



A new trend

India needs more than troops to combat militants in Jammu

Five Indian Army personnel were killed on Monday after terrorists ambushed an Army convoy in Badnota village, which is 124 kilometres from Kathua town in Jammu. The attack also came on the death anniversary of Hizbul Mujahideen operative Burhan Wani, who was killed in an encounter on July 8, 2016, in south Kashmir. This is the fourth terror-incident in the State within 48 hours and the latest in a series of attacks in the last few months, especially in the Jammu region, reinforcing a new trend of terrorism in Jammu and Kashmir shifting towards the Rajouri-Poonch area. On June 9, terrorists attacked a bus in Reasi district killing nine pilgrims and leaving 33 injured, the day Prime Minister Narendra Modi was being sworn in for a third term in office. This attack on the pilgrims was a new low. This region has been quiet for over two decades now, after being a hotbed of insurgency in the late 1990s and early 2000s. This was brought under control by Operation Sarp Vinash in 2003 and subsequent support from the locals, especially the Gujjar-Bakerwal community.

Recurring incidents of security forces being ambushed have resulted in casualties, which is unacceptable for a highly trained and professional force like the Indian Army. This calls for stricter adherence to standard operating procedures and improved operations. While the ceasefire along the Line of Control (LoC) largely holds, the uptick in terror incidents is a matter of concern — more so, the shift in violence. There are many factors that may be leading to this trend. A major one is the vacuum on the ground with a large number of troops redeployed to the Line of Actual Control in Eastern Ladakh in the aftermath of the 2020 standoff with China. This has resulted in a gap in local intelligence. There is also the increased use of modern but easily available technology by terrorist groups looking to find new routes to keep the insurgency going. Botched-up security operations have also damaged the trust between the local population and the state. From foreign terrorists crossing the LoC and leading the attacks, there has been a trend now to push local militants to the forefront to give the insurgency a more home-grown face as international pressure has mounted on Pakistan. New terror groups have also come up claiming to be behind some of the attacks. These aspects present new challenges. Tackling the situation needs a multi-layered strategy beyond just augmenting troop levels. Quick and decisive action at the highest levels of the government, bringing in all stakeholders, is the need of the hour.

Persisting brutality

Russia's pursuit of war in Ukraine has reached a dead end: it is time for talks

Russia's missile strikes across Ukraine on Monday, claiming at least 38 lives, are yet another reminder of the brutality of the ongoing invasion which began on February 24, 2022. Among the civilian locations hit was the Okhmatdyt Children's Hospital in Kyiv, where at least two people were killed, according to Ukrainian authorities. Russia says it targeted military and industrial bases and blamed Ukraine's missile defence for the damage to the civilian centres, but such claims cannot be trusted as Russia's sustained bombing campaigns in Ukraine have targeted military and civilian locations. Monday's attack came on the eve of a North Atlantic Treaty Organisation (NATO) summit in Washington, where member-countries are expected to take decisions on long-term commitment for Ukraine, including a €40 billion annual military aid. Ukraine's President Volodymyr Zelenskyy was in Warsaw on Monday where he signed a new security pact with Poland, which empowers the NATO member-country to shoot down Russian missiles and drones in the Ukrainian airspace. Russia's attack could be the Kremlin's way of messaging NATO and Poland, but the strikes on civilian centres only expose the callousness of Russia's war leaders.

Russia has made incremental territorial gains in recent months. Its troops have advanced in the Kharkiv Oblast, taking several villages. Last week, Ukrainian forces were forced to withdraw from a neighbourhood of Chasiv Yar, a strategic hilltop town in Donetsk. But the absence of dramatic gains, even in the face of Ukraine's weakness, has raised questions about Russia's capabilities. Ukraine may be struggling to hold the frontline but it has taken the drone war to the Black Sea and Russia's mainland. It has incapacitated Russian ships, repeatedly targeted Russia's energy depots using drones and struck Russia's border regions causing civilian and military casualties. Two and a half years after the war began, no side is seen capable of finding a military solution. For Ukraine, pushing Russian troops out of the territories they have captured looks practically impossible. Russia should also realise that its aggression has rejuvenated NATO, its sworn enemy, that has expanded since the war began and promised Kyiv long-term assistance. A practical path ahead is to bring both sides to the table. China's President Xi Jinping said on Monday that world powers should help them hold talks. Prime Minister Narendra Modi, in Moscow, also expressed India's support for dialogue. Russia's partners should convince Russian President Vladimir Putin of the need to stop these mindless attacks on Ukraine and be ready for serious dialogue. Ukraine's allies should also put pressure on Kyiv to be more open minded about bringing the war to an end through talks.

The final Budget for 2024-25, to be presented on July 23, would be the first Budget of the new government. It is an opportunity for the government to provide its medium-term growth and employment perspective along with its policy priorities. Given the continued global economic slowdown, India will have to rely largely on domestic growth drivers. The short-term objective could be to ensure a minimum 7% growth, while the medium-term objective may be to sustain the real GDP growth rate in the range of 7%-7.5%. This would be facilitated by bringing down the fiscal deficit relative to GDP from the current levels to the Fiscal Responsibility and Budget Management (FRBM) consistent level of 3% in the next three to four years. The employment objective is not independent of the growth objective except for an additional emphasis on the relatively more labour-intensive sectors in the composition of output.

Investment and savings prospects

To ensure a 7% plus growth on a sustained basis, we require a real investment rate of 35%. As in the latest available data for 2023-24, the real investment rate measured as gross fixed capital formation (GFCF), as percentage of GDP, was 33.3 for 2022-23 and 33.5 for 2023-24. Although gross capital formation (GCF) is marginally higher, we need to ensure a level of GFCF at 35% or so in the medium-term to sustain a growth of 7% plus, assuming an incremental capital output ratio of five. The saving to GDP ratio in nominal and real terms were 30.2% and 32.8%, respectively, in 2022-23. Assuming these trends continue, marginal upward adjustments are required in the savings and investment rates to ensure reaching and sustaining a level of 35% of GDP for the GFCF. One point of concern is the recent fall in household sector financial savings which, as per available information for 2022-23, had fallen to 5.2% of Gross National Disposable Income. Since this provides the investible surplus in addition to inflow of foreign capital, it is critical to increase the household financial savings rate to facilitate access to investible surplus at reasonable rates for the private sector.

On the demand side, the contribution of net exports to GDP growth has remained negative or



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July 23, Budget day, is an opportunity for the government to spell out its medium-term growth and employment perspective, as well as its policy priorities

low in recent years due to subdued export prospects. It was at 0.5% points in 2022-23 and (-)2.0% points in 2023-24. Indian service exports are expected to continue to do better than goods exports, which contracted in 2023-24. Until export demand picks up and private investment gathers momentum, India will have to rely on government investment demand to provide support to growth.

Budgetary options

Compared to the interim Budget, the Centre's revenue position is expected to improve on account of both higher tax and non-tax revenues. The base number for gross tax revenues (GTR) for 2023-24 at ₹34.65 lakh crore, according to the Controller General of Accounts (CGA) actuals, turned out to be higher than the revised estimates (RE) of the interim Budget by a margin of ₹27,581 crore. We expect a nominal GDP growth for 2024-25 to be at least 11%, made up of 7% real growth and 3.8% implicit price deflator (IPD)-based inflation. The rise in the IPD-based inflation as compared to the 2023-24 level of 1.3% is on account of expected higher Wholesale Price Index (WPI) inflation which was (-)0.7% in 2023-24. With a buoyancy of 1.1 and a GTR growth of 12.1%, we expect a GTR magnitude of ₹38.8 lakh crore. This would translate to a net tax revenue for the Centre at ₹26.4 lakh crore after providing for States' share in central taxes, a shade higher than ₹26 lakh crore provided in the interim Budget.

Non-tax revenues are also expected to be higher, as compared to the interim Budget estimates, due mainly to the Reserve Bank of India (RBI)'s augmented dividends of ₹2.11 lakh crore. We expect the Centre's non-tax revenues to exceed ₹5 lakh crore. It may be noted that any transfer from the RBI is going to be expansionary since it will have a liquidity effect. This transfer is similar to an extension of credit by the RBI to the government without being treated as debt. Thus, it has implications for monetary policy. However, the improved revenue situation of the central government would facilitate meeting the government's fiscal consolidation target.

Assuming that the government adheres to the 5.1% fiscal deficit to GDP ratio, as announced in the interim Budget, total expenditure that can be

financed amounts to ₹49 lakh crore after taking into account some non-debt capital receipts. This will have to be allocated between revenue and capital expenditures. With the interim Budget expenditure magnitudes, revenue expenditure growth in 2024-25 turns out to be 4.6% over the CGA actuals for 2023-24. This growth may have to be increased to accommodate higher revenue expenditures on account of increased subsidies, increased health expenditures and increased allocations for the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) to support and provide relief largely to the rural population.

Some improvement in rural incomes is expected in the current year with the expectation of it being a normal monsoon. Our estimates indicate that even if the revenue expenditure growth is enhanced to 8%, this would provide additional revenue expenditures close to ₹3 lakh crore over 2023-24 actuals. This would still leave fiscal space to provide for capital expenditure growth of 19.2% in 2024-25 which would be required for supporting investment demand resulting in infrastructure expansion that is consistent with the government's medium-term objectives. Some tax rationalisation measures may be undertaken as long as they do not imply any significant revenue sacrifice. Some expansion of the ongoing Production Linked Incentive (PLI) scheme, particularly if it supports employment generation, may be considered.

Commit to FRBM targets

In conclusion, the Budget needs to aim at combining growth with stability. Stability includes both price stability and fiscal stability. It is important to signal commitment to the FRBM targets in the short to medium term. If the fiscal deficit to GDP ratio is brought down to 5.1% in 2024-25, it may take another three to four years to bring it down to 3% of GDP. As the fiscal deficit to GDP ratio is reduced and nominal GDP growth is kept in the range of 11%-11.5%, the debt GDP ratio and the interest payment to revenue receipts ratio would also come down, facilitating the reduction in fiscal deficit, thereby creating a virtuous cycle.

The views expressed are personal

The shape of manufacturing 3.0 for Modi 3.0

Prime Minister Narendra Modi has formed the government, albeit now as head of a coalition in his third term. The new government must redouble its efforts on economic reforms, particularly related to manufacturing. India's continued urbanisation will see hundreds of millions of agriculture workers relocate to cities to find formal employment in the coming decades. A failure to generate low-skilled employment could push staggering stress on India's governance structures. Success in manufacturing will not only help India's domestic trade and employment goals but also expand resources for national security — which is good for American interests, too.

Manufacturing base must improve

When the Modi government first took office in 2014, the government committed to increase manufacturing as a percent of gross domestic product (GDP) from 15% up to 25% by 2025. The writer can point to some significant economic reforms that should have helped this target become a reality, most notably the approval of the Goods and Services Tax (GST) in 2017, which largely unified India's State-level tax codes.

However, as World Bank data indicates, manufacturing is in relative decline, making up only 13% of the GDP in 2022. This compares unfavourably to markets such as Vietnam (25%), Bangladesh (22%), Malaysia (23%), Indonesia (18%), Mexico (21%), and, of course, China (28%).

India has powerful domestic compulsions to improve its manufacturing base. First, India has a massive employment-creation requirement. About half of Indian labour remains mired in low-productivity agriculture. If India's attempts to enact major farming reforms are successful, there could be a fast, massive transition of employment out of agriculture. These workers are ill-suited for India's highly successful skilled services sector.

A second reason behind India's desire to boost



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The United States has a stake in ensuring India's success in having a robust manufacturing base

manufacturing is the nation's goods trade deficit. Despite a perception that India is "anti-trade", India had a little over \$1 trillion in goods trade in the last 12 months — and a \$250 billion deficit during that period. While hydrocarbon imports account for over one-quarter of India's imports, manufactured goods such as electronics are a substantial import component. When looking at trade more broadly, India enjoys a large surplus in services trade — about \$160 billion surplus in the last 12 months on \$518 billion in total services trade. But, again, even though the services sector creates substantial economic output, it employs relatively few workers.

The United States has a stake in India's success in building a robust manufacturing base for two reasons. First, improvements to India's industrial base will have direct and indirect effects on India's ability to underwrite its emerging role in regional security which is increasingly important given China's rising aggression. Second, some amount of manufacturing will not come back onshore. Having this manufacturing based in friendly countries improves the viability of U.S. supply chains. India's ability to achieve greater success in manufacturing will require far more moving parts than what the central government in Delhi controls. Most factors of production such as electric power, water, sanitation, labour regulations, land acquisition rules, and environment regulations are primarily controlled by India's State governments. This is where the new Indian government needs to provide a much higher degree of policy attention.

States and their business environments

The Modi government's early attempts to stoke States into competition with each other have fallen by the wayside. The rankings of States' business environments called the "Business Reforms Action Plan (BRAP)", has not been updated since the COVID-19 pandemic, and was anyway considered weak as it focused on States'

self-reporting on their local business practices which was often at odds with actual investor experiences. The central government's plan to help craft model industry laws for States to consider has been underwhelming.

The Bharatiya Janata Party (BJP) controls almost half of India's States. Most of the remaining States are controlled by India's numerous regional parties, with varying levels of cooperation and friction with the central government. Getting more States to focus on thoughtful, transparent industrial policies is a difficult task and will require an improved toolkit of sticks and carrots. The government should also consider putting stronger emphasis on job-creating manufacturing sectors such as textiles, paper mills, and furniture, instead of pushing almost exclusively for investments in capital-intensive sectors such as semiconductors and robotics.

Go beyond Delhi-Mumbai-Bengaluru circuit

The U.S. can play a modest but meaningful role in improving the business attractiveness of Indian States. This may include expanding engagement with Indian States to provide direct guidance on effective economic governance, and to improve pathways for potential investors to engage with State governments. Senior U.S. officials visiting India must commit to going beyond Delhi-Mumbai-Bengaluru and engaging a wider set of large States on the importance and opportunity from the current evolution of global supply chains.

India's national election provided an opportunity to assess and redirect policy. But India's core needs behind the current manufacturing push — jobs, trade, and security — will not change. The size of the market and current growth rates are quite attractive to investors. But more work needs to be done, especially at the State level in India, for "Make in India" to further accelerate.

LETTERS TO THE EDITOR

Court and NEET

Now that the Supreme Court of India has concluded that questions in the National Eligibility cum Entrance Test (Undergraduate) were leaked (Page 1, July 9), and that the sanctity of the examination was compromised, the moot question is what next? Cancellation of NEET-UG 2024 in its entirety is needed so that justice is done to all 23 lakh students who appeared for the examination. In order to maintain the continuity of studies of aspiring students, the examination for 2024 may be cancelled and the State governments asked to follow the procedure that

was in vogue during the pre-NEET era for admission in medical colleges. The National Testing Agency (NTA) should plug all loopholes and have a foolproof system in place for NEET-UG in 2025. **Dr. J. Rajan Vedasiromoni**, Tirunelveli, Tamil Nadu

The paper leak may be "confined" to a few States but in this era of modern technology, the leak can spread anywhere. Given the importance of NEET in the lives and careers of lakhs of our students, the government must ensure that there is a re-examination with a foolproof system. This is not the time to play politics with the issue given the

gravity of the situation.

