elite international schools, expensive private schools, low-cost private schools, and state-run public schools. These systems rarely interact, and the children that come out of them speak different, read different books, build different networks, and imagine different futures.

These children stand segregated long before they enter the job market. Imagine two students from two different schooling backgrounds. Even if they have both scored distinguished grades, which student, you think, appears more 'meritorious' on paper? Which one of these students, you think, would be rewarded appropriately?

This matters because when leadership positions in the country are repeatedly filled by people drawn from the same narrow education system and social class, policymaking becomes socially insulated and exclusionary. Institutions become less representative, public trust declines, and ultimately innovation suffers because diverse perspectives are excluded. Educational inequality turns into political inequality.

Pakistan's education system requires structural reforms that reflect the reality of its socioeconomic inequalities. This includes increasing focused investment in high-quality public schools to reduce disparities in educational resources. We should reduce the premium attached to the English language by strengthening multilingual education, and ensuring institutions value competence over accent. Finally, it should create pathways that bring students from different educational systems into shared academic and extracurricular spaces.

Merit should measure what students accomplish despite their circumstances, not the advantages they inherit before they ever enter a classroom. Until Pakistan narrows the vast inequalities between its education systems, meritocracy would remain less a reality than a comforting national myth. Celebrating the occasional success story does not change the rules of the game; it blurs the uneven playing field.

Alihaq Syed Ishaq
Orlando, USA

A debatable plan

YET another project in Karachi is underway that could negatively affect the environment. The Karachi Port-Qasim Road Expressway, a Rs64.20 billion project, will connect East Wharf to Shalimar-Bhutto. The project will effectively create a concrete jungle in the midst of residential areas.

Karachi already grapples with a dearth of vegetation and an overabundance of concrete/asphalt surfaces, which together increase heat retention and contribute

to the city's sweltering temperatures. Climate change is known beyond doubt to have a profound impact on Karachi, driving intense urban heat island effects, and severe urban flooding. In this backdrop, this proposed elevated expressway over densely populated residential areas, including DHA and Clifton, raises serious concerns regarding privacy, continuous noise pollution, environmental degradation, and public health. Besides, the anticipated 24-hour movement of heavy vehicles may have an adverse impact on the wellbeing, safety and, indeed, economic stability of area residents.

Instead of using M4B and restoring freight trains, the government wants to add further to the ugly concrete infrastructure that the city already has. The project funds of more than Rs64 billion must be utilised in partnership with Pakistan Railways to upgrade its cargo facilities.

Sped Jamel Maadi
Karachi

Liquid Tree project

UNCHECKED carbon dioxide emission is one of the top environmental hazards currently affecting our population. Under the light of recent developments, the government is looking forward to the newly introduced initiative named the Punjab Liquid Tree Project, which has been described by the chief minister as one of the most advanced scientific methods for addressing carbon emissions and smog in cities. However, the initiation of such a project without prior and proper research of the local ecology and demographics might lead to the project's failure in the days ahead.

Solar-powered biological tanks consist of four major and essential components. The first is the photoglass container, a clear and lightweight material that resembles glass but is significantly stronger and less prone to breakage. The second is a solar-powered pressure pump responsible for drawing in atmospheric air containing carbon dioxide into the tank.

The core element of the system is algae, which absorbs ambient carbon dioxide and, using natural sunlight or low-intensity artificial lighting, converts carbon dioxide and water into oxygen and biomass at a rate reportedly 10-15 times higher than traditional trees. The final component is a monitoring and calculation system based on artificial intelligence (AI) responsible for quantifying carbon absorption and oxygen production.

The technology is impressive and it does provide a potential solution for carbon sequestration and conversion in urban environments, but there is a catch. The AI systems used for monitoring and computation require significant energy and cooling resources for data processing, placing undue additional pressure on already vulnerable environmental resources.

Thus, this high-tech solution risks creating a serious environmental problem while attempting to solve another. It is a short-term intervention, not a long-term solution.

The proper method of addressing this issue involves the plantation of native trees which not only fulfil their ecological niche of carbon sequestration, but also contribute significantly to the growth of the ecological environment, promoting habitat conservation and biodiversity, particularly for the avian species, while also improving our overall soil ecology.

Hammed Arif
Lahore

Legal jargon



THE need to end child abuse in society is rather urgent. A law cannot protect children if people do not know it exists. Many parents, teachers and children are unaware that abusing a child can lead to severe punishment, including lengthy prison terms. Another problem is that legal language is too difficult for ordinary people to understand. Most laws are written for lawyers, not for the public. How can we expect crime to fall when many cannot understand the very laws that are supposed to protect them?

Every important child protection law should be available in simple Urdu and regional languages, with short examples explaining what a crime is, how to report it, and what the potential punishment is. The government should launch nationwide awareness campaigns through schools, television, radio, social media and mosques.

Posters in public places should clearly explain children's rights, reporting methods and legal penalties. When people understand the law and criminals know that society is educated to report abuse, the fear of punishment grows. Simple laws in simple language help protect countless children.

Muhammad Shabbahat Memon
Islamabad

► **TURMOIL IN PANJUR:** Once a symbol of educational excellence and social vibrancy, Panjur has now fallen into chaos due to targeted killings, robberies, poverty, illiteracy and lack of basic facilities. The district has been deprived of interest for more than two years, crippling every sector. Healthcare remains dismal. Despite having representation in provincial and federal legislatures, the district has seen no improvement. Instead, conditions have worsened with time. Growing in flames has made basic goods almost unobtainable, pushing the already vulnerable population into deeper distress. Without visionary leadership and sincere efforts, the district risks sliding further into violence and despair. *Azhar Arshad Baluch*
Panjur

► **SMOKING HAZARD:** After the 18th Amendment, health, among other subjects, was delegated to the provinces. Unfortunately, 16 years later, provincial governments seem to be least bothered by the smoking epidemic. Though we do not see cigarette advertisements in media, smoking remains a major public health issue in Pakistan. The provincial governments have to come up with appropriate legislation on tobacco control. Currently, the focus is on clamping down on illicit cigarettes, while it should be on providing adult smokers effective and affordable cessation options and making every effort to keep the young away from smoking. *Jamil Ali Khan*
Islamabad

► **HOSPITALS IN RURAL AREAS:** In most rural areas of Balochistan, such as Dacht, there are no well-equipped hospitals. People are forced to travel long distances for treatment, and poor families cannot afford this cost. Even in some areas where facilities exist, there is often a shortage of trained doctors, medicines and equipment. This inadequacy frequently leads to mortality and delayed diagnosis. The government should strengthen local first-responder networks and provide funding for rapid ambulance services so that the people may reach urban trauma centres during emergency. *Muhammad Karim*
Turbat

External Ombudsman
Veteran journalist Muhammad Ali Siddiqi is Dawn's External Ombudsman (DEO). His duty is to attend to our readers' complaints, and to respond to them professionally. DEO is the investigating authority to whom all complaints can be referred, and it is DEO who takes notice of any alleged violations of Dawn's code of ethics, and informs the Editor for appropriate action. [Email: dawnombudsman@gmail.com](mailto:dawnombudsman@gmail.com)

COMMENT

Editorials

The return of the Japanese samurai is no innocent cartoon entertainment

There is something almost unsettling about the cover of Japan's 2026 Defense White Paper. A cheerful cartoon mascot smiles beneath a bright sky, as though the clinical language of deterrence, missiles and military expansion can be softened by cuteness.