Kshirasagara Balaji Rao, Hyderabad

That the Chief Justice of India has confirmed that there was a leak and that the sanctity of NEET-UG 2024 was compromised is a very grave matter. But his opinion that 'cancellation of the examination will be considered as an extreme last resort' is likely to deprive lakhs of students who appeared for the test of a fair playing field. It is very clear that the leak was all over India with only a few epicentres having been discovered. There are stories that questions were circulated on platforms such as Telegram. There are many students who will be

rendered justice if a re-examination is ordered.

Balakrishnan, Chennai

It is difficult to determine the extent of compromise or whether the alleged breach occurred at a systemic level and to differentiate the beneficiaries of the fraud from the untainted students. Although a retest would be disadvantageous to students who attempted the examination honestly, it does not seem likely to determine the extent of the breach in a short period of time which will preclude a retest.

Dr. Thomas Palocaren, Vellore, Tamil Nadu

NEET 2024 was conducted

by the NTA on May 5. Even after two months, the fraud perpetrated by the NTA is causing unmeasurable mental agony to aspirants and their guardians/parents. The sanctity behind such examinations is fading. The judges in the highest court of the land need to declare a retest by giving students sufficient time to prepare for NEET again. Let the students have the pleasure of joining the courses of their choice through NEET in the proper way.

G. Murali Mohan Rao, Secunderabad

Law and order

The new Chennai City Police Commissioner's line, that he will "talk to criminals in the

language they understand" (Tamil Nadu page, July 9), points to tough action. It is not that the police are not aware of the networks of the criminals. What is needed is a strong political will and administrative clearance to the police to go ahead.

A. Jainulabdeen, Chennai

Electoral outcomes

As the elections in France show, the fact remains that the economic issues of day-to-day living have returned. Followed by Labour's win in the U.K., the results in France point to a change of trend emerging in democracies.

Angara Venkata Girija Kumar, Chennai

The innate limitations in executing iCET

Despite the seemingly successful talks between National Security Adviser Ajit Doval and his U.S. counterpart Jake Sullivan in June, to make progress on the bilateral Initiative on Critical and Emerging Technologies (iCET), structural challenges endure in its execution. Local industry officials and military analysts maintain that these impediments pertain primarily to the autonomy of U.S. defence companies with regard to transferring technology, which have been developed at immense cost at Washington's behest with many companies zealously guarding their intellectual property rights (IPR) over it. Additionally, the U.S.'s strict export control laws in this regard, controlled by its defence industrial complex, were loath to sharing military technologies via joint ventures, however meaningful they might be to Washington's wider strategic interests. For now, the iCET's defence component is focused on India locally manufacturing General Electric GE F-414INS6 after burning turbofan engines to power the under-development Tejas Mk-II light combat aircraft and locally assembling 31 armed MQ-9 armed Reaper/ Predator-B unmanned aerial vehicles (UAVs), under acquisition for all three services, for around \$3 billion.



Rahul Bedi
writes on defence and security issues

licence-building and co-developing the General Dynamics Land Systems Stryker Infantry Combat Vehicle for the Indian Army, under iCET patronage, is under negotiation. But innate limitations in all these ventures persist. Military analyst Abhijit Singh said that the U.S. government does not presume to act on behalf of its defence companies that own the IPRs for their sundry wares. Besides, U.S. defence vendors, he cautioned, were answerable to their shareholders, whose motivations were largely commercially driven. This, in turn, could adversely impact the quantum of technology they were willing to transfer. It was precisely these mercantile considerations, weighed down by cumbersome bureaucracies, that led to the failure of the 2012 Defence Technology and Trade Initiative (DTTI) between India and the U.S., and on whose ashes the iCET emerged in June 2023, albeit with a more ambitious remit. The DTTI flopped due to technology transfer issues. The iCET emerged enabled, in turn, by an alphabet soup of organisations including INDUS-X (India-U.S. Defense Acceleration Ecosystem), Joint IMPACT (INDUS-X Mutual Promotion Advanced Collaborative Technologies) I.O, and on whose ashes the iCET emerged in June 2023, albeit with a more ambitious remit. The DTTI flopped due to technology transfer issues. The iCET emerged enabled, in turn, by an alphabet soup of organisations including INDUS-X (India-U.S. Defense Acceleration Ecosystem), Joint IMPACT (INDUS-X Mutual Promotion Advanced Collaborative Technologies) I.O, and on whose ashes the iCET emerged in June 2023, albeit with a more ambitious remit.

Exercising 'jugaad'
Meanwhile, a cross-section of domestic defence industry officials averred that one strategy to ensure iCET's attainment, and that of related projects, centred on the U.S. permitting the Indian military to exercise the *jugaad* or innovative option on its U.S. platforms such as attack and heavy-lift helicopters, heavy transport aircraft, and naval surveillance aircraft it had acquired. After all, this resourceful *jugaad* recourse had provided India's military with user flexibility, by ably rendering

imported platforms serviceable in climatic extremes and assorted terrain. Through trial and error over decades, the services had elevated *jugaad* to sophisticated levels to ensure that foreign weapon systems performed over their declared potential. For instance, *jugaad* had rendered the fleet of Chetak's and Cheetah's, principally French-origin Alouette III's and SA-315B Lama's, capable of operating to heights over 14,000 feet in the Siachen glacier region, a feat their original equipment manufacturers had never deemed possible. But the complex set of 'enabling' protocols that India had executed with the U.S. ahead of acquiring all the aforementioned assets simply foreclosed the possibility of pursuing the established, and at times, essential *jugaad* route. Besides, most of these acquisitions effected via the Foreign Military Sales or FMS route were concluded under the stricter 'Golden Sentry' end-use monitoring programme which completely disallows *jugaad*. The iCET also appears to be part of the U.S.'s overall policy, outlined in a recent Senate Foreign Relations Committee report, which urged President Joseph Biden to address the ticklish issue of India's close strategic ties with Moscow and particularly its dependency on Russian arms. The implicit suggestion in the February 2023 report was that India should now begin sourcing its future military kit from Washington, conceivably via the iCET route. Hopefully, the iCET will not fall prey to Augustine's Laws, the tongue-in-cheek aphorisms immortalised by Norman Augustine, an Under Secretary of the U.S. Army. One Law states that the more time both sides spend talking about what they had been doing, the less time they had to spend doing what they were talking about. And eventually they (could) end up spending more and more time talking about less and less, until finally they spent all their time talking about nothing.

A thaw in ties between Andhra and Telangana

Patience and persistence are needed to solve long-pending issues

STATE OF PLAY

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The meeting between the Chief Ministers of Telangana and Andhra Pradesh on Saturday was the first step towards improving ties between the two States.

Telangana Chief Minister A. Revanth Reddy and Andhra Pradesh Chief Minister Chandrababu Naidu discussed several issues that have strained relations between the two States for more than a decade. The two hour-long meeting comes at a time when opinions on the bifurcation of erstwhile united Andhra Pradesh continue to play a role in the politics of both States.

The Chief Ministers decided to put in place a three-level mechanism to resolve the bifurcation issues that arose after the enactment of the Andhra Pradesh Reorganisation Act, 2014, carving out a separate State of Telangana. At the first level is a committee of three officials, each of the rank of Chief Secretary from the two States, who will come up with solutions to pending issues. If some disputes remain unresolved by the bureaucrats, they will be referred to a committee of ministers of the two States. Finally, the most vexatious issues will be referred to the two Chief Ministers.

Mr. Reddy and Mr. Naidu also expressed keenness to meet every now and then to ensure that ties between their States grow stronger. They agreed to constitute a committee of senior Indian Police Service officers to check the movement of drugs and narcotics between the two States. They also tentatively reached

an agreement on information and intelligence-sharing to tackle this problem.

Past meetings

Similar meetings have taken place in the past. E.S.L. Narasimhan, as Governor, convened a meeting of former Telangana Chief Minister K. Chandrashekar Rao and his Andhra Pradesh counterpart, Mr. Naidu, in 2015 with the objective of thrashing out a solution to bifurcation problems between the two newly formed States.

In 2019, too, Mr. Rao met the then Andhra Pradesh Chief Minister, Y.S. Jagan Mohan Reddy. Following their meeting, the Andhra Pradesh government handed over the buildings in the State Secretariat in its possession to Telangana, paving the way for the construction of the new Secretariat building in Hyderabad.

Mr. Rao and Mr. Jagan Mohan Reddy met the next year at the same venue in January 2020. They discussed again issues of bifurcation and the modalities to resolve them. But the meeting drew flak from the Opposition Congress later, with the party charging Mr. Rao of allowing Andhra Pradesh to draw more water from the Krishna river than the share allocated to it, at the expense of Telangana's interests.

Seen against this background, the meeting of the

two Chief Ministers on Saturday assumes greater significance. "They are intent on assuaging the hurt feelings of the two sides because of the decisions taken in the past. They have resolved to take concrete steps that will help improve the bond between the two States," said a senior official who participated in the meeting.

At a meeting of the Telugu Desam Party (TDP)'s Telangana leaders and cadres on Sunday, Mr. Naidu said that his government would adopt a "give and take" approach. He said that the TDP government would take decisions factoring in the aspirations of the people of both States. Mr. Naidu told party workers that "the persistence of problems between the two States will not accrue any benefits. The two States will suffer if these problems continue". This is why it is imperative for Andhra Pradesh and Telangana to resolve them amicably, he said. "We (the two Chief Ministers) have taken the responsibility, and we will ensure that this happens," he stressed.

The meeting and the subsequent statements are welcome. But whether the two Chief Ministers will stick to their resolve is the question. Some issues are particularly sticky – for instance, the division of institutions under Schedule IX and X of the Andhra Pradesh Reorganisation Act, water-sharing, and the stalemate over power dues payable by one another. The two States have been at loggerheads over these for a long time. While it is a relief to see efforts being made towards establishing cordial ties, intent alone will not suffice. Only patience and persistence can help the two States resolve festering issues and work in the interests of the people.

In 2024, Maoists suffer severe setbacks in Chhattisgarh

The insurgency is at its peak in districts with poor development indicators

DATA POINT

Nitika Francis

As of July 9, 162 Maoist deaths were reported in India in 2024. Of these, 141 deaths were reported from Chhattisgarh alone. This is among the highest number of casualties suffered by the extremists in the largely tribal State since the formation of the Communist Party of India (Maoist) in 2004. The Maoist deaths in 2024 are the highest since 2009, when 154 insurgents were killed. That was also the year when the Indian government banned the group and launched a military offensive code-named 'Operation Green Hunt', involving the Central Reserve Police Force's CoBRA force and the Chhattisgarh police in "search and comb" operations. Notably, the current spike in the number of deaths of left-wing extremists has taken place after the Bharatiya Janata Party returned to power in the State in December 2023.

Chart 1 shows year-wise deaths of left-wing extremists in Chhattisgarh. Apart from 2009 and 2024, the Maoists also suffered high death tolls in 2016 and 2018.

While the Maoists have suffered more casualties in recent years, the deaths of security force personnel have come down. **Chart 2** shows the number of deaths of civilians, security forces, and Maoists over the years. In 2024, 14 security force personnel died in the insurgency. The highest death toll of security forces (198) was recorded in 2007. Of them, 55 were police personnel who were killed in a massive offensive launched by the Maoists on a police base camp in Bastar.

The number of civilian deaths during the insurgency has also been at its lowest since 2014, when 23 people were killed in Maoist attacks. The highest number of civilian deaths (184) were reported in 2006, largely in landmine attacks

on vehicles or when they were caught in the crossfire between the Maoists and security forces.

The highest number of clashes between the Maoists and security forces this year took place in Bijapur district, south Chhattisgarh, resulting in 74 Maoist deaths. Bijapur and neighbouring Sukma district are home to 20 camps set up by the Border Security Force (BSF). Due to the intensity of operations in this district, 33 Maoists surrendered in May.

The BSF and the District Reserve Guard of Kanker district led a joint operation in April which resulted in the deaths of 29 Maoists, including that of their top commander, Shankar Rao. This year, 35 Maoist deaths have been recorded in Kanker.

In Dantewada, where pitched battles between the insurgents and security forces over the years led to an average 52 deaths of Maoists between 2005 and 2008, 15 Maoists were killed in 2024. This is despite the fact that more than 15 villages in the district were declared 'Maoist-free' in 2021.

Table 3 shows the district-wise average of Maoist deaths every four years from 2001 to 2024.

A district-wise look at development and welfare indicators in Chhattisgarh (**Table 4**) and a comparison with **Table 3** shows that the intensity of the insurgency is highest in districts which were relatively lacking in areas such as sanitation and literacy. This could either mean that the Maoists chose to move in these districts, seeking to tap into the discontent with the Indian state, or that these districts lag in development indicators because of the insurgency.

Districts such as Dantewada, Bijapur, Sukma, Bastar, and Kanker are also the most forested areas in the State, which makes security operations difficult. Notwithstanding the setbacks in recent months, the Maoists retain their ability to mount surprise attacks on security forces, which suggests that the insurgency is not over in the State.

Left-wing extremism in retreat

The charts are based on data sourced from the South Asia Terrorism Portal

Chart 1: The chart shows the number of Maoist deaths in Chhattisgarh

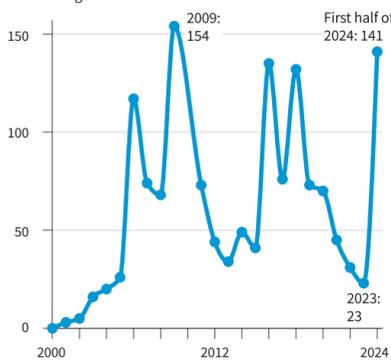


Table 3: The district-wise average number of deaths in incidents related to LWE every four years. Based on this table, Dantewada, Bijapur, Sukma, Bastar, Narayanpur, Kanker, Rajnandangaon and Surguja can be identified as districts that were recently or historically affected by LWE

Districts in Chhattisgarh	2001-04	2005-08	2009-12	2013-16	2017-20	2021-24
Dantewada	31	52	40	11	12	17
Bijapur	5	22	26	28	23	30
Sukma	0	0	4	35	36	20
Bastar	37	8	4	8	4	1
Narayanpur	0	4	6	8	8	14
Kanker	1	7	7	5	7	12
Rajnandangaon	3	1	6	2	7	2
Surguja	16	4	0	0	0	0
Kondagaon	0	0	1	3	1	2
Balrampur	4	1	0	0	0	0
Raipur	3	0	2	0	0	0
Dhamtari	0	0	2	0	2	1
Gariyaband	0	0	2	0	0	1
Mohalmanpur	0	0	0	0	0	1
Raigarh	0	0	0	0	0	0
Durg	0	0	0	0	0	0
Kabirdham	0	0	0	0	0	0
Jashpur	0	0	0	0	0	0
Bilaspur	0	0	0	0	0	0
Balod	0	0	0	0	0	0
Janjgir-Champa	0	0	0	0	0	0
Korba	0	0	0	0	0	0
Mahasamund	0	0	0	0	0	0

The district names in table 3 and table 4 may differ as the sources and reference years are different

Chart 2: The chart shows the number of deaths of civilians, security forces, and Maoists over the years

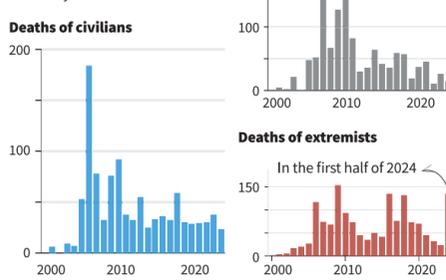


Table 4: A district-wise look at development and welfare indicators in Chhattisgarh. A comparison with **Table 3** reveals that the intensity of the insurgency is the highest among districts which were relatively lacking in areas such as sanitation, literacy, and which recorded stunting

Districts in Chhattisgarh	Affected/Limited (Ltd.) impact due to LWE	Population using an improved sanitation facility (%)	Women with >9 years of schooling (%)	Children under 5 years who are stunted (%)
Bijapur	Affected	30.6	24.2	53.8
Bastar	Affected	61	25.3	48.1
Dantewada	Affected	60.5	24.2	45.6
Narayanpur	Affected	52.8	26.5	43.7
Sukma	Affected	35.5	15.9	41.8
Baloda Bazar	Ltd. impact	78.9	38.7	40.9
Raigarh	Ltd. impact	66.3	38.3	39.1
Durg	Ltd. impact	89.5	52.7	38.9
Bemetara	Ltd. impact	80.5	33	38.4
Kaberdham	Ltd. impact	80.3	32.6	37.9
Kondagaon	Affected	79.5	24.7	37.6
Mahasamund	Ltd. impact	84.2	31.2	36.8
Jashpur	Ltd. impact	72.8	34.9	35.8
Balrampur	Ltd. impact	57.3	32.2	35.1
Korba	Ltd. impact	73.3	37.1	34.7
Balod	Ltd. impact	83.8	46.3	33.6
Janjgir-Champa	Ltd. impact	78.8	37.3	32.5
Raipur	Ltd. impact	84	40.1	32.2
Koriya	Affected	73.3	37	32.1
Dhamtari	Ltd. impact	89.8	40.9	30.5
Mungeli	Ltd. impact	80.7	32.2	30.1
Surguja	Affected	75.8	37.7	29.4
Gariyaband	Ltd. impact	81	27.8	28.9
Rajnandangaon	Affected	79.2	38.9	27.6
Surajpur	Affected	75.4	30.7	27.6
Bilaspur	Ltd. impact	80.5	37.4	25.7
Kanker	Affected	80.5	40.3	24.8

In all the three indicators, the districts with the lowest scores are highlighted. Affected districts fare poorly across all three indicators

FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO JULY 10, 1974

Decisive win for Trudeau

Washington, July 9: The Prime Minister Mr. Trudeau's Liberal Party has scored an astounding victory in yesterday's Canadian elections, upsetting all previous predictions which said that it would be another close race, leaving the country with the prospect of another spell of uncertain coalition rule. The Liberals have now won not only a majority of the 264 seats in the House of Commons but have given Canada its third majority Government in 20 years.

In the last House, after the last election in 1972, the Liberals had won only 109 seats to the Conservative Party's 106 seats and the former had been obliged to lead a cliff-hanger existence for 20 months in a coalition supported by the 30-member New Democratic Party. But that arrangement broke down and the Trudeau Government fell when the NDP voted with the Conservatives last May on budgetary issues.

The results yesterday were particularly astonishing because very rarely has a ruling party been re-elected when the country has been wracked by the kind of inflation (11 per cent), which Canada has been afflicted by during the last one year.

Mr. Trudeau's principal rival, the stodgy Mr. Robert Stanfield of the Conservative Party, had pinned all his hopes on beating Mr. Trudeau by concentrating solely on the inflation issue, but his own solution, which was wage-price freeze, apparently did not appeal to the electorate because they know that it had been tried elsewhere without any success. Though the 60-year-old Mr. Stanfield has retained his seat in Parliament, the Trudeau victory is expected to end his leadership of the Conservative Party.

A HUNDRED YEARS AGO JULY 10, 1924

Gun running

Colombo, July 9: On information received the Customs Preventive Officers boarded the German vessel "Schlesien" when she arrived at the Colombo harbour on Monday and from 19 cases falsely described as containing machinery parts they obtained one hundred rifles, 200 revolvers and a quantity of ammunition. Captain was fined Rs. 1,000 for not declaring cargo properly and the contraband was confiscated. The cargo was apparently consigned to Kobe, but its real destination was China.

Text & Context

THE HINDU

NEWS IN NUMBERS

The inflow of equity mutual funds in the month of June

40,608 in ₹ crore. There

was a 17% increase in equity mutual funds inflow, when compared to May, as per the Association of Mutual Funds in India. PTI

Number of non-AC coaches to be built over next two fiscals

10,000 In the next two

years, the overall count of non-AC coaches will be increased by 22%, according to the northern Railway. PTI

The number of jobs added in India in FY24 as per the RBI

4.7 crore. The total number of employed people in the country rose to 64.33 crore

in 2023-24, spread over 27 sectors covering the entire economy, according to data by the Reserve Bank of India. PTI

The domestic air passenger traffic in the month of June

1.32 crore. Domestic air passenger traffic in June was 3.7% lower than in

May but 6.3% higher compared to the year-ago period. Air passenger traffic's momentum is expected to continue. PTI

The number of child labourers rescued in Delhi

23 children. The National Human Rights Commission (NHRC) issued a notice to the Delhi

government over reports of child labourers rescued from the northwest district. PTI

COMPILED BY THE HINDU DATA TEAM

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What is the draft Digital Competition Bill?

How is an ex-post framework different from an ex-ante framework? Why does the draft Bill encourage an ex-ante competition regulation? What framework does the European Union follow? What are systemically significant digital enterprises?

EXPLAINER

Trishee Goyal

The story so far:

In February 2023, the Ministry of Corporate Affairs (MCA) constituted a Committee on Digital Competition Law (CDCL) to examine the need for a separate law on competition in digital markets. The CDCL deliberated on the issue for a year and came to the conclusion that there was a need to supplement the current ex-post framework under the Competition Act, 2002 with an ex-ante framework. It laid out this ex-ante framework in the draft Digital Competition Bill.

What is an ex-ante framework?

The Competition Act, 2002 is the primary legislation concerned for preventing practices that have an adverse effect on competition. It establishes the Competition Commission of India (CCI) as the national competition regulator. As with competition law in all other jurisdictions, the Competition Act, 2002 is based on an ex-post framework. This means that the CCI can use its powers of enforcement only after the anti-competitive conduct has occurred.

In the case of digital markets, the CDCL has advocated for an ex-ante competition regulation. This means that they want the CCI's enforcement powers to be supplemented such that it allows it to pre-empt and prevent digital enterprises from indulging in anti-competitive conduct in the first place.

Ex-ante competition regulation is unusual. The European Union is the only jurisdiction where a comprehensive ex-ante competition framework, under the Digital Markets Act, is currently in force. The CDCL agrees with this approach because of the unique characteristics of digital markets. First, digital enterprises enjoy economies of scale and economies of scope, that is, reduction in cost of production per unit



ISTOCKPHOTO

as the number of units increase and reduction in total costs of production with increase in number of services respectively. This propels them to grow rather quickly as compared to players in the traditional market. Second, this growth is aided by network effects – utility of the digital services increases with the increase in the number of users.

In this context, given that markets can tip relatively quickly and irreversibly in favour of the incumbents, it was found that the extant framework provided for a time consuming process, allowing offending actors to escape timely scrutiny. Therefore, the CDCL has advocated for preventative obligations to supplement the ex-post facto enforcement framework.

What is the draft's basic framework?

The draft Bill follows the template of the EU's Digital Markets Act. It does not

intend to regulate all digital enterprises, and places obligations only on those that are "dominant" in digital market segments. At present, the draft Bill identifies ten 'core digital services' such as online search engines, social networking services, video sharing platform services etc. The draft Bill prescribes certain quantitative standards for the CCI to identify dominance of digital enterprises. These are based on the 'significant financial strength' test which looks at financial parameters and 'significant spread' test based on the number of users in India. Even if the digital enterprise does not meet quantitative standards, the CCI may designate an entity as a "systemically significant digital enterprise (SSDE)" based on qualitative standards.

The primary obligation of SSDEs is to not indulge in anti-competitive practices. These require the SSDE to operate in a

fair, non-discriminatory and transparent manner with its users. The draft Bill prohibits SSDEs from favouring its own products on its platform over those of third parties (self-preferencing); restricting availability of third party applications and not allowing users to change default settings; restricting businesses users of the service from directly communicating with their end users (anti-steering) and tying or bundling of non-essential services to the service being demanded by the user. SSDEs also cannot cross utilise user data collected from the core digital service for another service and non-public data of users cannot be used to give unfair advantage to the SSDE's own service.

What has been the response?

The overriding sentiment towards the draft Bill has been one of opposition. First, there is considerable scepticism on how well an ex-ante model of regulation will work. This stems in part from the fact that it seems to be transposed from the EU to India without taking into account differentiating factors between the two jurisdictions and the lack of evidence of it actually working well there. This is compounded by concerns of its potential negative effects on investments for start-ups in India and that they might be deterred to scale up to prevent meeting quantitative thresholds. Studies have also shown that restrictions on tying and bundling and data usage would negatively impact MSMEs that have come to rely significantly on big tech to reduce operational costs and enhance customer outreach.

Interestingly, a group of Indian start-ups have supported the draft Bill arguing that it would address concerns against monopolistic practices by big tech. However, they have argued for a revision of financial and user based thresholds citing concerns that it may lead to domestic start-ups being brought within the regulatory net.

The writer is a technology policy consultant.

THE GIST

In February 2023, the Ministry of Corporate Affairs (MCA) constituted a Committee on Digital Competition Law (CDCL) to examine the need for a separate law on competition in digital markets.

In the case of digital markets, the CDCL has advocated for an ex-ante competition regulation. This means that they want the CCI's enforcement powers to be supplemented such that it allows it to pre-empt and prevent digital enterprises from indulging in anti-competitive conduct in the first place.

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On reducing tariffs for smartphone components

Why is the industry body calling for tariff cuts if it wants to expand domestic production?

Aroon Deep

The story so far:

The Indian Cellular and Electronics Association (ICEA), an industry body representing mobile and other electronics assembly and manufacturing units, has called for a reduction of tariffs on certain components for smartphones. The demand appears, at first blush, to be at odds with the goal of the government – and domestic players – to expand the domestic industrial base for components. However, the ICEA, whose members have included Apple and Foxconn, has argued that it opposes tariff cuts for components that are widely manufactured in India, such as open cells and LED light parts.

Why impose tariff cuts?

Reducing input costs for smartphone assembly units is the obvious reason for these demands. However, a principal justification makers cite for reduced tariffs on components is the saturation of

the domestic market: nearly every phone made in India is assembled domestically, and the surplus is exported. By units, smartphones were the fifth largest classifiable commodity exported in the financial year 2022-23, compared to 2015-16, when the rank was 178. The implication goes, now that domestic demand is fulfilled, the need for high component tariffs has dimmed.

The second justification, the industry cites, is the nature of the specific components that it is seeking duty cuts for: Printed Circuit Boards (PCBs) and sub-assemblies, which are highly complex, and miniaturised inputs for smartphones, are not close to being made in India, increasing costs for local assembly operations. Domestic manufacturing of these components' could take around eight years, Pankaj Mohindroo, ICEA's president estimated.

In addition, the ICEA said in a report last year, "the overall aggregate demand necessary for domestic investment in some inputs is much larger than the

demand created by the prevailing production level." This effectively means that current tariff levels on PCBs (20%) and other inputs are not resulting in increased domestic production of these components; rather, they are increasing the costs of assembly, as the components have to be assembled anyway.

The tariffs are also leading to a strange consequence: domestic component makers are jacking up prices they quote to assembly units to a "just noticeable difference" below the net cost of an imported component. Cutting tariffs would force domestic component makers to cut their prices and relieve operating expense pressure for assembly units.

What about foreign competitors?

The industry is casting these proposed changes as a "competitive re-alignment" to keep up with other main electronics manufacturing giants in China, Vietnam, Thailand and Mexico. Vietnam's "bonded zones," which have special exemptions on duties, allow assembly and

manufacturing units based there to enjoy much lower tariffs on component imports. "If Indian companies such as Micromax and Lava want their phone to be competitive in the global market, they should not think of import substitution when selecting parts and components," ICEA argues. "They should use the best available technologies to make their phones, regardless of the fact the technologies are made in India or not."

"When China started to assemble smartphones 15 years ago, Chinese firms' only contribution was labour intensive assembly, accounting for about 3.6% of the total manufacturing value addition," the ICEA report says. "But, today, Chinese firms have captured about 25 per cent of the manufacturing value added by providing battery, camera filter, glass back-cover, stainless frame, printed circuit board assembly, and other parts, which are technology intensive and offer higher value added than pure assembly service," the ICEA points out. "[T]here is a need to scale up production of smartphones. At this stage this can only be done by increasing exports. To increase exports, smartphones have to be competitive vis a vis China and Vietnam. This would require reducing tariffs and most importantly maintaining a stability in the tariff regime."

Smartphone assembly units have been buoyed by the production linked incentive scheme for mobile manufacturing, which subsidises phones which are domestically assembled.

THE GIST

The Indian Cellular and Electronics Association (ICEA), an industry body representing mobile and other electronics assembly and manufacturing units, has called for a reduction of tariffs on certain components for smartphones.

Reducing input costs for smartphone assembly units is the obvious reason for these demands.

"If Indian companies such as Micromax and Lava want their phone to be competitive in the global market, they should not think of import substitution when selecting parts and components," ICEA argues. "They should use the best available technologies to make their phones, regardless of the fact the technologies are made in India or not."

ABSTRACT



Accessible for all: A tribal Adivasi woman in her hut in Anjanikund Village in the Dang district of Gujarat on June 11. VIJAY SONEJI

Geospatial view on maternal healthcare for the tribal population in Gujarat

A look at how geographical location and factors such as time and distance determine access to health facilities for communities in the periphery of society. This spatial analysis highlights distinct pregnancy care patterns within tribal districts

Rebecca Rose Varghese

Kumar, Vijay and Tripathi, Tulika, "Timely Access to Public Health Facilities for Pregnancy Care in Tribal Gujarat: A Geospatial Analysis", *Economic & Political Weekly*, Vol. 59, Issue No. 22, Jun 01, 2024

A UN report in May 2023 highlighted that India accounted for over 17% of global maternal deaths in 2020, holding the highest share among the 10 countries responsible for 60% of global maternal deaths, stillbirths, and newborn deaths. The report emphasised the critical need to focus on maternal healthcare to achieve the Sustainable Development Goals (SDGs) aimed at improving maternal and child health outcomes and ensuring access to quality healthcare services (UNDP 2017).

Many articles have researched various aspects of maternal and pregnancy care in India. While some have focused on socio-economic factors, such as societal norms and financial constraints, that affect maternal healthcare access and outcomes in various regions of the country, others have examined issues related to the lack of infrastructure, policies, and government intervention that hinder the provision of quality maternal healthcare services.