Japan's Nobel laureate Kenzaburo Oe once wrote of the ambiguity that allowed militarism to overtake his country: "That powerful, acute ambiguity which tears the nation and its people apart ... drove Japan to play the aggressor in Asia." That same ambiguity lingers beneath this year's polished report, where "patriotic rhetoric" risks dulling independent judgment and turning people into instruments of an expanding war machine.

For the first time, the 2026 white paper includes a dedicated chapter on "new forms of warfare", drawing explicit lessons from Ukraine, including drone warfare, artificial intelligence and prolonged attrition. Space, cyber and electromagnetic operations are elevated from supporting functions to core combat domains.

The parallels with pre-World War II Japan are difficult to ignore. Then, as now, "external threats" were invoked to justify military expansion. The ideology of "leaving Asia and joining the West" has been repackaged as alignment with a "democratic security coalition". The notorious wartime vision of a "Greater East Asia Co-Prosperity Sphere" has given way to the language of a "free and open Indo-Pacific". Even the economic arguments echo history, with military investment promoted as a source of technological innovation and industrial growth.

As some Japanese observers have said, postwar Japan rested on two moral foundations: "democracy" and an unwavering commitment never to wage war again. Now both are under increasing strain. The nation sees political debate narrowing under the ascendant right-wing neo-militarists while the country's pacifist identity is gradually reinterpreted into support for military expansion in the name of deterrence. The post-war settlement, once regarded as Japan's moral compass, appears increasingly contested.

As a spokesman for China's Ministry of National Defense said, the 2026 white paper, filled with false narratives, indicates Tokyo is

fabricating regional threats to dismantle the restraints that shaped Japan's postwar military posture. He rightly pointed out that Japan's accusations against China amount to "a thief crying 'stop thief'" and warned that Japan's neomilitarism poses a challenge to regional stability.

Japan's pursuit of military superiority through ever-expanding deterrence risks triggering a self-reinforcing cycle of regional arms race. Although the country has technological strengths, a decisive "overwhelming" military superiority over China will prove only costly wishful thinking. Japan also remains heavily dependent on imported energy and strategic resources — a vulnerability that contributed to its wartime defeat and remains no less significant today.

Perhaps the most revealing feature of Japan's strategy is the insecurity that underpins it. Since the end of World War II, Tokyo has consistently sought security under the United States-led alliance, often at considerable economic and strategic cost. From the Plaza Accord to more recent financial concessions, Japan has repeatedly subordinated aspects of its autonomy to preserve the alliance.

The palpable unease — and at times barely concealed irritation — with which Japanese Prime Minister Sanae Takaichi received the US leader's mentioning of the attack on Pearl Harbor indicates Japan remains profoundly uncertain about the reliability and durability of its most cherished alliance.

Recent protests outside the National Diet are a stark reminder that many Japanese people harbor deep misgivings about the Takaichi government's dangerous course.

Yet the juggernaut of rearmament rolls on. The nearly 600-page 2026 white paper helps pave the way for revising the country's three key security documents by the end of this year and accelerating its military buildup. Some in Tokyo are already openly proposing Japan acquire nuclear weapons and the possibility of raising its military spending above 3 percent of GDP, while legislation for dedicated military taxes advances.

Oe warned that ambiguity could tear the nation apart. As Japan steadily redefines the meaning of "security" and "peace", that warning carries renewed resonance.

Response to US tech hegemony justified

What the United States administration frames as protecting "national security" is, in practice, a systematic campaign to suppress Chinese high-tech enterprises and restrict their access to US markets and technologies.

The latest installment: the Federal Communications Commission is reportedly drafting a ban on imports of new Chinese optical transceivers — devices that convert electrical data into light and back within data centers. US officials hope to publish the rule this year, according to a Reuters report on Tuesday. To justify its protectionist agenda, Washington has again sought to paint Chinese enterprises as "national security threats" without providing any substantial evidence.

Beijing's calibrated response to the series of ill-advised China-targeted measures by the US came on Wednesday. China's Ministry of Commerce announced enhanced export controls on drones and related dual-use items to the US. The ministry also took countermeasures against six US entities, including Applied DNA Sciences, for aiding and abetting illegal US sanctions on Chinese enterprises citing so-called "forced labor" in the Xinjiang Uygur autonomous region.

Compliance Testing LLC was also added to the entity list for supporting FCC restrictive measures that violate Chinese businesses' legitimate rights and threaten China's sovereignty, security and development interests.

Separately, the ministry commenced an investigation into imported printing and copying equipment equipped with foreign system software to assess potential effects on China's national security and foreign trade.

The ill-advised measures against China imposed by the US in recent weeks constitute a serious violation of the important consensus reached by the two heads of state and a material infringement upon China's legitimate rights and interests. China is therefore left with no alternative but to adopt the necessary countermeasures, the ministry said in a statement.

As the ministry said, Beijing's response remains proportionate and measured, indicating that China values the hard-won stability of its economic ties with the US.

The US side is urged to revoke its relevant

measures and return to resolving differences through consultations.

The Chinese embassy in the US has also urged the US government to "heed the objective and rational voices of the business communities in both countries" and "stop smearing Chinese companies and threatening them with sanctions".

The broader context is telling. The planned transceiver ban follows recent US restrictions on imports of drones, humanoid robots and power inverters, all specifically targeting Chinese high-tech products. Washington is also weighing controls on Chinese open-source AI models.

Such crackdowns will serve to force related Chinese companies to make strategic adjustments. The external pressure also reflects a deeper reality: the US is clinging to technological hegemony, abusing export controls and recklessly pushing "decoupling" and "supply chain disruption". The chain of suppression, from chip equipment to computing hardware, is likely to expand.

If Washington insists on new restrictions, China will pursue further countermeasures, the Chinese Ministry of Commerce rightly warned.

While key technologies can be restricted and supply chains disrupted, the drive of Chinese enterprises for industrial advancement will not be halted. Alibaba launched its latest and "most powerful" AI model, Qwen3.8-Max, on Monday — boasting 2.4 trillion parameters and ranking second only to Anthropic's Claude series in Arena rankings. This achievement underscores that Chinese companies, making the most of what they have, continue to improve their competitiveness in high-tech sectors.

Moreover, the global semiconductor supply chains are interconnected. Forcibly severing them also raises costs for US companies. This lose-lose dynamic contradicts the fundamental truth that technological progress thrives on competition and collaboration. By politicizing technology and weaponizing "national security", Washington will ultimately curb global scientific advancement — and, in the long run, its own competitiveness.

The US should refrain from stirring up trouble while both sides are preparing for high-level exchanges. This year is meant to be a "big year" for China-US engagement, not a "big year" for Washington to intensify its crackdown on Beijing.

Yang Liangyi



Opinion Line

Managing unseen pollution focus of environmental plan

China's environmental plan during the 15th Five-Year Plan (2026-30) period signals a new stage in which the country's green governance is moving to the management of more complex environmental risks.

It does not mean the battle for blue skies, clear waters and clean soil is over. Rather, future progress will depend more on early detection, full-chain supervision and long-term risk control.

From monitoring networks to soil, groundwater, rural environments and solid waste, future environmental progress will increasingly depend on the ability to detect, trace and manage risks before they become obvious problems, according to the plan issued jointly by the Ministry of Ecology and Environment and other relevant departments.

One clear signal comes from China's aim to make important progress in establishing a modern monitoring system by 2030. The validity rate of automatic monitoring data is expected to rise from 95 percent in 2025 to 98 percent in 2030, while the intelligent level of operation, maintenance and key-indicator testing is set to reach 70 percent. The plan also calls for stronger monitoring of new pollutants, heavy metals, greenhouse gases and ecological problems.

Earlier policies largely addressed visible pollution, such as smog, polluted rivers and black and odorous water bodies. The problems receiving

greater policy attention now — soil contamination at industrial sites, groundwater pollution, solid waste facilities, data falsification by polluters, and ecological degradation in remote areas — are harder to see and slower to unfold. Without a stronger monitoring system, these risks will go undetected until it becomes too expensive to reverse them.

The new plan sets a target of raising the safe utilization rate of contaminated farmland from about 93 percent in 2025 to more than 95 percent by 2030, and increasing the proportion of groundwater of good quality from 74.3 percent to more than 78 percent.

It also aims to lift the rural domestic sewage treatment rate from 55 percent to 70 percent and implement environmental improvement projects in 80,000 villages.

These targets point to a broader definition of environmental quality. While clean air in cities remains important, people's environmental expectations now include safe food, secure drinking water and livable rural surroundings. Soil and groundwater pollution can affect health, food safety and land redevelopment, yet they are often difficult to detect and costly to remedy. That is why the new plan emphasizes source prevention, risk control for redevelopment sites, heavy metal tracing in farmland and countywide progress in building beautiful villages.

China generates more than 11 billion metric tons of solid waste each year and has about 30 billion tons of historically stored industrial solid waste. The new plan calls for the effective control of the historical stockpiles by 2030, along with the curbing of illegal dumping and disposal, and the building of an information-based regulatory network covering key fields.

The plan also sets measurable targets for the share of hazardous waste disposed of through landfill, which should be cut from about 13 percent in 2025 to no more than 10 percent by 2030, while the share of key general industrial solid waste stored or landfilled should fall from about 56 percent to no more than 30 percent. Full-process information-based supervision is expected to cover all entities related to hazardous waste.

Hidden environmental risks are hard to detect and eradicate, they require reliable data, interdepartmental coordination, local enforcement, stable funding and the long-term operation of environmental infrastructure.

The new environmental plan suggests that China's environmental agenda is becoming more systematic. The next stage will be about building the institutions, data systems and risk-control mechanisms needed to prevent deeper environmental problems from emerging.

— HOU LIQIANG, CHINA DAILY

What They Say

Scope of geological disaster prevention expanded

Editor's note: China's Ministry of Natural Resources recently released an implementation plan for national geological disaster prevention and control during the 15th Five-Year Plan (2026-30) period. China Central Television spoke to Yang Xudong, a senior engineer at the ministry's geological disaster technical guidance center, on the importance of the plan. Below are excerpts of the interview. The views don't necessarily represent those of China Daily.

China's approach to geological disaster prevention has evolved over time. Initially, efforts focused on community-based monitoring and professional inspections. Later, authorities promoted the large-scale use of high-precision remote sensing and mapping technologies while advancing the development and deployment of universal monitoring equipment.

These efforts, however, focused mainly on known hazard sites where clear signs of ground deformation had already been detected.

The country is now entering a new phase that directly addresses widespread shallow landslides and debris flows triggered by extreme rainfall. Unlike conventional geological hazards, these disasters often develop without any visible warning signs and occur suddenly during intense rainfall, making them extremely difficult to detect and forecast with traditional methods.

Since these hazards have neither been previously identified nor shown obvious precursory signs, they fall outside the scope of known geological hazard sites established through conventional methods. Consequently, even if all identified hazard points are effectively managed, significant risks remain across broader areas. Therefore, it is crucial to expand disaster

prevention from safeguarding individual hazard sites to managing risks across entire regions.

Such disasters cannot be effectively addressed simply by deploying more personnel or monitoring equipment. Recognizing this challenge, the new plan outlines seven key tasks covering dynamic investigations, monitoring and early warning, comprehensive risk mitigation, and a dual-control management system that combines oversight of both known hazard sites and broader risk zones.

More fundamentally, the plan shifts the guiding philosophy of geological disaster prevention toward reducing disaster risks, extending prevention efforts from isolated hazard points to comprehensive area-wide risk management.

The plan also designates 21 key prevention zones, up from 16 during the 14th Five-Year Plan (2021-25) period. The zones cover about 2.97 million square kilometers for landslides, rockfalls, debris flows and ground subsidence, as well as 280,000 sq km for ground settlement and earth fissures.

During the 14th Five-Year Plan period, China established an integrated monitoring and early-warning system that combined human expertise with technological support.

Automated monitoring and early-warning facilities were installed at 75,000 geological hazard sites with relatively high risks across 27 provincial-level regions.