This paper by Vijay Kumar and Tulika Tripathi examines access to maternal healthcare facilities from a geospatial perspective. Timely access to healthcare during pregnancy is necessary to ensure a healthy delivery, to prevent maternal and infant mortality, and to provide proper care for both mother and infant after birth. While many healthcare facilities may exist within a State, it is crucial to assess whether these facilities are concentrated in specific regions or distributed equitably across all areas, ensuring accessibility to all people, particularly those on the social and spatial peripheries of society. Thus, an analysis that considers both temporal and spatial aspects of healthcare, rather than solely focusing on population and

socio-economic factors, becomes crucial.

Methodology

The study focuses on Gujarat's tribal population, constituting 14.8% of the total population, scattered across 14 districts. The study used GIS data, data from the National Family Health Survey and geocoded health facilities spread across districts with higher concentrations of tribal population including Dahod, Banaskantha, Sabarkantha, Aravalli, Mahisagar, Bharuch, Surat, Tapi, Dang, Navsari, Valsad, Panchmahal, Chhota Udaipur, and Narmada. To understand the accessibility of healthcare centres, the authors also used a car, a motorcycle and walking as the three modes of transportation to reach tertiary, secondary and primary health centres.

Through spatial analysis, mapping, and quantitative methods, the article gives a visual and quantitative understanding of the distribution of healthcare facilities within tribal regions across these districts and evaluates the extent to which people can access healthcare facilities for timely maternal care.

Mapping healthcare disparities

While the distribution of public health centres is expected to adhere to population norms and geographical considerations as per Indian Public Health Standards 2022, the authors highlight a bias towards population norms, often neglecting geographical factors. Consequently, many rural and tribal residents experience inadequate access to healthcare facilities, as resources are concentrated in urban areas to manage the growing population in smaller urban clusters. This disparity disproportionately disadvantages women, who are already hindered by limited resources and transportation access when seeking healthcare services.

The paper reveals that the average coverage of pregnancy care in Gujarat's tribal districts is 88%. About 80% of women receive antenatal care (ANC), while 90% give birth at healthcare facilities, and 92% receive postnatal care

(PNC) for themselves and their infants. However, ANC coverage is notably lower in districts such as Banaskantha, Mahisagar, Sabarkantha, Dahod, and Bharuch. In Banaskantha and Bharuch, pregnancy care falls below WHO-prescribed thresholds in at least two care indicators. On the other hand, districts including Surat, Tapi, Dang, Navsari, and Valsad demonstrate better pregnancy care outcomes meeting WHO standards. The neglect of ANC is particularly concerning, even in districts with higher overall pregnancy care rates. Moreover, it showed that the worst-performing districts are in the north near Rajasthan and northwest near Madhya Pradesh, while the best-performing districts are in the south near Maharashtra.

This spatial analysis highlights distinct pregnancy care patterns within these tribal districts, pinpointing the geographical epicentre of the issue which can guide targeted interventions. The analysis also underscores the critical need to prioritise maternal and childcare improvements in these tribal-concentrated districts, with emphasis on enhancing ANC services.

Transportation constraints

As mentioned before, the authors used different modes of transportation to travel to the nearest tertiary, secondary and primary healthcare facilities to try and understand the possible bottlenecks faced by patients. It is worth mentioning that the authors admit to making assumptions about road connectivity and vehicle ownership in their analysis. Social norms and limited resources often prevent women, especially in rural areas, from using motorcycles, and there is limited public transportation available. Therefore, these factors must be considered when interpreting the findings of the paper that uses hypothetical distance norms and time criteria.

The analysis shows that over 50% of households reside more than 25 km away from tertiary care facilities while about 30% of households live away from

community healthcare centres and primary healthcare centres. Such geographical constraints further limit women's access to health facilities even during pregnancy-related emergencies. And even if women are taken to hospitals in case of delivery complications, the proportion of women taken to health facilities for ANC and PNC after pregnancy remains inadequate.

The geospatial analysis also finds that health facilities are resources concentrated in urban regions, confirming previous research works.

Distance and time

When discussing access to healthcare, affordability and infrastructure are often the primary considerations. This study emphasises critical factors during emergencies, particularly in maternal and infant health: distance and time. Ensuring that public healthcare is easily accessible is crucial, especially for socially and economically disadvantaged populations who often face geographical barriers as well. For these communities, travelling long distances to private hospitals and bearing high transportation costs are not feasible options. Thus, it is imperative to implement policies that establish well-equipped public healthcare centres in easily accessible locations for disadvantaged communities.

Implementing such policies is essential not only to enhance social sector indicators but also to achieve UN SDGs. These efforts are vital to protect and improve healthcare access for vulnerable populations across the country

Looking at the tribal districts in Gujarat, where the population faces high levels of poverty, malnutrition, and inadequate healthcare access, the study highlights a broader national issue: the challenge of healthcare inaccessibility for disadvantaged communities due to geographical constraints, including issues of time, distance, and limited transportation options in the peripheral areas of a region. The study significantly contributes to our understanding of maternal health.



FROM THE ARCHIVES

Know your English

K. Subrahmanian

"Meaning of 'rain check' (K. Ambika)."
"This colloquial expression came into being in 1890 in the U.S. The expression seems to have been coined by the Detroit Baseball Association. 'Rain check' referred to the ticket stub which the spectators received when they went to see a baseball game. If the game was cancelled because of rain, the spectators were allowed to use the same ticket to see another game on a later date. In some cases, a separate 'check' was issued which allowed the spectators to see the game. So 'rain check' was given to people whenever a baseball game was postponed because of bad weather.

With passage of time, the expression 'rain check' took on a wider meaning. It referred to a postponement of any kind, not just the postponement of a baseball game. The postponement could be a dinner, a sports event, etc. If somebody invites you to see a film and you say, "I am busy this evening, but I will take a rain check on the offer", what you mean is, you are interested in seeing the film, but on a later date. In other words, you are not turning down the invitation, but merely postponing the date of acceptance. The usual expression is 'take a rain check' on something.

Dinner tonight? I cannot make it. But I will take a rain check on it.

Pramod invited me to breakfast, but I took a rain check on his offer.

"To take a rain check" is an informal expression and is generally used in American English."

"Which is correct, 'His native is Madurai' or 'His native place is Madurai'?" (Padmavathi, Madurai).

"The first sentence is incorrect. The second sentence 'His native place is Madurai' is correct.

Ashok's native place is Nagpur. Kasturi's native place is Bombay.

A native speaker of English may find such sentences slightly odd. He would instead say - 'Ashok is a native of Nagpur, Kasturi is a native of Bombay.' The more common expression nowadays is 'home town.' The expression 'home town' is American in origin.

Ashok's home town is Nagpur. Kasturi's home town is Bombay.

In the 19th century, the phrase 'native place' was used by English writers and speakers. But I learn that it is rarely used these days in the U.K. "

"Difference between 'audience' and 'spectators' (A. Vaena Padmavathi)."

"The word 'spectator' is derived from the Latin word 'specere', which means 'to look at'. 'Audience' is derived from the Latin word 'audire' which means 'to hear.' So 'audience' refers to a group of people who have come to listen to something, while spectators are those who have come to look at something.

The people who go to see cricket and hockey matches are called spectators. So are the people who go to see a circus or a boxing match. 'Audience' in current English is applied to those who see and hear concerts, operas, plays, movies, radio, television, etc. It is also applied to readers of a book, magazine, author, etc.

She is a writer and has a vast audience. Published in The Hindu on August 18, 1992.

THE DAILY QUIZ

Sunil Gavaskar, arguably the greatest opening batsman of the game, turns 75 on July 10. Here is a quiz on the little master's illustrious career

Soorya Prakash. N

QUESTION 1

Sunil Gavaskar is the only player to have scored a century in the first innings and a double century in the second innings. Against whom and in which ground did he achieve this remarkable feat?

QUESTION 2

In which ground did Gavaskar score his only century in ODIs and against whom?

QUESTION 3

For which English county did Gavaskar play as their overseas cricketer in the

year 1980?

QUESTION 4

In his test career spanning 125 tests and 198 dismissals, Gavaskar has been run out only five times and stumped two times. Interestingly, in one series, he got two dismissals in successive test matches. Who was the opposition?

QUESTION 5

Which bowler has dismissed the maestro most times in tests?

QUESTION 6

Gavaskar has been involved in triple century partnership in tests once. Who was his partner?



Visual question:

Identify this batsman with whom Gavaskar has been involved in four century partnerships in ODIs, the most with any partner? THE HINDU

Questions and Answers to the previous day's daily quiz: 1. The christened name of Guru Dutt. He was part of this dancer's team in Almora. **Ans: Vasanth Kumar Padukone; Uday Shankar**

2. The number of Hindi films Dutt directed. **Ans: Eight**

3. This Indian cinema icon featured in the Dutt's directorial debut. **Ans: Dev Anand**

4. The cinematographer who cranked the camera in all of Dutt's directorial efforts. **Ans: V.K. Murthy**

5. The classic which was based on a story idea called 'Kashmakash' written by Dutt. **Ans: Pyaasa**

6. This person drew all the cartoons of Mr & Mrs. 55. **Ans: R.K. Laxman**

7. A coincidence which connects Sanjeev Kumar and Guru Dutt. **Ans: Both were born on July 9**

Visual: Name this film and its achievement. **Ans: Kaagaz Ke Phool, the country's first CinemaScope film**

Early Birds: Seema Das| Prashant Nain| Sadhan Kumar Panda| Purnoor Kaur| Golu Kumar

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

Word of the day

Swole:

Extremely muscled

Synonyms: brawny, hefty, powerful

Usage: She is showing off some pretty swole arms.

Pronunciation: bit.ly/swolepro

International Phonetic Alphabet: /swoʊl/

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

the hindu businessline.

WEDNESDAY - JULY 10, 2024

Bewildering verdict

France's 'socialist' mandate seems a confused one

A former British prime minister once said that "a week is a long time in politics". That's exactly what Marine le Pen, the leader of the right wing National Rally in France, has discovered. The country held the first round of its last general election on June 30. The outcome suggested that le Pen would be the next prime minister. A week later, in the second round, her party was pushed back to the third place.



The New Popular Front, a last-minute alliance of Left and Green parties, got 182 seats in the National Assembly, Macron's Ensemble coalition got 163, and the National Rally 143 seats. Overall, France has a hung Parliament, since no party has a majority in the 577 member Assembly. That's not all. The French system is such that the president can be from a different party than its prime minister. That's what has also happened. The president is in charge of foreign and security policy. The prime minister runs domestic policies. It's a strange system that allows a peculiar system of checks and balances. It's not the first time that France has a president who is from a different party than the prime minister. It happened before at the end of the 1990s.

It used to be said about the French Revolution that it had fundamental causes and immediate causes. This seems true even today. The fundamental cause for the current impasse is a strong French social preference for the Left. The immediate cause for the slow growth in popularity of the Right is unchecked immigration, which the Left doesn't seem to mind much. This election has shown how split the voters are between the fundamental and immediate causes. It also shows how French politics since the mid-19th century hasn't changed much and has been volatile and unpredictable. The French people don't seem to be able to make up their minds between an ideological preference and a felt practical need. They often end up with indeterminate governments. It's worth noting in this context that Iran too has had a similarly surprising result. A left leaning candidate has won the presidential runoffs. The election became necessary after President Raisi died in a helicopter crash last May. The successful candidate, Masood Pezeshkian, a heart doctor, is a reformist and it will be interesting to see how things shape up there.

It does not seem wise to generalise but it does seem as if in the group rights vs individual rights choice, for the moment at least there is an increasingly revealed preference for individual rights. France has been at the forefront of this movement since its revolution in 1789 and is still the intellectual leader when it comes to combining political democracy and economic socialism that can at times mimic communism. As the last Indian general election showed in June, India, too, is following that intellectual lead. It's articulated differently in India but the overall approach and outcome are similar.

POCKET

RAVIKANTH



"Five thousand rupees for my haircut is inflation, yes. Five hundred for yours is hyperinflation!"

Nothing wrong with large RBI transfers to govt

POSITIVE EFFECTS. They will help the govt reduce borrowings and contribute to capex-led fiscal consolidation



BARENDRA KUMAR BHOI

The Central Board of Directors, Reserve Bank of India on May 22, 2024, decided to transfer the highest-ever surplus income (profit) of ₹2.1 trillion to the government. How was it possible to earn such a large amount of profit in FY24? Will it stoke inflation in the economy? Is it desirable to transfer such a large sum to the government? An attempt has been made here to answer these questions.

The RBI earns income from both domestic assets (sovereign papers) and foreign assets. The rate of earning from domestic assets is typically higher than that from foreign assets due to the difference in yield between the domestic and foreign assets. After structural reforms implemented since 1991, the composition of RBI's assets has undergone a sea change in favour of foreign assets. Earning from foreign assets has not been impressive since the global financial crisis due to low interest rates prevailing in Western countries.

During 2023-24, earning from foreign assets was significantly high following relatively higher interest rates prevailing in Western countries throughout the year due to tight monetary policy pursued by them. During the second half of 2023-24, RBI earned a good amount of income from commercial banks as the daily average injection of liquidity was ₹1 trillion as against net absorption earlier in the post-Covid period. Profit was also booked as and when RBI sold foreign exchange at an exchange rate higher than the weighted average cost (holding rate).

According to the details available from the latest RBI Annual Report, total expenditure in FY24 was ₹64,694 crore, which was way below the ₹1,48,037 crore in FY23 mainly due to a drastically low level of provisioning requirement at

₹42,820 crore in FY24 as against ₹1,30,876 crore in FY23. Due to the softening of yield (corresponding increase in asset prices), the need for the provisioning requirement was reduced in FY24.

TRANSFERS INFLATIONARY?

In an accounting sense, profit transfer *per se* neither affects the size of the RBI balance sheet nor contributes to the reserve money expansion. The balance sheet size remains unchanged as the undistributed profit, which is a part of RBI's other liabilities, is reduced and simultaneously the central government's balance with RBI is increased, one offsetting the other. While computing the reserve money, a fall in the non-monetary liability due to profit transfer is offset by a decline in the net RBI credit to the central government. Consequently, there is no reserve money expansion that causes inflation.

However, as soon as the government starts spending from the profit received from the RBI, reserve money expansion takes place, which may contribute to inflation. Counterarguments are also available in the literature. Anything RBI earns becomes a non-monetary liability till it remains in its balance sheet. For its productive use, this should go back to the economy through profit transfer to the government. Being the owner of RBI, the government has a rightful claim over the seigniorage revenue. Budgetary provision is made every year about the transfer of profit to the government by PSUs, including profit from the RBI. This year's profit transfer exceeded the budgetary provision by a wide margin. A large profit transfer either reduces government borrowing or offsets revenue shortfall from other segments like disinvestment. According to

A large profit transfer either reduces government borrowing or offsets revenue shortfall from other segments like disinvestment.



GETTY IMAGES

conventional wisdom, large fiscal deficits significantly contribute to inflation. Fiscal profligacy has been a cause for concern leading to inflation everywhere due to Covid-related expansionary budgets since 2020. In India too, both Central and State governments deviated from the fiscal discipline embedded in the FRBM Act.

However, the burden of Covid-19 management in India fell largely on the RBI. The cash outgo from the budget was limited and the fiscal deficit was prudentially managed compared to many other countries. Currently, the government has a medium-term strategy of reverting to fiscal discipline in a time-bound manner. Large profit transfer by RBI allows the government to pursue capex-heavy fiscal consolidation. In that sense, large profit transfers from the RBI may not necessarily be inflationary.

NEGLECTIBLE PAID-UP CAPITAL

The paid-up capital of the RBI is negligible. Hence, there is a need for provision towards a contingency risk buffer (CRB). In India, the requirement of contingency reserves (asset development reserves included) was examined several times by different working groups. The earlier working groups recommended maintaining CRB at 12 per cent of the total assets. A part of the profit was therefore appropriated towards contingency reserves every year before the profit was transferred to the government. Recently, the Bimal Jalan Committee revisited the issue and recommended that RBI should maintain CRB (available realised equity) ranging from 5.5-6.5 per cent of total assets as the economic capital, which includes a

large balance built up under the CGRA (Currency and Gold Revaluation Account), is fairly robust and one of the highest among its peers. A higher level of CRB was relevant when the CGRA balance was low.

Due to the prevailing macroeconomic conditions and Covid-related requirements, the RBI maintained CRB at 5.5 per cent of total assets from 2018-19 to 2021-22 and transferred the remaining surplus to the government. As the macroeconomic conditions improved, the CRB was raised to 6 per cent in 2022-23 and further to the upper limit of 6.5 per cent of total assets in 2023-24 before the profit transfer. If the RBI balance sheet is fairly strong, particularly due to pursuit of conservative accounting practices, seigniorage revenue in any year would depend on surplus income over expenditure (including provision), irrespective of its size.

In India, inflationary pressure is receding slowly like in many other countries. Core inflation is well below 4 per cent. Food inflation, which remains elevated, may converge to the target as the South-West monsoon is predicted to be normal in 2024. The real economy is performing near its potential. Hence, overheating fear is yet to emerge. Rural demand, which has been sluggish for some time, may revive soon and help sustain growth. A handsome profit transfer from RBI in such a situation would contribute to a capex-heavy fiscal consolidation, contain twin deficits and impart macroeconomic balance.

The writer is RBI Chair Professor at Utkal University and former Principal Advisor and Head of the Monetary Policy Department of RBI. Views are personal

Budget should catalyse manufacturing resurgence

Streamlining regulatory compliances, phasing out cross-subsidisation of power by industry and higher capex by govt will help

Chandrajit Banerjee

There is much anticipation that the Finance Minister would unravel a momentous Budget. Expectations are that the Budget would announce bold next-gen reforms which would help realise the 'dream' of a resurgent, inclusive and a growing economy further feeding into the higher goal of Viksit Bharat by 2047.

The vital role the manufacturing sector plays for building a 'Viksit Bharat' is well known. No country in the world has grown and prospered without a strong manufacturing base. A fillip to manufacturing would help the private sector to strongly emerge as a growth multiplier for the economy through its contribution towards growth, employment, FDI and exports.

Hence, the share of manufacturing in GDP should increase from around 16 per cent at present to at least 25 per cent in the near future. A toolbox of policies in the Budget would provide a fillip to the manufacturing sector. Here are some suggestions to strengthen the sector's growth:

A key area of importance is to

continue to focus on the ease of doing business. While much progress has been made, there is more work to be done. The Budget should continue its work on simplifying, rationalising and digitising regulatory compliances, reducing tax litigation, etc., to facilitate ease of doing business for industry. Besides, issues relating to exit of businesses should also be brought within the ambit of National Single Window System platform under the Insolvency and Bankruptcy Code (IBC) as well as the Companies Act, 2013. Special focus should be laid on ensuring strict adherence to timelines for both start and closure of businesses.

Besides, a continued focus on decriminalisation of business laws and the introduction of the Samadhan scheme for Customs on the lines of Sabka Vishwas - Vivad Se Vishwas Scheme for Income Tax, for clearing long pending legal cases, would inspire business confidence.

The government should work towards phasing out cross-subsidisation of power by industry to other consumers by rationalising power cost and withdrawing cross-subsidisation of railway passenger fares by freight to reduce logistics cost. Bringing electricity



PLI SCHEME. Must be extended to more sectors

and petroleum products under GST will also improve the quality of power and reduce logistics costs by making road transport cheaper.

With industry 4.0 becoming a reality, a thrust to make manufacturing future ready becomes imperative. The government may consider creating two missions, namely, a Mission on Advanced Manufacturing which would focus on smart and advanced manufacturing technologies, and a Mission on Advanced Materials to identify key advanced materials and develop roadmaps from mining to their commercial use.

Another confidence booster would be to provide tax certainty to businesses by maintaining the corporate tax rates at the current levels.

The Production Linked Incentive (PLI) scheme is a pivotal reform undertaken by the government to promote domestic manufacturing at scale.

The scheme should be extended to more areas such as the labour-intensive and sunrise sectors which have a huge potential to boost manufacturing, employment and exports.

Finally, a thrust to manufacturing would remain incomplete unless government investment continues to be the bulwark of the investment cycle. The Budget should increase capex by around 25 per cent in FY25, for investing in infrastructure with a special focus on rural infrastructure which would have a positive spill-over effect on the economy and industry.

A Budget which is bold in ideas and firm in execution would go a long way in fostering manufacturing growth and helping reach the goalpost of a developed India by 2047.

The writer is Director General, CII

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

Tax breaks needed

Apropos 'Personal tax regime needs some tweaks' (July 9), it was almost a decade back when Section 80C deduction limit was capped at ₹1.5 lakh, while inflation has increased significantly since then. It is time the Finance Minister increased this limit to at least ₹4 lakh as also the Section 80CCD limit for NPS. This will have a double impact. First, it will put more money in the hands of the people which will boost consumption. And, second, it will motivate individuals to invest more into ELSS and NPS, which in turn will generate better returns and create a bigger pool for their retirement. The rise in real estate prices has made housing unaffordable for the lower middle-class. An increase in Section

80C deduction can help ease the situation.

Bal Govind
Noida

Simplify filing of returns

Filing tax returns must be made a lot easier. A majority of tax filers either have to take the help of tax consultants or CAs which involves a further cost. They, in turn, ask for bank statements, Form 16, TDS deducted by banks, and what not. Since all details are readily available why not directly demand the taxes to be paid by means of a pre-filled form. This will reduce the tensions of the taxpayer in computing personal tax liability.

Anthony Henriques
Mumbai

Training of workforce

This refers to 'Labour pains' (July 9). Labour is an area that has been badly neglected by successive governments. It was R Venkatraman who, as the Minister of Industries, paved the way for industrialising Tamil Nadu. He created Industrial Estates like Guindy in Chennai. To feed the industries with a skilled workforce ITIs were set up to train the jobseekers to work in the newly established industries. Then came the system of apprenticeship and minimum wage, safety related legislation, etc. But over a period of time such systems were given up and everything was left to market forces.

The government is largely to blame for not addressing the skilling needs of the workforce.

AG Rajmohan
Anantapur, AP

Legal services

Apropos 'Why exempt lawyers from consumer law?' (July 9), the apex court says that law as a profession is not commercial in nature and is a service-oriented. But lawyers as agents of their clients are bound to keep up a fiduciary relationship and liable to them for any lapses in their service which may cause a client's defeat in a suit, resulting in loss of money and time. The prowess of the lawyer is vital to aptly counter the plaintiff as defence lawyer or to ensure the plaintiff's victory. A client

who loses a case due to wrong arguments is akin to a dissatisfied consumer. A relook of this verdict is a must.

NR Nagarajan
Sivakasi, TN

India-Russia ties

Prime Minister Narendra Modi's two-day visit to Russia will fortify India's relationship with the country. Economically, India gains a lot from Russia. Especially, it gets a boost for its energy and defence sectors. That said, India should have a good relationship with the US, too. One should not be oblivious to the fact that the dollar is a global reserve currency.

S Ramakrishnasayee
Chennai

Bridge the 'trust' deficit

Taxing of trusts must follow a calibrated approach

R Anand

Charitable trusts have played an important role in the development of the country. In times of calamities like floods etc trusts have served the needy in the most remote parts of the country.

Tax exemption for trusts has helped to a large extent and has stood the test of time despite the rigours of compliance and laborious housekeeping challenges associated with it. But there have been cases of misuse of trusts resulting in diversion of funds as also fundamental governance related matters like trustees perpetuating their positions and sometimes compromising it as well.

This article, however, focusses on the tax aspects of trusts.

THE BACKGROUND

The provisions relating to taxation of trusts is contained in sections 11 to 13 of the Income Tax Act (The Act) and are nothing short of a nightmare as far as compliance is concerned.

Right from the time of registration to cancellation, the procedural rigmarole tests the patience of the most experienced professionals. The root cause of the problem is claiming the tax exemption and ensuring that the accumulation is invested in the modes specified in section 11 (5) of the Act.

Trusts have two streams of inflows. The corpus donations which flow directly to the balance sheet and the income donations which flow through the Income and Expenditure account. Trusts have to ensure that all income donations and other income are applied to the extent of 85 per cent and 15 per cent is to be accumulated and invested.

For this purpose application includes both revenue and capital expenditure and defrayed for the objects of the trust as specified in the trust deed. In today's context some trusts do make huge surpluses but do not pay any income taxes.

They are however subject to GST on specific services rendered like subscription from members, delegate fees for seminars for members etc.

In the context of expanding the tax base, is it not the right time to levy tax on the surplus declared by trusts?

THE LOGIC

The distinction between charitable objects and quasi-commercial activities



TAXING TRUSTS. Knotty issues
/ISTOCKPHOTO

carried on by the trusts is getting hazy and interpretative.

Various clubs and Chambers of Commerce face tax challenges on the grounds that the concept of mutuality which was the foundation of tax exemption is no longer relevant.

Imparting of knowledge by conduct of seminars and workshops no doubt come under the activity of "educational" but by charging members and non-members for the same and making a surplus from it smacks of commercial intent, is the stand of the department.

Hairsplitting on such matters has led to confusion and lack of clarity leading to unnecessary litigation.

The Direct Taxes Code Bill 2013 had contained a clear recommendation that on all Gross Receipts minus Gross Outgoings, Trusts should be levied a 15 per cent tax subject to a basic exemption of ₹1 lakh.

There was also a recommendation that Trusts should be free to make their own investments on the accumulations rather than the Act specifying the modes of investment.

In effect the recommendations were far reaching, as they equated Trusts with other normal business entity for tax purposes.

A calibrated approach to taxation of trusts is a better option than going the whole hog. For starters a nominal tax of 10 per cent on the surplus declared by trusts is a good way to begin. The investment restrictions as stipulated in section 11(5) should continue till the overall governance framework of trusts is revisited in a comprehensive manner along with the host of procedures that are now sucking the time and energy of people managing the affairs of trusts.

At the end of it all there has to be trust in trusts rather than mistrust.

The writer is a Chartered Accountant



RACHANA BAID

Recently, markets reached unprecedented heights, with the Sensex surpassing the 80,000 mark on July 4. One of the key drivers of this ongoing bull run is the increased retail participation.

The number of demat accounts has surged from around 4 crore in March 2020 to approximately 14 crore, indicating that over 10 crore new Indian investors have embarked on the wealth creation journey in recent years.

Additionally, many are participating in the markets through mutual funds. As of May 2024, the total number of mutual fund folios stood at 18.60 crore, with individual investors holding ₹35.54-lakh crore in mutual funds. Overall, investors are a happier lot.

While financial wealth is on the rise, the growth in human capital remains a significant concern. In India, the youth unemployment rate (usual status) was estimated at 12.4 per cent in 2022, over 12 times higher than the adult unemployment rate. In numerical terms, 14.5 million young men and 4.4 million young women were unemployed in 2022.

Worryingly, the youth unemployment rate is in tandem with education level, with the highest rates among those with a graduate degree or higher. This indicates a mismatch of skills.

Moreover, a large proportion of Indian youth are neither in education, employment, nor training. Individuals spent a lot of time analysing their portfolio returns and other financial metrics. However, what is often overlooked is how the employment opportunities or lack of it will impact human capital.

For many investors especially the younger ones, human capital comprises a larger and significant component of overall wealth compared to financial assets. Human capital represents the present value of an individual's future earning potential given their skills, qualifications, and employment prospects. It is a massively important part of one's total wealth, often comprising close to 100 per cent of the wealth for many young investors.

The value of human capital is highest at the start of one's working life because

Should we push financial or human capital?



CAPITAL ISSUE. Interaction between human capital and financial capital needs to be understood in a nation with 'demographic dividend'

GETTY IMAGES/ISTOCKPHOTO

all the years of earning income are ahead. At this stage individuals can take exposure to higher risks as they have time to recoup investment losses.

Over time, human capital leads to building of financial capital by saving and investing. Higher human capital leads to building of higher financial assets.

During economic downturns, as financial assets values fall, human capital often becomes an larger proportion of total wealth. It is crucial for wealth managers and individuals to properly account for and manage this important component. Yet this crucial asset is rarely given the attention it deserves.

Human capital is fundamentally different from traditional investments in many ways. Assessing the risk and return characteristics of human capital

Human capital leads to building of financial capital by saving and investing. Higher human capital leads to building of higher financial assets

is a challenging endeavour. Further, unlike stocks and bonds, human capital is illiquid — you can't sell the future income stream it represents immediately. It is also highly concentrated, as an individual's earnings are often tied to the specific kinds of work profile individual takes up during the lifetime.

This makes it challenging to diversify in the same way as a portfolio of financial assets. Factors like industry-specific versus general skills, the flexibility to move across work profiles and inflation risk — all impact the value of one's human capital. A research analyst's human capital, for example, may have broader applicability and growth opportunities than an architect's more specialised skills.

DEMOGRAPHIC POTENTIAL

India is at a demographic crossroads. Its large, youthful population represents both a remarkable opportunity and a considerable challenge. The country is in a "demographic dividend" phase, where the working-age segment exceeds the very young and old. This dynamic could potentially fuel rapid economic growth and development.

However, the challenge lies in

generating sufficient productive employment for the millions of youth entering the workforce each year. Failing to capitalise on this demographic dividend could diminish the value of India's human capital and financial assets.

Investors and policymakers must recognise the paramount importance of human capital as the largest component of most people's wealth. Development of human capital should be just as much a priority as managing one's financial assets.

Acquiring versatile skills and cultivating a mindset of continuous learning will help individuals in enhancing the value of human capital. Investing in people through quality education and healthcare will help build human capital of the nation.

Skill development initiatives to increase the employability of the youth, coupled with the creation of ample secondary and tertiary sector jobs, will be pivotal.

Failure to do so could mean missing out on the tremendous potential of India's demographic dividend.

The writer is Professor and Dean (Academics), National Institute of Securities Markets

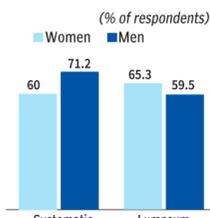
STATISTALK.