Additionally, an integrated meteorological risk warning platform was established, linking provincial, municipal and county authorities. This platform achieved full county-level coverage of geological disaster weather risk forecasting in all disaster-prone areas nationwide.

According to the new plan, during the 15th Five-Year Plan period the country will further optimize its automated monitoring network while leveraging artificial intelligence, digital twin technologies and other advanced tools to enhance the identification of hidden hazards and the accuracy of disaster forecasting and early warning systems.

This shift reflects a more scientific understanding that, under increasingly extreme weather conditions, some disasters remain inherently difficult to prevent with existing technologies. The plan also emphasizes public education, training, and emergency drills tailored to different groups, including disaster management officials, technical professionals, community-based monitors, and the general public.

VIEWS

W. Julian Korab-Karpowicz

Evolving beyond friction to harmony

The collective Western foreign policy architecture is currently trapped in a dangerous conceptual mismatch. It attempts to manage complex, interconnected 21st-century geopolitical conflicts using an outdated 17th-century mechanical apparatus.

This reductionist dogma treats regional stability as a zero-sum collision of physical facts, raw power politics, and endless containment strategies. We see the tragic failures of this mechanical framework everywhere — from the permanent deadlocks in the Middle East to the widening economic fragmentation across the Eurasian continent.

To break this destructive cycle, global statesmanship must embrace a fundamental philosophical shift: the world is a totality of values, not merely a totality of physical facts.

To prevent the contemporary international order from sliding into an irreversible, multi-theater confrontation, the world must shift to a new paradigm of evolutionary realism.

Fully detailed in my recent monograph, *Political Realism: An Evolutionary Theory of International Relations*, this framework recognizes that the long-term survival of any nation cannot be secured by destabilizing its neighbors or enforcing rigid, exclusionary military blocs.

True political realism is not based on simplifications and stereotypes, such as human egoism or the nature of politics as a mere struggle for power.

Instead, it attempts to describe international reality as it truly is: a dynamic, continuous, structural change that can be described as human evolution.

In our hyper-connected world, security is fundamentally interdependent; if one part of the global organism is systematically oppressed or stripped of its cultural dignity, the entire system inevitably descends into hyper-inflammation.

Therefore, evolutionary realism demands that we move away from the exhausted mechanical frameworks of containment and implement value-based policies that satisfy the deepest historical needs of peoples through dialogue among civilizations.

Rather than forcing a singular, globalist blueprint upon diverse nations, this evolutionary approach offers a universal framework applicable to today's



SHI YU / CHINA DAILY



It is now time to shun mechanical containment and usher in a value-based, evolutionary blueprint for global cooperation.

most pressing global challenges.

The practical necessity of this approach can be clearly seen in the Middle East. Traditional diplomacy consistently fails because it focuses on physically carving up contested borders, guaranteeing continuous friction. An evolutionary approach, as outlined in my strategic frame-

work originally published in The Jerusalem Post, suggests that true peace requires transforming the conflict from a static territorial transaction into a dynamic process of shared security and economic renewal.

By shifting focus from mutual destruction toward massive international infrastructure investments, commercial integration, and advanced technological cooperation for neutral border monitoring, the region could transform from a theater of perpetual friction into a stable component of a multipolar ecosystem.

The power of evolutionary realism extends far beyond a single region. The exact same principles of organic harmony must be applied to global governance, development partnerships, and post-conflict reconstruction worldwide.

In an interconnected global economy, the survival and prosperity of any civilizational state depends on its capacity to align its specific national interests with the universal princi-

ples of the Social Good. When global development focuses on open infrastructure, unhindered trade routes, and non-coercive partnerships, it proves that cooperative stabilization is vastly superior to political and economic isolation.

This is precisely where philosophy meets practical global policy, highlighting China's constructive role in today's changing international landscape.

President Xi Jinping has stressed the acceleration of a comprehensive intellectual system in philosophy and social sciences. The framework of evolutionary realism offers a direct, cross-civilizational contribution to this global endeavor.

China's long-standing vision of building a community with a shared future for humanity and the practical execution of "China Opportunity 2.0" offer the exact conceptual and economic alignment needed to realize such breakthroughs.

True political realism demands that we abandon the outdated, zero-sum mentality of the past and begin constructing a plurilateral architecture based on mutual respect, mutually beneficial development, and moral excellence in leadership.

Implementing this evolutionary approach requires sovereign countries outside the rigid technocratic apparatus to act as diplomatic bridges.

Situated at the geostrategic heart of Europe, Poland possesses the deep historical and philosophical heritage necessary to reject short-sighted bloc mandates and serve as an independent, moral link between East and West.

Global organic harmony can achieve its full cross-civilizational resonance when joined in a profound dialogue with sovereign thought rooted in classical virtues.

The world is at a critical historical juncture. The old diplomatic models are exhausted. It is now time to shun mechanical containment and usher in a value-based, evolutionary blueprint for global cooperation.

The author is a professor of international relations at the Warsaw Academy of International Relations and American Studies (WSSMIA) and has written several highly acclaimed monographs. The views don't necessarily reflect those of China Daily.

Yang Jinsong

Dancing to the rhythm of culture and tradition

In recent years, the Munao Zongge Festival, a grand celebration of the Jingpo ethnic group's traditional dance, has attracted public attention. Content related to the festival has generated billions of views across social media platforms.

Traditionally held around the fifteenth day of the first lunar month, Munao Zongge was included in China's first list of national intangible cultural heritage in 2006. Celebrated as the "dance of paradise" and the "dance of ten thousand people", it is characterized by bold yet simple movements and an infectious rhythm.

Dehong Dai and Jingpo autonomous prefecture in Yunnan province, the heartland of Munao Zongge tradition, has produced many popular music videos and livestreams of the festival, fueling its online popularity and a steady increase in tourist arrivals. In 2025, Dehong welcomed 42.92 million tourists, marking a year-on-year increase of 12.8 percent, with total tourism revenue reaching 38.18 billion yuan (\$5.56 billion), a year-on-year increase of 18.94 percent.

The viral scenes of Munao Zongge, showing thousands of people dancing in unison, illustrate how traditional culture can successfully resonate with modern audiences. It is a natural expression of cultural confidence. The collective dance ritual dissolves feelings of individual isolation, while the vitality of an ancient tradition satisfies the curiosity for unfamiliar cultures.

At the same time, the strong sense of home and community expressed in China's border regions inspires a deeper sense of cultural identity among audiences. The festival's online popularity is rooted not merely in digital traffic, but in genuine cultural substance, reflecting a growing cultural confidence.

The key to promoting Munao Zongge lies in elevating it beyond a decorative stage backdrop and placing ordinary people at the center of the experience. Visitors and locals alike become active participants, creating and sharing emotional value rather than remaining passive spectators.

Contemporary musical adaptations of the festival are inspired by the Jingpo epic, incorporating imagery to evoke the longing for a spiritual homeland.

These adaptations foster broad public participation and a shared emotional experience, seamlessly blending culture and tourism through music, dance and people.

Equally important, Munao Zongge satisfies the dual desire for individual fulfillment and social connection. Participants, including tourists, revel in self-expression through dance while connecting with others by sharing their experiences online.

Local governments have effectively integrated online communication with offline immersive experiences, transforming traditional culture into tourism experiences that visitors can participate in and remember. This has expanded the possibilities for deeper integration between culture and tourism.

The fundamental question is: How can the surge in popularity be transformed into sustained appeal? Sustained visitor interest requires close coordination across the tourism value chain.

Challenges must be addressed by local governments and the Yunnan tourism industry. One issue is the gap between festival-based excitement and everyday tourism experiences. Beyond the festival itself, visitors may have fewer opportunities to experience the same vibrant atmosphere.

Another challenge is meeting the expectations shaped by social media. Travelers inspired by captivating short videos inevitably expect equally memorable experiences in person.

A seamless journey, from transportation and accommodation to tour guiding and cultural products, is essential for visitor satisfaction. Any weakness in the tourism experience can diminish the appeal created online.

A balance between cultural authenticity and tourism demands is crucial. Excessive commercialization risks diluting cultural significance, while excessive conservatism may disappoint visitors.

The solution lies in a diversified, tiered system of cultural experiences that preserves tradition while making its festive spirit accessible to broader audiences. This approach can create a virtuous cycle where traditional culture and tourism growth reinforce each other.

Transforming traditional culture into lasting tourism advantages requires coordinated innovation across services, products and spatial planning.

Efforts should be made to enhance visibility, accessibility and freedom for visitors to engage with cultural offerings in different ways. More people need opportunities to discover traditional activities, access them conveniently and engage according to their own interests.

Within China's 15th Five-Year Plan (2026-30) for tourism development, these innovations require more systematic support. Big data analytics can identify visitor preferences. Artificial intelligence can assist in designing personalized travel itineraries, connecting Munao Zongge with surrounding tourism resources.

Talent development should focus on cultivating professionals with a deep understanding of ethnic cultures and modern service skills. Together, these efforts can create an integrated portfolio of tourism products that complement each other across time and space, transforming the seasonal festival popularity into sustained regional tourism demand throughout the year.

Munao Zongge reflects the possibilities of integrating traditional culture with modern tourism. High-quality tourism depends not only on technology but also on preserving the humanistic essence.

Every surge in visitor interest can be an opportunity to pass on cultural heritage and every tourism experience should leave travelers with meaningful emotional connections.

The true competitiveness of high-quality tourism does not depend on online popularity or spectacular crowds, but instead on the exploration, preservation and creative interpretation of cultural depth. Achieving this requires protecting the core values of traditional culture while leveraging modern technology and market mechanisms.

The ultimate goal is to enable local communities to safeguard their cultural roots while improving their livelihoods and allowing visitors to experience, through the joyful rhythm of Munao Zongge, a vivid expression of a better life. This embodies high-quality tourism development and is also a compelling manifestation of cultural confidence.

The author is a researcher at the China Tourism Academy. The views don't necessarily represent those of China Daily.

Zhang Qiyue

Philippines' baseline claims riddled with legal holes

On July 29, the Philippine National Mapping and Resource Information Authority (NAMRIA) submitted Chart No 1567, entitled "Bajo de Masinloc and Approach", to the United Nations Division for Ocean Affairs and the Law of the Sea (DOALOS). The submission seeks to establish the so-called "territorial sea baselines" around China's Huangyan Island and its adjacent waters.

The Philippine Department of Foreign Affairs claims that the submission is intended to "uphold international law and reinforce the legal certainty of its maritime entitlement".

But in reality, this action, cloaked in legal language, is both factually unfounded and legally untenable. It is a blatant violation of the fundamental principles of international law.

That Huangyan Island is not part of Philippine territory is a fact grounded in treaty law.

The territorial boundary of the Philippines was clearly defined by a series of international treaties, including the 1898 Treaty of Paris between the United States and Spain, the 1900 Treaty of Washington and the 1930 Convention Between the United States and Great Britain.

These treaties collectively established the boundary of Philippine territory along the meridian of 118 degrees east longitude. Huangyan Island, situated at approximately 117.5 degrees east longitude, falls outside the territorial limits defined by these treaties.

Notably, the Philippines did not assert sovereignty over Huangyan Island for a long time. It was only in the 1990s that the Philippines began illegally incorporating the island into its "territorial claims" based on erroneous historical interpretations and flawed legal arguments.

This shift in position runs counter to the fundamental principles of international law, including pacta sunt servanda (agreements must be

kept) and the estoppel doctrine. Under the principle of estoppel, a state cannot contradict positions it had previously acknowledged, particularly regarding territorial sovereignty. Therefore, the Philippines cannot legitimately seek to expand its territory beyond the boundaries already established through binding international treaties.

The Philippines argues that its so-called "territorial sea baselines" are based on Articles 3, 33 and 121 of the United Nations Convention on the Law of the Sea (hereinafter referred to as "UNCLOS"), which concern the territorial sea, the contiguous zone and islands. But this argument is flawed from the outset.

A fundamental principle of the law of the sea is that "the land dominates the sea", which means maritime rights stem from sovereignty over land territory. A state's entitlement to maritime zones presupposes lawful sovereignty over the land feature in question.

Since China has sovereignty over Huangyan Island, the Philippines has no legal basis to unilaterally establish so-called "territorial sea baselines" around the island.

Its attempt to invoke rights under UNCLOS to reinforce a territorial sovereignty claim turns the legal order on its head.

Such a move has no legal effect, nor can it create sovereignty or maritime entitlements where none exist.

The Philippines has drawn these baselines on the basis of the so-called "2016 South China Sea arbitration award" and its subsequent enactment of the Philippine Maritime Zones Act based on that "award". This legal foundation is fundamentally defective.

First, the arbitral tribunal in the South China Sea arbitration acted beyond its jurisdiction and made serious errors in its findings, rendering the "award" null and void and

lacking any binding force. China has consistently stated that it neither accepts nor recognizes the award.