Compiled Madhav Suresh | Graphic Visveswaran V

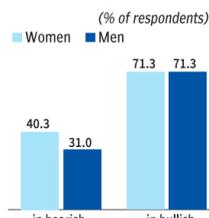
Trends in investment behaviour among women

Axis Mutual Fund (MF), in a recent study, reports that nearly 72 per cent of women are taking charge of their finances. The study compiled from a pool of 1 crore retail investors (30% women), a nationwide email survey with over 1,100 women participants, and in-depth interviews, paints a compelling picture of women's investment behavior. Here are five charts that offer a glimpse into these key findings.

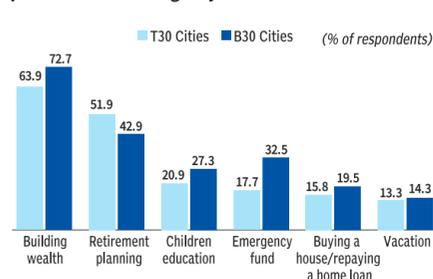
Women tend to prefer lump-sum investments while men favour SIPs



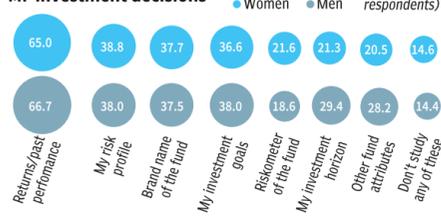
More women investors stay invested during downturns than men



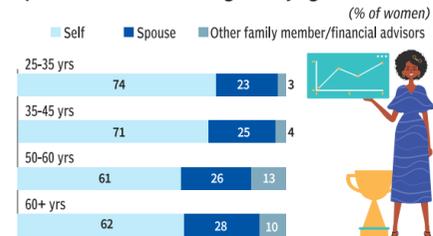
Women in B30 cities materially differ in preference for emergency funds



Investors prioritise past performance over factors such as the riskometer when making MF investment decisions



Women increasingly consider their spouse's opinion in decision-making as they age



Source: Based on a report by Axis Mutual Fund titled "Women Investment Behaviour Report 2024"

thehindubusinessline.

TWENTY YEARS AGO TODAY.

July 10, 2004

Debt market stranded over transaction tax

Trading on the debt markets came to a virtual halt today as traders decided to stay away from the market in protest against the proposed transaction tax. However, there were stray deals worth Rs 430 crore on the NSE, as against the daily average of Rs 3,000-4,000 crore.

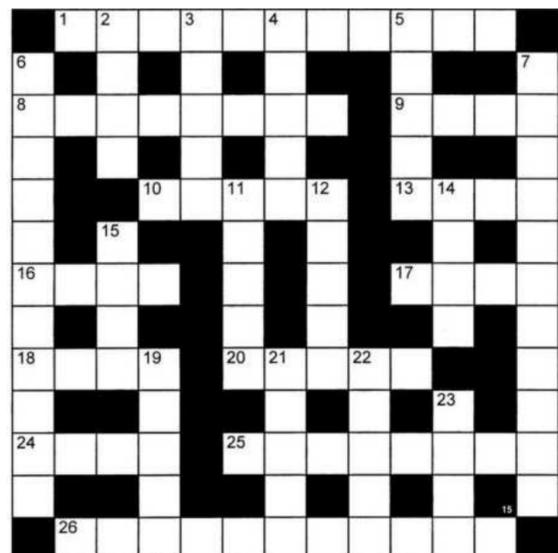
I-T Dept may get powers to proceed against erring Trusts

Come October 1, income tax authorities may get the powers to wield the stick on erring charitable trusts and institutions. The Finance Bill 2004 introduced in the Lok Sabha on Thursday seeks to specifically empower a Commissioner of Income-Tax to cancel the registration of a charitable trust or institution if satisfied that the trust's activities are not genuine or are not being carried out in accordance with the purpose for which it was formed.

Honeywell Asia to buy out Tatas in Tata Honeywell

Honeywell Asia Pacific Inc, the subsidiary of Honeywell International, is set to acquire 40.62 per cent held by the Tata Group in Tata Honeywell for Rs 125 crore. According to an agreement reached between the companies, Honeywell will purchase the shares held by the Tata group for a price of Rs 350 per share.

BL TWO-WAY CROSSWORD 2479



EASY

ACROSS

- Hidden, private (11)
- Keepers of journals (8)
- Cougar (4)
- Fundamental unit of length (5)
- Young ovine creature (4)
- Work very hard (4)
- Needy (4)
- Turn over and over (4)
- Symbol, something worn (5)
- Second-hand (4)
- Tuft of hair on lower lip (8)
- Commit a felony (5,3,3)

DOWN

- An advance (4)
- Unsophisticated (5)
- Go inside (5)
- Drive one (5)
- Willing to explore new territory (11)
- Trade sign on shop (7,4)
- Pulsate (5)
- Concluded (5)
- Stratford river (4)
- Invoice (4)
- Shelf (5)
- Let in; own (5)
- Large birds (5)
- Old Italian currency unit (4)

NOT SO EASY

ACROSS

- Chopper's first to put down in Tees somehow, and is hidden (11)
- They may make their entries on a daily basis (8)
- Am no longer in bed: am retiring — am an animal! (4)
- Standard length in which verse may be written (5)
- There's meat for Charles or Mary, for instance (4)
- It is hard work to join up with the Italian (4)
- Not having much, is not up to much (4)
- Register may be obtainable at the baker's (4)
- Brock has been tailed off, which may stand for something (5)
- Took advantage of American edition, not giving it one on (4)
- Like the majesty of Napoleon worn on the chin (8)
- 'Wealth': how one might achieve this, and be illegal (5,3,3)

DOWN

- What is given for a time sounds solitary (4)
- Ingenuous one to be placed in the middle of a wheel (5)
- Want to go in for a competition, so write it up (5)
- Drive a crooked mile around the end of the map (5)
- Time before Christmas, and our upset in America if not timid (11)
- It shows one may get into a lather in the shop behind it (7,4)
- The one and the other are confused about the right to beat (5)
- Repaired, lost head and didn't go on with it (5)
- Suddenly flaring star has turned up with the river (4)
- Account for some old battle-axe (4)
- Gave rise to, for example, turning up on the shelf (5)
- Let in mad disorder with sex appeal (5)
- Birds gather among these egrets when they return (5)
- Beyond fifty-one, an Academician has spending power in Rome (4)

SOLUTION: BL TWO-WAY CROSSWORD 2478

- ACROSS** 1. Foretell 4. Brow 8. Icy 9. Lotto 10. Fad 11. Gleaner 12. Slave 13. Chin-wagging 17. Beach 18. Learner 20. Owe 21. Saved 22. Irk 23. Dash 24. Grandson
DOWN 1. Fringe 2. Rhyme 3. Later 5. Refrain 6. Wedded 7. Horseguard 9. Linen chest 14. Heavens 15. Abroad 16. Broken 18. Lover 19. Nails

Enabling farmers

New policy on FPOs should improve returns

The Department of Agriculture and Farmers' Welfare recently released a draft National Policy on Farmer Producer Organisations (FPOs), with the aim to consolidate existing FPOs and facilitate the formation and promotion of new ones. The intention is to create an ecosystem to facilitate income-oriented farming and improve the overall well-being of farmers. The idea may be welcomed because it will benefit about 25 million farmers in the country. The policy aims to facilitate the creation of seven-eight active primary-level FPOs in each of the 7,256 blocks in the country, with an average of 500 farmer-members per FPO. It seeks to enhance farmers' net income through ease of doing agribusiness, promoting cost-efficient production, and market-oriented value addition.

Similar to the model of value chains for milk adopted by Amul, the policy aims to create a three-tiered supply-chain model for agricultural and horticultural produce for value addition, processing, and domestic and export marketing. It also aims to ease access to credit and financing for FPOs by continuing the FPO equity grant fund and FPO formation fund. FPOs may continue to get interest subvention and credit guarantees under the Agriculture Infrastructure Fund scheme. At the same time, the policy also seeks to address the long-standing problem of inefficient management plaguing these organisations such as the inability to access, afford, attract and retain quality managers.

Indian agriculture has long been constrained by fragmented land holdings. The data from the National Bank for Agriculture and Rural Development (Nabard) suggests that some 85 per cent of the land holdings belong to small and marginal farmers. The use of the latest farm machinery is limited in small land parcels and, more importantly, unorganised farmers are unable to realise good value for their limited produce. Small farmers do not have any bargaining power, nor do they have the capacity to store the produce to be sold in the lean season. Small producers do not possess enough inputs or produce as much to benefit from economies of scale. In agricultural marketing, there is a long chain of intermediaries who very often work non-transparently, leading to the situation where farmers receive only a small part of the value that the ultimate consumer pays. This has limited farmers' earnings.

This is where FPOs can make a difference. Each FPO, with an elected board of directors, is owned by farmers and the profits are shared among the shareholders. Moreover, Nabard, government departments, and other financial institutions provide financial and technical support to these cooperatives. FPOs can eliminate many layers that tend to go against farmers. Through aggregation, farmers benefit in every aspect — from fetching better yield to getting higher prices for the produce. They also have better bargaining power vis-à-vis the bulk buyers of produce and bulk suppliers of inputs. FPOs procure inputs, provide market information to the members, and help them get access to finance, and they typically have storage and processing facilities, along with helping in brand building, packaging and marketing the produce to large buyers. While farmers are mostly confined to production, much of the profit is not in production but in processing and marketing, where farmers play a minimal role. Thus, there is also a need to invest in training and capacity building among farmers.

Hope & scepticism in Iran

A reformist becoming President will test the nation

The victory of a self-styled reformist and wild card candidate, Masoud Pezeshkian, in Iran's runoff vote for the presidential elections has been greeted by mild hope but more scepticism around the world. Mr Pezeshkian, 69, a former heart surgeon, beat hardliner Saeed Jalili in an election necessitated by the death of sitting President Ebrahim Raisi in an air crash in May. He has hit the right notes in his acceptance speech by promising not to abandon the Iranian people "in the difficult road ahead" and seeking their cooperation. That road includes managing an economy that has been feeling the sting of sanctions with hyperinflation and high youth unemployment plus the country's complicated role in West Asian conflicts. The rejection of Mr Jalili is being seen in some quarters as a message to the country's supreme leader for a more liberal regime. But the abysmally low turnout, with a little over half of Iran's electorate of 61 million choosing not to exercise their franchise, makes it unclear whether Mr Pezeshkian is truly the popular choice. He has also indicated a shift towards diplomatic resolution rather than proxy war and, critically, an outreach towards Western powers in terms of reviving the 2015 nuclear pact.

This pragmatism must be weighed against the realities of Iran's power structures. As with Pakistan, real power lies in a power nexus of unelected institutions. In Iran, power is wielded by a coterie of unelected clerics led by the 85-year-old supreme guide, head of state, and supreme leader, Ayatollah Ali Khamenei, whose hardline Islamism is enforced by the Islamic Revolutionary Guard Corps, a formidable paramilitary organisation that parallels the conventional military forces and wields considerable clout both internally and in Iraq, Afghanistan, Lebanon, and Palestine. In this configuration, the President is mostly the executive arm of policies laid down by the ayatollah. The geopolitical backdrop against which Mr Pezeshkian assumes power does not point to a significant shift. For one, there is Iran's visible tilt towards China with the tightening of the sanctions regime. Beijing has not only become the biggest buyer of the country's oil and gas but also played the lead role in the diplomatic rapprochement between Saudi Arabia and Iran. Tehran has also aligned with Beijing in supporting Russia diplomatically and militarily since Russia's invasion of Ukraine in February 2022. This apart, any prospect of reviving the Obama-era nuclear deal will flounder on the likely return to the White House of Donald Trump, who repudiated it in his first term.

For New Delhi, Mr Pezeshkian's election holds only upsides in a relationship that has remained cordial through many geopolitical vicissitudes. Prime Minister Narendra Modi was among the first to congratulate Mr Pezeshkian in a post on X after his election. The two countries have forged ahead in strengthening regional connectivity through the International North-South Transport Corridor, connecting India to Russia. Recently, India signed a 10-year agreement to develop and operate Chabahar Port on Iran's eastern flank. The port holds the prospect of access to Central Asian markets. This deep engagement may be tested by India's tacit support to the Israeli relation in the war against Hamas. But pragmatism has always been the leitmotif of relations between the two nations so far.

Focus back on raising revenue

With the fiscal deficit target staring at the government, the FY25 Budget has limited expenditure options

ILLUSTRATION: BINAY SINHA



How have the Modi government's budgets fared in the last 10 years? One way to answer that question would be to compare them with those of the previous governments. But another way would be to evaluate the Modi budgets inter se. The latter exercise could be more useful in the current context. Since not much has changed in the Modi government after the last general elections (even the top budget team in the finance ministry has remained the same), it would be instructive to assess how the budgets of the last 10 years looked at basic fiscal governance issues and how these could be an important pointer to the kind of Budget that Finance Minister Nirmala Sitharaman is likely to present on July 23.

Let us begin with the size of the government. The total expenditure of the Union government in 2014-15 was as large as 13.34 per cent of gross domestic product or GDP. Over the next four years, this was brought down to 12.25 per cent of GDP by 2018-19. Notably, this reduction was achieved through a welcome squeeze on revenue expenditure, while capital expenditure remained broadly unchanged during these five years at between 1.5 per cent and 1.8 per cent of GDP.

The pre-Covid year of 2019-20 and the Covid year of 2020-21 saw an understandable spike in government expenditure to 13.4 per cent and 17.7 per cent of GDP, respectively, fuelled largely by a rise in revenue expenditure and a small increase in capital expenditure. But what ignited hope was the government's decision in the following three years to steadily reduce its total expenditure to 15 per cent of GDP by 2023-24.

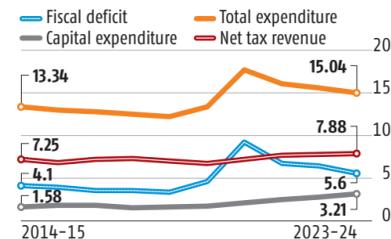
This decline had two reassuring features. The government's capital expenditure rose sharply from 2.1 per cent of GDP in 2020-21 to 3.2 per cent of GDP in 2023-24, helping to revive growth at a time when the beleaguered private sector was in no position to increase investment. Simultaneously, its revenue expenditure declined from 15.5 per cent to 11.8 per cent in the same period. This was a commendable achievement. Not only did the government's total expenditure come down, but even its quality improved.

The key question that Ms Sitharaman has to wrestle with while formulating the Budget for 2024-25 is whether she can further reduce government expenditure. Ideally, she should go in for a sharper cut in revenue expenditure, which will allow her to further boost capital expenditure. Her interim Budget for 2024-25 had proposed a capex increase to 3.4 per cent of GDP, with revenue expenditure sliding to 11.1 per cent of GDP. Even if capex has to go up to 3.5 per cent of GDP (a rise of over 20 per cent over what was spent in 2023-24), then the revenue expenditure has to take a bigger hit, perhaps down to 11 per cent of GDP.

But there will be major challenges. Such rationalisation would mean sizeable cuts in various welfare programmes of the government, including its subsidy schemes. Last year, Ms Sitharaman managed to slash the total subsidies bill sharply to 1.5 per cent of GDP, against 2.14 per cent in 2022-23. The scope for a further cut in subsidies in 2024-25 is extremely limited.