In recent years, the Philippines has sought to transform the "arbitral award" into domestic legislation and has used this legislation to establish the so-called "territorial sea baselines". It is an attempt to legitimize an unlawful "arbitral award" by incorporating it into domestic law.

Moreover, a state cannot invoke any domestic law to justify its failure to meet international obligations or to evade international responsibility. The Philippines' legislation therefore cannot override the fundamental principles and rules of international law.

The timing of the Philippines' latest move over Huangyan Island reflects a series of political calculations. First, 2026 marks the tenth anniversary of the so-called "South China Sea arbitration award".

The Philippine government aims to use this occasion to revive international attention to the "award", portray it as legally authoritative, discredit China and increase diplomatic pressure on Beijing.

Second, as the rotating Chair of the Association of Southeast Asian Nations, the Philippines is leveraging its position during the final stage of negotiations on the Code of Conduct in the South China Sea (hereinafter referred to as the "COC").

By provoking disputes over key maritime features, the Philippines aims to inject elements of the "arbitral award" into the future COC and pressure China into making concessions on critical issues, thereby strengthening its bargaining position in the rule-making process.

Third, the Philippines has intensified its activities around Huangyan Island, Ren'ai Jiao and other key maritime features, creating flashpoints to increase pressure on China's maritime law enforcement. This also creates opportunities for exter-

nal powers, particularly the United States and its allies, to deepen their involvement in South China Sea affairs.

The Philippine government is trying to shift public attention amid sluggish economic performance and domestic governance challenges.

By amplifying the so-called "China threat narrative", it wants to stir nationalist sentiment and use the South China Sea issue as a political tool against its domestic opponents.

China enjoys indisputable sovereignty over Huangyan Island and its adjacent waters.

It lawfully announced and established the territorial sea baselines of Huangyan Island in November 2024 as a legitimate exercise of its sovereignty and maritime rights.

In response to the Philippines' repeated infringements, China has adopted a comprehensive set of countermeasures, including official diplomatic statements, joint naval and air exercises, maritime rights protection and law enforcement operations conducted by the China Coast Guard. It also promulgated the management measures for the Huangyan Island National Nature Reserve on Aug 1, 2026.

The Philippines' unlawful actions cannot change the fact that Huangyan Island is an integral part of China's territory, nor can they weaken China's determination to safeguard its national sovereignty and maritime rights.

In fact, its provocations will only narrow its room for maneuver in the South China Sea, while its unlawful claims will ultimately prove unsustainable.

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OPINION

Nadhira and the arithmetic of ascent



RUMAITHA
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The writer is environmental strategist and advocate for sustainable development

BEFORE EVERY mountain, there is the private arithmetic of what can be carried. Crampons, ice axe, ascender, down mitts: each must justify its weight. Higher up, excess becomes consequence. And yet the heaviest things arrive without being packed: the names we have been given, the selves we have learned to perform and the opinions of people who will never climb beside us. A mountain measures its height in meters. The person climbing it measures the same distance in what she leaves behind.

At base camp, the subtraction is physical. A tent zip becomes a door; wind against nylon keeps the clock. Higher, food is a negotiation with the body; sleep breaks into hours that never meet; warmth retreats into your gloves. Sentences spend oxygen, leaving only necessary words. Company becomes a headlamp, footsteps behind you and a hand upon your shoulder. Comfort goes, then vanity and language, until the need to be understood falls away.

Eventually, even the audience cannot follow. There is no mirror, yet everything reflects you: ranges beyond sight, clouds beneath your feet, sunrise spilling over a world older than your name. God’s creation

looks back, revealing both your smallness and a self found nowhere else. Your body wears every layer it owns, yet your soul stands naked and bare.

When Khalid al Siyabi, the first Omani to reach Everest, introduced me to Nadhira, mountains became our shared language. I told her that climbing was my meditation. She nodded, smiling in agreement and we simply clicked.

She told me about Kilimanjaro; altitude sickness turned her back, but she wanted to climb it again. I gave her Damavand and the snowstorm that sent us down. We found solace in the attempts; a mountain can refuse its summit and still return something essential.

Since Broad Peak, I have been awake into the early hours, slowly becoming a keyboard warrior. The screen gives grief something to do: correct this fact, answer that stranger, refuse the sentence reducing her life to whether she should have gone. Grief, unable to change what happened on the mountain, has been trying to change what is said about it, keeping other people’s conclusions from standing as the last words spoken about her. Setting the record straight was the last loyalty available to me.

Perhaps I persist because Nadhira once

Nadhira understood what they had missed and wrote: “The idea we must be rid of once and for all is other people’s opinion of what we do, especially in the fields where our presence is not expected. There are many girls who need to hear from you.”

entered the noise for me. Years ago, during a live feed, I urged girls to name their accomplishments; years in male-dominated fields had taught me how easily women’s work is taken for granted. The comments recast purpose as competition, a chase for fame and an obsession with titles. Nadhira understood what they had missed and wrote: “The idea we must be rid of once and for all is other people’s opinion of what we do, especially in the fields where our presence is not expected. There are many girls who need to hear from you.”

Her first sentence released me from the chorus; her second turned that freedom into a responsibility. She once stood in a comment section for me and I have spent this week standing in one for her.

Yesterday, on the third day of her funeral, Nadhira’s name travelled from mouth to mouth in prayer. Here was an ascent no mountain could measure, love lifting what grief could no longer hold. I believe those prayers know their way towards heaven, that the distance between the living and the dead belongs only to time and that reunion waits beyond it.

Until then, her words remain my instruction: “There are many girls who need to hear you.”

TOTAL ECLIPSE
GIVES SCIENTISTS
CHANCE TO PROBE
SUN’S MYSTERIES

FREDERIC BOURIGAULT AND
DANIEL LAWLER

Scientists plan to use a total solar eclipse that will be visible in Spain next week as a rare chance to learn more about the stormy, unpredictable nature of our star. When the Moon blots out the Sun on August 12, teams will leap into action studying its magnetic field, atmosphere and furious weather that sometimes causes disruptions back here on Earth. There is a long history of using eclipses to make scientific breakthroughs. It was while watching an eclipse on May 29, 1919, on the West African island of Principe that British astronomer Arthur Eddington confirmed Albert Einstein’s theory of relativity.

He achieved this by observing the effect of a light-bending phenomenon called gravitational lensing on stars that became visible while the Sun’s dazzling light was obscured.

More than a century later, scientists will watch a total solar eclipse lasting one minute and 40 seconds appear across a swathe of northern Spain next week. “Our work aims to understand the physical mechanisms underlying the Sun’s activity,” Allan Sacha Brun, an astrophysicist at France’s Atomic Energy Commission (CEA), said.

Every day, specialists are working on models aiming to explain solar activity, allowing them “to put the Sun back into context within its evolutionary timeline, from its birth to its death,” he added. The Sun is constantly spewing out matter and charged particles, sometimes unleashing full-blown solar storms that shoot out giant explosions of plasma and other matter.

When these materials slam into Earth’s magnetic shield, they can knock out satellites, threaten astronauts and create colourful auroras in the skies of northern and southern latitudes.

“These phenomena follow a regular cycle, peaking every 11 years,” Brun said. “In 2024, the Sun reached the peak of its 25th cycle.”

Next week, CEA scientists will focus on the Sun’s corona, the outermost layer of its atmosphere.

“We’re incredibly lucky: the Moon is 400 times smaller than the Sun – but it’s also 400 times closer to us,” Brun said. This coincidence means the Moon blocks out the Sun’s light, but still lets scientists see what is happening in its atmosphere.

The Sun’s corona extends out for 10 million kilometres and is a million times less intense than its surface, which is called the photosphere. But the corona can still reach up to two million degrees Celsius. — **AFP**

5 myths about abuse that
put children at great risk

WHEN PEOPLE hear the phrase child abuse, they often imagine severe physical violence or abuse.

While these are undoubtedly serious forms of maltreatment, they represent only part of the picture. Every day, many children experience neglect, emotional abuse or repeated physical punishment that goes unnoticed because of misconceptions deeply rooted in our communities.

These misconceptions do more than shape opinions; they delay recognition, discourage reporting and leave vulnerable children without the protection they need. Here are five common myths that deserve to be challenged.

Myth 1: Child abuse only refers to physical abuse

One of the most widespread misconceptions is that child abuse is synonymous with physical abuse. As a result, physical abuse, emotional abuse and neglect often receive less attention despite their profound consequences.

Research consistently shows that all forms of child maltreatment can have lifelong effects, increasing the risk of depression, anxiety, chronic diseases, poor academic achievement and difficulties in forming healthy relationships. A child does not have to suffer the abuse to experience serious and lasting harm.

Myth 2: Child abuse only happens in disadvantaged families

Many people assume that abuse occurs mainly in low-income or socially disadvantaged households. This belief is misleading and potentially dangerous.

Child abuse can occur in families of every socioeconomic background. In fact, studies suggest that cases involving affluent families may be less likely to be identified or reported



Every child deserves to grow up in a safe, supportive environment



DR ZEINAB
AL AZRI

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When communities understand that abuse can take many forms, occur in any family and often remains hidden, they become better equipped to act.

because professionals or community members hesitate to question families with higher social status or influence. Every child deserves the same level of protection, regardless of their family’s income, education or reputation.

Myth 3: If a child is being abused, they will tell someone

This is perhaps one of the most damaging myths.

Many children never disclose physical abuse or they do so only after months or years. Fear, shame, guilt, loyalty to family members and concern about not being believed often prevent children from speaking out. Younger children may lack the language to explain what has happened, while adolescents may worry about the consequences for themselves or their families.

Silence should never be interpreted as evidence that abuse has not occurred.

Myth 4: Physical punishment is simply part of good parenting.

In many cultures, physical punishment is still viewed as an acceptable way to discipline children. However, decades of research have shown that corporal punishment does not improve long-term behaviour. Instead, it is associated with increased

aggression, poorer mental health and weaker parent-child relationships.

Positive discipline is not about being permissive; it is about setting clear boundaries while treating children with dignity and respect. Protecting children and teaching them appropriate behaviour are goals that can—and should—go hand in hand.

Myth 5: Reporting child abuse is interfering in family matters.

Some people hesitate to report suspected abuse because they believe family issues should remain private. Others worry about damaging relationships or making the situation worse. In reality, reporting suspected abuse is not about judging families—it is about protecting children. Early intervention can prevent repeated harm, connect families with appropriate support services and ultimately improve outcomes for both children and care-givers. Remaining silent may unintentionally allow abuse to continue.

A SHARED RESPONSIBILITY

Protecting children is not solely the responsibility of child protection agencies. Parents, teachers, healthcare professionals, social workers, neighbours and the wider community all play an essential role in recognising warning signs and ensuring that children receive help when they need it. The first step toward better protection is replacing myths with evidence. When communities understand that abuse can take many forms, occur in any family and often remains hidden, they become better equipped to act.

Every child deserves to grow up in a safe, supportive environment. By challenging misconceptions and promoting informed action, we can move closer to a society where no child suffers in silence and every child has the opportunity to thrive.

Censorship and echo chamber effects



SONIA AMBROSIO

The writer is a journalist, academic and researcher in media studies

KILLING one piece at a time, the terrible downfall of reporting on real events. Country after country is tightening its rules on what can be said about events, history, leaders, political difficulties, or financial situations.

Global freedom of expression is facing a significant decline as governments increasingly criminalise independent reporting, promote content removal to suppress unflattering narratives and penalise independent speech under the pretext of combating misinformation.

Real-world insights are increasingly subject to approval and monitoring by artificial intelligence. Comedy, literature, photographs, films, news and editorials are all under scrutiny.

Under the guise of defending society, intellectual radicalism thrives. It grows by employing the language of public welfare, safety and protection.

It is widely recognised that governments impose restrictions on writers, artists and influencers mainly to control narratives. The stifling of creativity occurs when people limit themselves to information already tailored for public consumption. Within a communication-controlled social construction, critical thinking is constrained by a pre-approved framework.

This phenomenon parallels the way political, economic and religious systems are socially constructed. It has become audacious for writers to explore and represent current

sentiments and concerns as intellectual friction diminishes. Critical thinking fails when intellectual friction is eliminated, or opposing viewpoints are discouraged.

Critical thinking depends on the ability to ask questions freely and it is effective only when individuals feel empowered to inquire. The prevalence of information overload, the existence of social media echo chambers and educational systems that favour memorisation contribute to a culture of compliance.

Lost in thought, I reflect on the impact of literary figures like Victor Hugo, Émile Zola and Honoré de Balzac. They were accomplished poets, journalists and novelists, whose celebrated works, such as ‘Les Misérables’, ‘The Hunchback of Notre-Dame’ and ‘The Human Comedy’ (among others), map out the birth of modern capitalism, the rise of influencer culture, debt and speculative bubbles.

Their works mirror issues related to economic inequality, institutional corruption and flaws within legal frameworks.

The societal observations of Hugo, Zola and Balzac offer valuable insights for analysing the challenges we face.