There are already demands on the finance minister to increase the allocations for PM Kisan and Mahatma

TRAJECTORY OF MODI BUDGETS



All figures in per cent of GDP; Source: Budget documents

Gandhi National Rural Employment Guarantee Scheme (MGNREGS). Coalition politics is bound to extract a higher price in terms of increased allocation to a couple of states whose ruling parties are supporting the Modi government at the Centre. Even after taking into account the extra surplus transfer from the Reserve Bank of India (RBI), amounting to almost 0.4 per cent of GDP, containing expenditure growth will be a formidable task.

Note that the government's fiscal deficit for 2023-24 is already down to 5.6 per cent of GDP. If Ms Sitharaman retains her interim Budget target of 5.1 per cent for 2024-25, the extent of fiscal consolidation at half a percentage point of GDP would be lower than what was achieved last year. This will also mean that she has to effect a sharper cut in deficit by 0.6 percentage point to reach the 2025-26 target of 4.5 per cent. This year, she has the benefit of the RBI surplus transfer bonanza, which may not be available to her in 2025-26. Clearly, it will make more sense to implement a sharper cut in fiscal deficit to 5 per cent or 4.9 per cent of GDP this year, to make her task in 2025-26 less onerous.

But with higher expenditure demands on the exchequer on account of welfare schemes, what is the way out for the finance minister? She has no option other than relying on improving revenues. Net tax revenues for the Centre have been rising slowly after the Covid impact — from 7.2 per cent of GDP in 2020-21 to 7.88 per cent in 2023-24. In addition, the composition of tax collections has become less regressive, with the share of direct taxes surpassing that of indirect taxes since 2021-22. The worrying signs are that non-tax revenues continue to languish below 1.5 per cent of GDP for the last four years, and the share of disinvestment receipts has not only been declining over the last two years, but there are also question marks over whether serious disinvestment attempts would be made this year or the next.

Yet, it seems Ms Sitharaman's first Budget in the third term of the Modi government will have to rely more on raising higher revenues. If there is increasing pressure to raise allocations for welfare schemes, making a further squeeze on revenue expenditure difficult, if the pace of fiscal consolidation needs to be slightly sharper, and if no compromise is made on the much-needed rise in capital expenditure, the finance minister will have to focus more on steps towards raising more tax as well as non-tax revenues and outline a more ambitious disinvestment plan. How these goals are achieved, of course, will be known in just about two weeks from now.



RAISINA HILL

A K BHATTACHARYA

Media's window problem

Every year, there are a few months when the death knell of the film business is sounded. The first six months of this year have been such a period. But just as media reports were talking of the industry's trauma, along came Aditya Sarpotdar's *Muniya* and Nag Ashwin's *Kalki 2898 AD*. They have broken the dry spell with good box-office performance. Movies are back in business.

Of the several reasons for the somewhat dull first half, the most important is windows. India, the world's largest film-making country, released close to 1,800 films in 2023. The number ranges from 1,700 to 1,900 in most years, with the exception of the pandemic years. There are, however, only 52 weekends in a year. How many of these 1,800 films can get a good weekend to release, find their audience, and make money?

Of the 52 weekends, take a few out for big events such as cricket matches, elections, exams or vacations. That leaves 40 weekends. Divide the 1,800 films released in 2023 by the estimated 40 weeks available — that is 45 films a week being released. Note that this is across languages. That means some of these films may be just for the Tamil Nadu or Maharashtra or Punjab markets. That is still a lot of films fighting for a single, decent window to release in. Incidentally, Hollywood, the most developed market, averages fewer films at 500-600 a year, but faces the same issues.

To this rush for a good weekend in 2024, add a booming market for live events with Ed Sheeran, Lollapalooza, Vir Das and a host of other performances scheduled across the country, all on weekends. Add an Indian Premier League (IPL) with some great cricket over 10 weeks and a general elec-

tion that went on for over seven weeks. It probably left less than 30 weekends for release in many markets in India this year.

This is not just about film. The question of windows is something the entire ₹2.3 trillion media and entertainment business needs to grapple with. At ₹19,700 crore in total revenue (including box-office, streaming and TV), film is just about 8.5 per cent of the total. But it illustrates the point — the consistently heavy downpour of films, shows, events, videos and whatnot is causing economic disruption too.

The question of a good release window for "a" film is pivotal if you want to address the issue of discoverability. Only if a film opens on a reasonably open weekend, does it have a chance of success — monetary and critical. If something is not seen or heard, it has little chance of making money. This is a challenge faced by musicians, actors, and writers — even as their work multiplies, their incomes don't.

Then there is the question of a streamlined release calendar. If films are spaced such that they release at regular intervals through the year, the theatres and the whole ecosystem remains monetarily hydrated. Through April and May, several films, including *Kalki*, were postponed to avoid clashing with the IPL and elections. This left theatres with very little to screen.

To this crowding around a window to release or showcase a film, add another set of windows. The time gap between a film's release theatrically and its release on other formats (TV, OTT) — also called a "window". At roughly two-thirds of the total revenue that any film makes, theatrical releases are the lifeblood of the film business. They are also the single most important factor in determining its

price for streaming or TV. A film that doesn't do well at the theatres, doesn't get a good price.

In India, the window between theatrical and streaming is eight weeks and between theatrical and TV is 12. Since the audience knows this, it is indifferent about missing smaller, non-spectacle films in the theatre. This does not give show-burners such as *12th Fail* or *Laapata Ladies* time to receive their due. Vidhu Vinod Chopra's *12th Fail* tells the heart-warming, true story of Manoj Kumar Sharma's journey from Chambal to Gwalior to Delhi, the soul-crushing poverty he deals with while attempting the various exams for Indian Police Service. It was a surprise hit in 2023 getting ₹70 crore in just theatrical collections. Some of the best minds in the business reckon if it had not released on OTT, even while it was running in the theatres, it would have crossed ₹120-130 crore in gross collection at the box-office. However, many of the streaming deals are made while a film is under production as the maker needs working capital. Therefore, those release dates are contractual.

Again this is not just about films. The democratisation of the internet and the social media have brought is now playing out in full glory. There is a deluge of shows, films, and videos across the world. We are floating in a sea of "content" and have only 24 hours to see it. Where in this deluge is the right opportunity to drop a video on YouTube or a high-cost show or film on streaming? Industry insiders already talk of streaming platforms either postponing or advancing the release of a show or a film to catch a less crowded week. Almost makes you long for the days when a film was celebrated only upon reaching its silver jubilee — that is, when it crossed 25 weeks of continuous screening in theatres — and then fell out of sight until you saw it on *Doordarshan*.

<http://twitter.com/vanitikohlik>

World wars in Retailville



BOOK REVIEW

NIVEDITA MOOKERJI

The foundation of *Clash* is an account of how the journey of the world's largest retail company, Walmart, was disrupted by e-commerce behemoth Amazon. Through the pages of this book, Nirmalya Kumar captures the deep rivalry between the two most successful American retailers and also how they have impacted the entire retail landscape. Making the best of his personal experiences through consulting assignments for retailers and brand manufacturers as well as his research and teaching stints, the author has been able to put together a work that is both informative and entertaining.

The book is neatly planned with each chapter giving the reader a unique perspective about two businesses that are distinctly different and yet so alike. The book starts with "once upon a time, in the bustling town of Retailville", promising to tell a story, and to a large extent it does. Of course, some of the details about the two companies are well-known and documented over the years. Even so, students of the retail sector and industry trackers are likely to find the work useful.

The writer touches on Walmart's \$18-billion acquisition of Flipkart, in 2018, as he discusses the American chain's heightened focus on online business. Interestingly, just when Walmart was moving away from its established trend of expanding physical stores, Amazon started spending significantly on creating an offline presence in the US. While the two protagonists were caught in a clear battle, Covid-19 was waiting to happen. The pandemic dealt a body blow to physical retail with some 12,200 stores, many of them storied, closing down.

It is this backdrop that makes *Clash* a readable case study of the retail universe seen through the battle of the giants. Professor Kumar asks in the opening chapter: "With Walmart and Amazon racing to add online and offline retail respectively, will their distinctive business models morph to become like each other?" The following chapters and the pages meander around this question, letting the reader come to a conclusion in a story that's still unfolding.

The author makes it a point to remind the reader time and again about the scale and size of Walmart and Amazon. "In the US, retailing is estimated to employ 18 million people. Globally, Amazon and Walmart together account for 4 million employees," is one such instance. Going beyond this book, *The Economist* quotes a JPMorgan Chase projection that Amazon would sell an estimated \$554 billion worth of goods on its websites in the US this year, giving it a 42 per cent share of American e-commerce. It puts the e-commerce market share of Walmart,

calling it Amazon's nearest online rival and the largest retailer of America, at 6 per cent for this year.

Even as Amazon and e-commerce are typically called disruptors for the retail sector, Professor Kumar refers to Walmart as "the original retail disruptor". He backs up the theory of the original disruptor through the example of Main Street Treasures, a popular family-owned variety store, which lost footfall as Walmart offered "everyday low prices".

The book analyses what makes Walmart what it is. Going back to the 1990s, it explains how Walmart used information technology to manage business operations in a departure from the prevailing trend of IT being deployed to audit business operations. "Because of the amount of data created and the need to analyse it for insights, the joke in the US in the 1990s was that with a physics PhD, one could work for either NASA or Walmart," he writes, adding that Walmart had the second largest information

system in the US after the Pentagon. Staying on the theme of size, scale and impact, the book points out that by the 1990s, almost every large brand had a dedicated Walmart team with a physical office in Bentonville (Arkansas), where Walmart was headquartered, to service the account.

At the core however is this question: What do Amazon and Walmart offer? Professor Kumar attempts to provide an

answer. First, for Walmart. "The core value offered by Walmart Supercenters to its customers is financial benefits through bulk shopping, also called basket economics, in which a customer buys a basket worth of

goods and that leads to significant savings on the overall cost." For its rival: "Amazon offers its customers time-saving (not having to travel to the store), less hassle and the ability to buy almost anything (endless aisle)." No rocket science there, but the book painstakingly elaborates each value proposition in detail to

conclude that "the two brands are at cross-purposes with each other, thus necessitating that customers make trade-offs when choosing one over the other".

On whether online retailing is profitable, Professor Kumar says that if Amazon is unable to break even on its online retail business in its best market after so many years of operation, then it's unlikely that others can do better. Then he goes on to say that profitability in online businesses is not impossible to achieve. "One needs to be nuanced in assessing the profitability of e-commerce."

Clash examines India in the penultimate chapter, which brings Reliance Retail into the picture too, making it an Amazon versus Walmart versus Reliance Retail battle.

Overall, what is missing in this book are direct voices from Walmart, Amazon or any other retail major. The labour and workforce issues, which are often in the headlines in the case of big retailers and e-commerce firms such as these, are also unexamined. That said, *Clash* is a timely book, especially with Amazon turning 30 recently, and its comparison with the Bentonville-headquartered retail behemoth is only logical.





OPINION

The
Hindustan Times
ESTABLISHED IN 1924

OUR TAKE

Reading caste in political murder

Murder of BSP leader exposes a fault line within the social justice narrative in Tamil Nadu politics

The murder of Bahujan Samaj Party (BSP) Tamil Nadu chief K Armstrong, allegedly the fallout of a gang war, has created ripples in state politics. Most of the men caught on CCTV in the act of murdering the Dalit leader have surrendered to the police. The murder has put the ruling DMK in a spot with its ally, the Viduthala Chiruthaigal Katchi (VCK), the most influential Dalit outfit in the state, claiming that the real culprits who killed him have not been nabbed. This signals a lack of trust in the state police claim that linked Armstrong, 52, to a criminal gang involved in a multi-crore gold fraud case, and ruled out any political or caste angle in the hacking of the BSP leader. Opposition parties in Tamil Nadu have said the murder of the state head of a national party outside his home in Chennai points to the collapse of law and order.

The truth about the case will have to wait for the police to complete their probe. However, the incident shines light on the ongoing churn in Tamil Nadu's politics and political economy, where new forms of political assertion are visible. Tamil Nadu's long tryst with social justice politics successfully marked caste emancipation as central to the democratisation process, but its limitations in transcending, or annihilating caste, are now unravelling. Reservations in employment and education, and a slew of state-sponsored welfare schemes have radically transformed Tamil Nadu's development indices, but social inclusion and fair access to economic resources remain incomplete goals at the lower rungs of society. Political assertion is often met with violence as the political mainstream negotiates the contradictions in ideology and persisting inequalities at the ground and shuts the doors on new players who want their voices to be heard. The latter are forced to engage with the underbelly of the political economy, which, in turn, casts a shadow on their political ambitions. In rural parts of the state, social and economic assertions by Dalits have been met with violent retaliation, especially from most backward communities. This is the backdrop of the high rate of violence against Dalits in Tamil Nadu.

Though the Dalits account for 21% of Tamil Nadu's population, their presence in leadership positions in big political parties is minuscule. The VCK, despite the presence of intellectual-politicians such as Thol Thirumavalavan and D Ravikumar, both Lok Sabha MPs, needed to align with the DMK to stay electorally relevant. In recent times, the BJP has been eyeing the Dalit vote, no monolith of course, even though it goes mostly to the Dravidian parties. Armstrong's murder threatens to burst this bubble, exposing a new fault line in the state.

The desperate need to protect Aravallis

This newspaper has reported that the Aravallis are witnessing a disconcerting rise in illegal construction activity, belying the stance of the Haryana administration. Turning a blind eye to vandalism in the Aravallis will destroy the National Capital Region's only buffer to extreme air pollution. The oldest mountain range in India is also a biodiversity hotspot and major groundwater recharge site.

Unfortunately, Haryana, despite its forest cover being a mere 3.63%, has tried to dilute the conservation of the Aravallis. In 2017, Haryana, in its submission to the National Capital Region Planning Board (NCRPB), sought to limit the "Aravallis" to the stretches in Gurugram. A current draft Regional Plan 2041 policy, if approved, can lead to large-scale land-use change and destruction of the mountain range in Haryana. The plan being considered by the NCRPB does not even mention the Aravallis and tributaries of the Yamuna in "natural zones" that are to be conserved whereas under the existing NCR Regional Plan, which is in force since 2005, nearly the entire Aravalli range in Delhi, Haryana and Rajasthan is protected, with nearly no construction allowed in the area. Similarly, recent amendments to the Forest (Conservation) Amendment Act, 2023, which exempts unrecorded deemed forests from its ambit, could enable realtors to exploit the Aravallis further.

The well-being of around 64 million people in the NCR is linked to the health of the Aravallis. The NCRPB should withdraw its draft that dilutes the protection of the Aravallis and the Haryana government must declare the whole of the range as forest. The most precious real estate in NCR belongs to all citizens and natural life.

Imagining a second Trump presidency

Donald Trump will be disruptive in many ways. But on climate and democracy, his actions will weaken the US and should concern India

Joe Biden's disastrous debate performance and his refusal to give way to a new Democratic candidate has made Donald J Trump the clear frontrunner to win America's presidential election.

Biden has been a good president. But the debate clearly showed his age-related physical and mental vulnerabilities to be more debilitating than had been known, or disclosed by his aides and interlocutors. This has severely dented the credibility of the White House and the Democratic Party and made it hard for any Democrat, in good faith, to ask a voter to trust that Biden can run the United States (US) for four more years. But, like any other politician, Biden doesn't want to let go of power. Like any other politician, Biden is being incredibly vain by proclaiming that only he can defeat Trump. Like any other politician, he is now blaming the media and elites for being against him.