There is a decline in intellectual engagement. Societal apathy is on the rise. Social ills are dusted off, coinciding with the decline of investigative journalism and the erosion of whistleblowing frameworks. Journalists avoid hard questions!

Scholarly research reveals a growing trend of censorship from technical, legal and political viewpoints. Concerns about national security and cybersecurity are often used to

The stifling of creativity occurs when people limit themselves to information already tailored for public consumption

justify heightened control, especially over social media platforms.

The dynamics of ‘civic-guise’ censorship manifest through various patterns, often justified by a perceived moral duty to protect the public from misinformation, hate speech and radicalisation.

Within an overall scenario, governments are tightening censorship of real-world events by exploiting geopolitical conflicts and technological regulations.

Narratives are being crafted to fit frames of influence, the right to choose and perceived existential threats.

According to Reporters Without Borders, authorities worldwide are transitioning from simply blocking websites to implementing deep infrastructure control, engaging in aggressive surveillance and imposing criminal penalties for online speech.

The situation in the Middle East and Gulf countries is deteriorating rapidly, with pre-publication review rules that prevent journalists and individuals from sharing alleged sensitive photos, videos and other content. Censorship rewards mediocrity by favouring predictable ideas over innovative ones. It fosters echo chambers in which intellectuals engage only with approved or socially safe opinions to avoid punishment. And so, self-censorship increases and citizens lose their ability to read with comprehension, analyse and debate.

When individuals lose trust in mainstream channels, they often retreat into online echo chambers.

Factories shed workers in Bangladesh garment sector

SHEIKH SABIHA ALAM

Garment worker Mosammat Aklima found out in a text message that she had become one of thousands laid off in the latest wave of cuts to hit Bangladesh's once-booming export industry.

The news appearing on her mobile that July evening confirmed the end of her eight years' employment at Lithe Garments factory, a major manufacturer in the country's industrial heartland.

She was among 3,000 people laid off in one go, a sign of the industry's struggle with slowing exports, weak customer demand and stiff competition from rivals India and Vietnam.

"I am three months pregnant now. It is not possible to find a new job", said Aklima, 27. "I will now dip into my savings, borrow some money. I don't know what's next", she said in the garment hub of Gazipur.

Aklima earned \$250 a month, roughly matching the income of her husband, who works at another garment factory.

With her redundancy, their son and elderly parents must now rely on a single wage. The layoffs are part of a wider downturn in an industry that accounts for around 80 per cent of Bangladesh's export earnings.

About 400 of the roughly 4,000 apparel factories in the country have shut over the past two years, eliminating tens of thousands of jobs, according to the Bangladesh Garment Manufacturers and Exporters Association.

Some of them had to shut down because they could not survive with exports declining in the "highly competitive" global market, BGMEA president Mahmudul Hasan Babu said.

The closures have fuelled concern over the future of a sector that employs more than 4.5 million people, most of them women.

While US tariffs are similar for apparel exporters across Asia, analysts say Bangladesh faces a greater challenge in Europe, its largest market, where India and Vietnam have gained ground through free-trade agreements.

The pressure could intensify as Bangladesh is set to lose the duty-free preferential market access it enjoys in Europe and other countries because its status as a least-developed country is scheduled to expire in 2029.

"If Bangladesh fails to strike free-trade agreements after the end of the preferential trade regime, the country may risk losing competitiveness", said Dhaka University professor Selim Raihan.

European Union apparel imports fell during the first five months of the year, with those from Bangladesh recording the sharpest decline among major suppliers, Eurostat data shows. — **AFP**

Reading Sabteħ-Ceuta through Camus

THE DEFINING feature of contemporary geopolitics is no longer power. It is paradox. Wars continue without decisive victories.

Allies increasingly compete while rivals quietly cooperate. Migration has become both a humanitarian tragedy and an instrument of statecraft. Security, energy and trade now overlap in ways that defy traditional geopolitical categories. In such a world, Albert Camus's philosophy of the absurd offers an unexpectedly powerful guide to understanding international affairs.

The recent Morocco-Spain standoff over Sabteħ-Ceuta is a case in point. It is often portrayed as a dispute over migration, sovereignty or border security. It is all of these. But at a deeper level it is a tragedy of geography — one that exposes the limits of ideology and the enduring tension between power, justice and human dignity.

Born in Algeria, Camus belonged to both Europe and North Africa, yet fully to neither. He experienced colonialism, the struggle for independence and the violence that accompanied both. Unlike many of his contemporaries, he refused ideological certainty. He distrusted every political cause that demanded human lives in the name of historical justice.

His often-misunderstood remark during the Algerian War still resonates: "Between justice and my mother, I choose my mother". It was not a rejection of justice. It was a rejection of abstract justice when it ceases to recognise human reality.

Sabteħ-Ceuta embodies precisely this dilemma.

Spain invokes sovereignty, territorial integrity and European law. Morocco invokes history, decolonisation and territorial justice. The European Union prioritises border security. Migrants seek dignity, safety and opportunity. Each position contains truth. None contains the whole truth.

Camus would urge us to resist turning this complexity into a



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contest of heroes and villains.

His philosophy begins with what he called the absurd: the collision between humanity's search for certainty and a world that refuses to provide it. Geopolitics often unfolds in much the same way.

Geography is indifferent. The Mediterranean does not recognise political maps. It neither distinguishes Europe from Africa nor chooses between competing historical claims. Those are political constructions imposed upon an indifferent landscape.

Sabteħ-Ceuta is therefore less an anomaly than a geopolitical paradox. A European city stands on African soil. A colonial legacy coexists with contemporary international law. A humanitarian corridor doubles as a security frontier. A local border incident reverberates through Brussels, Washington and Nato headquarters. These contradictions cannot be permanently resolved. They can only be managed.

Camus also warned against ideologies claiming to possess final answers. Whether colonialism, revolutionary violence or totalitarian politics, he believed certainty often becomes the enemy of humanity.

That warning remains remarkably relevant. To portray Morocco as entirely justified ignores Spain's legitimate security concerns. To portray Spain as entirely justified overlooks the unresolved historical questions surrounding Sabteħ-Ceuta and Melilla. To reduce migration solely to border enforcement ignores the human desperation that compels people to risk everything for a better future. Each narrative illuminates one part of reality while obscuring another.

Here Camus unexpectedly converges with realpolitik. Both reject comforting illusions. Realpolitik rejects moral illusions about power; Camus rejects philosophical illusions about certainty. Together they remind us that sound statecraft begins by seeing the world as it is before imagining what it ought to become.

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