But even as the focus is on what Biden will or won't do, it is time to seriously consider the meaning of a second Trump presidency. This will be a disruptive outcome in several

ways, all of which merit deep examination, but let us discuss two issues and ask what India should look out for.

One, climate. America's historic and current contribution to the climate crisis is stunning in its scale. The US remains the world's most irresponsible power that, for long, resisted making any substantial public investments in reducing emissions. It remains the world's most conspicuous consumerist economy, marked by excess and waste. It is deeply hypocritical, for it expects countries which need to lift millions out of poverty to make developmental compromises way beyond their historic responsibilities even as Americans refuse to change their way of life. And the US is deeply unjust because, for all its historic sins, it is unwilling to even provide modest financing to those who need it the most and are suffering. Both the Democrats and Republicans are to blame for this. But, under Biden, the US returned to the Paris accord, passed a climate legislation, set ambitious domestic targets, pushed multilateral development banks (MDBs) to expand their remit to include the climate crisis, and made at least token noises about its responsibility. Trump will do none of the above, and just like his first term when he walked out of the Paris accord, pretend that climate isn't his problem at all.

It would be tempting for India to

think that this will help reduce the pressure that Delhi encounters from the West on climate issues. But that is myopic. Climate is a global problem. The US has played a big role in creating this problem. But there is also no solution without the US. Trump's approach will worsen the climate crisis. It will allow China to both position itself as a responsible climate power and continue its dominance over green technologies. It will cripple MDBs such as the World Bank working on climate. It will disinvest American private capital from investing. And it will leave countries that have been promised climate finance with even fewer options.

Two, democracy. America is a flawed democracy in many respects. Take its judiciary that combines the worst of two worlds. Judges, due to the permanence of their tenure, have zero accountability; judges, due to their executive-nominated and legislative-confirmed appointment process, are totally partisan and ideologically driven. This has created a thoroughly compromised branch of government that is limitless in its power while being beholden to ideological patrons. Or take the American electoral system that, unusually for a presidential form, has no correlation between popular vote and outcome. It allows politicians to gerrymander electoral constituencies. It allows for a corrupt politics-big donor nexus to thrive due



Prashant Jha



Whether Trump becomes the President will determine the future of the world's climate and politics

REUTERS

to a flawed political financing regime. And, after 2020, even though the election was fair, half the country questions the legitimacy of the electoral process and even the peaceful transfer of power is uncertain.

Some of this is due to the US's peculiar constitutional design. But the democratic deficit can be exacerbated by who is in power. Trump's nomination of three judges to the Supreme Court has already led to a reversal of basic human rights such as the woman's right to choose to have an abortion and given the President's unchecked power. A win may allow him to nominate more judges. Trump's victory will also inaugurate a period of political impunity where politicians will believe that challenging election results, committing crimes and being convicted are no bar to office. It will also lead to a partially racist and substantially Christian nationalist ideological and social agenda, especially if Trump's possible win is accompanied by a Republican takeover of the Senate (very likely) and retention of the House (possible).

It would be tempting for India's political dispensation to think that Trump's return will reduce the pres-

sure that Delhi encounters in the West on the quality of its own democracy. But that is myopic. There is a bigger problem. The more the functioning and legitimacy of American institutions come under strain, the more the American polity gets unstable, the more its society gets divided into feuding political tribes which don't accept the common rules of the game, the more its political formations turn extreme, the greater is the possibility of internal conflicts in the US and the more insular, isolationist and weaker the US is likely to get. One can be a ruthless critic of America's domestic and foreign policy adventurism and misjudgments. But at this time, a weaker and divided US at war with itself benefits China strategically and ideologically. It is also bad for America's immigrant communities, including Indians who have thrived in an open, liberal, multicultural setting.

Next week, Donald Trump will become the official Republican nominee for President. Whether he becomes the President will determine the future of the world's climate and politics.

The views expressed are personal

Friction in Parliament reflects political reality

As expected, the short first session of the 18th Lok Sabha marked a sharp deviation from the last two Lok Sabhas. From 2014 to 2024, we had seen a Parliament where there was little deliberation and even less accountability. Critical legislation was pushed through without meaningful scrutiny from a dispirited Opposition and the committee system was largely bypassed. With an assertive Opposition that now has 234 seats, the optics and dynamics of Parliament have already dramatically changed.

Perhaps the most visible sign of the changed situation was the appointment of Rahul Gandhi as the Leader of the Opposition (LoP) in the Lok Sabha, a post that lay vacant for the past decade due to the inability of any party to meet the minimum threshold. Gandhi's debut speech as LoP during the motion of thanks to the President's address was also a sign of the changed times. It was combative and raised some of the burning national issues, such as the mishandling of the NEET examination. He did not shy away from taking Prime Minister (PM) Narendra Modi head-on. Gandhi's speech had as much to do with the increased numbers behind him as also the diminished numbers of the treasury benches behind Modi.

That Gandhi's speech had made an impact was apparent from the repeated interjections by several Bharatiya Janata Party (BJP) members, including ministers, during the speech. In what was probably a first, Modi rose from his seat twice to dispute Gandhi.

The next day, Modi predictably responded with an even longer speech which was continually interrupted by the Opposition benches. Much of his speech was a continuation of his election pitch rather than a presentation of his government's agenda for the next five years. Just as during the campaign, the Congress and its failings occupied centre stage and not his government's achievements. While there were references to the government's future agenda, a chunk of the speech was devoted to running down the Congress and mocking Rahul Gandhi.

The tenor of the PM's speech, however, gave the impression that he and the BJP have not acknowledged their diminished strength in the House. The speech made it clear that the government was unwilling to yield to any of the Opposition demands. This had been

apparent in the way the ruling BJP-led National Democratic Alliance (NDA) handled the Opposition's demand for the deputy speaker's position that has been vacant since 2019. While there is nothing in the rulebook that says the Opposition should get the deputy speaker's post, this was a convention put in place in 1977 when the Janata Party offered the deputy speaker's position to the Congress. Since then, the deputy speaker has by and large been from the Opposition.

The decision by the Opposition to contest the Speaker's post stemmed partly from the NDA's intransigence on the deputy speaker. It had also something to do with the renomination of Om Birla, someone who has not endeared himself to the Opposition by suspending as many as 100 members in one session of the last Lok Sabha. In this session, too, he expunged several portions of Rahul Gandhi's debut speech. This is not unusual since, with rare exceptions, Speakers of the House have seldom been above party affiliations in the Indian Parliament. Arvind Datar, a prominent lawyer, summed up this paradox: "A Speaker who continues to be a member of the ruling party is like an umpire being appointed by the batting side." Coming back to the PM's speech, the Opposition shouted slogans in the Lok Sabha while he was speaking, and in the Rajya Sabha, the Opposition walked out during Modi's speech. There has been much handwringing about this both within and outside Parliament.

However, we must not get too sanctimonious and forget that disruptions have a long history in Parliament, as do walkouts. Indeed, as early as 1963, a member tried to disrupt the President's address to the two Houses. From the 1970s, disruptions became fairly common. Legendary parliamentarian Hiren Mukherjee noted in a report in 1972 that normally no one would "like to disturb an occasion like the President's address" but if "circumstances happen to be somewhat abnormal in the country" it might be "the duty of Opposition parties in Parliament to focus attention on the people's discontents even on such an exceptional occasion". Similar sentiments were voiced much later by the BJP's Arun Jaitley to justify the 2G protests that paralysed Parliament over the 2G scam in 2010-II. Atal Bihari Vajpayee, on the other hand, made a distinction between walkouts and disruptions saying that the "most effective way to oppose someone is a walkout" and it should be considered the "highest form of opposition or antagonism".

Going ahead, we are likely to see considerable friction between the ruling party and the Opposition. While it's a given that the treasury and Opposition benches must cooperate in Parliament, the onus is much more on the ruling party to run the House smoothly. That spirit has been missing in the past 10 years and continues to be so in the new Lok Sabha. A popular news channel recently made a distinction between a robust and a rowdy Opposition. That's a false dichotomy. The Opposition can be both as long as it does not stall Parliament. In a noisy and cacophonous democracy, such as India, it is unrealistic to expect otherwise.

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Ronojoy Sen



The onus is much more on the ruling party to run the House smoothly

PTI

{ JENS STOLTENBERG } NATO SECRETARY-GENERAL

Russia must understand that they're not able to wait us out. They'll need to sit down and accept a solution where Ukraine prevails as a sovereign independent nation



In Amazon story, need to rethink efficiency norms

The recent incident at an Amazon warehouse in Haryana, where workers were pushed to make a pledge to forego breaks until meeting targets, has ignited widespread outrage, and rightly so. Amazon's response—admitting to "lapses" while labelling this an "isolated" incident and swiftly disciplining a supervisor — is a textbook example of PR-driven damage control designed to deflect attention and evade accountability.

The testimony of a woman worker at the facility, as cited in news reports, cuts through Amazon's corporate-speak. She revealed that on the day of the incident, workers struggled to meet a higher-than-usual target, possibly due to a sale event requiring products to be moved to a different warehouse on the same day. This exposes the systemic nature of the problem, rooted in Amazon's operational demands rather than the misguided actions of a single supervisor. By scapegoating a lower-level supervisor, Amazon attempts to sidestep the glaring structural issue at hand—the crushing pressure of fulfilling untenable top-down targets imposed on workers.

Amazon's track record speaks for itself. Just last month, the company was slapped with a nearly \$6 million fine by the California Labour Commissioner for an almost identical issue. It was found violating California labour standards by relying on a peer evaluation system that "exposes workers to increased pressure to work faster [which] can lead to higher injury rates and other violations by forcing workers to skip breaks". This comes on the heels of Amazon's earlier false denials about working conditions where some of its drivers in the US were forced to urinate in bottles. If these violations can happen in the US, the Amazon India Workers Association reporting working conditions remaining dire even after this incident came to light, with persistent complaints of insufficient facilities and excessive hours, should not surprise.

At the same time, it is crucial to note that this issue is not unique to Amazon, especially in India. Whether it is warehouse workers at Amazon or drivers or delivery workers for quick-commerce apps, a common thread emerges: The relentless pursuit of efficiency and profit at the expense of worker well-being. High unemployment, coupled with lack of job security and the pressure to meet unrealistic targets, has led to the erosion of worker rights across the e-commerce and gig economy sectors. Before the Amazon incident, there were news reports of the ill effects of Delhi's brutal heat on quick-commerce delivery workers. Gig workers across services have mobilised in protest against top-down arbitrary

measures and lack of grievance redress. These incidents force us to confront uncomfortable truths about the new economy. Once revered for their innovation and internet-enabled scale, tech companies are increasingly revealing a darker side. The efficiency and productivity gains of many of these companies are not solely the fruits of innovation, but also of exploitation. In these cases, technology often provides a veneer for the power imbalance in the new economy that facilitates this exploitation. While Amazon's owner ranks among the world's wealthiest individuals, and the founder of an Indian quick-commerce company boasts of reaching a ₹20,000 crore valuation in just three years, it is clear that these astronomical riches are not solely the product of innovation and efficiency, but also of worker exploitation.

These issues are too complex for a simple, bulleted list of solutions. However, we can draw lessons from the contrasting responses in California and India. The gig economy, touted as the future of work, often operates in a regulatory grey area, leaving workers vulnerable to exploitation facilitated by opacity. As a first step, we urgently need transparency. Clear, publicly available data on labour productivity expectations, working conditions, and surge capacity management is essential. These expectations of productivity should be vetted to ensure that they do not impede compliance with basic employee rights such as meals, rest periods, and access to bathroom facilities.

The history of repeated violations followed by denials and scapegoating of low-level employees makes it clear that companies are unlikely to reform on their own. We thus need robust regulation which mandates transparency and gives workers a fighting chance in a skewed power equation. Companies above a certain employee threshold must be subject to rigorous third-party audits to verify on-ground realities.

Finally, we need a fundamental shift in corporate culture. The relentless pursuit of efficiency and profit maximisation cannot come at the cost of basic human dignity. Companies must internalise that worker welfare is not just a compliance issue but a fundamental aspect of sustainable business practices. This shift requires more than policy changes—it demands a re-evaluation of how we measure corporate success. It is time to incorporate metrics of worker well-being and fair labour practices into our assessments of corporate performance. Only then can we hope to build an economy that truly works for all.

Ruchi Gupta is the executive director of Future of India Foundation. The views expressed are personal



Ruchi Gupta



OUR VIEW



Crack the jobs paradox while we still have time

India must expand employment furiously as GDP growth seems to be losing labour intensity. Our economy's path to 'advanced' status needs to dodge the risk of a 'middle-income trap'

Is India's unemployment problem being exaggerated? Going by the latest KLEMS data released by India's central bank—which tracks inputs of capital, labour, energy, materials and services—that may seem to be the case. It shows employment in the country grew 6% in 2023-24, up from 3.2% in 2022-23. In absolute terms, the economy added 46.7 million jobs in 2023-24, compared with 19 million in 2022-23 and 11.9 million in 2021-22. This acceleration, with data partly drawn from the Periodic Labour Force Survey (PLFS), offers hope in the context of a job-market slump reflected in private surveys of joblessness. According to the Centre for Monitoring Indian Economy, our unemployment rate rose to 8% in 2023-24. While measuring job-market gaps is a challenge in a vast country with multiple forms of employment, and the official PLFS classifies workers in a way that may explain its brighter readings, we'd have less to worry about if it's clear that more jobs are being created than people joining our workforce. But then, is it? Some KLEMS data-points stick out, such as its record of 31 million jobs generated in covid year 2020-21, drawing job arguments back to what exactly we call being employed. All considered, we still face an apparent paradox of fast GDP growth leaving us short of jobs that can add up to deliver a long awaited all-round boom in consumption.

Although our GDP growth has outpaced that of all other major economies, declining labour-intensity in non-farm sectors has also been observed. Globally, manufacturing and services have gotten more capital intensive, so we see less labour used for incremental output than before. The rise of AI as a job displacer is recent, but it's part of a bigger tech-driven thrust for

productivity. Weak employment elasticity marks India's growth story too, with hurdles seen to have arisen in the transition of our bulk workforce from farms to factories, a slow long-term trend that even saw a slight reversal some years ago. Public discontent over a scarcity of good jobs has been high; it was no surprise that it became a political issue, even though uneven prosperity was a major problem even before this government took charge. It's just that the economy's 'K-shaped' recovery from the pandemic highlighted its core risk: If only some folks prosper while the rest are left further behind, we could slip into a middle-income trap before the country attains 'developed' status.

India's policy emphasis on getting more factories up and running is aimed at getting multitudes off farms into jobs that spell upward mobility. A focus on instilling skills is expected to plug employability gaps and make the most of a youth bulge in our demography. Yet, so far, progress has lagged hopes, even as the better-off find new openings in high-value service industries. To avert a middle-income trap, we need better job prospects for all brackets of the socio-economic pyramid—especially those who can only aspire to lives of comfort. Else, we may find money too unevenly spread for Indian consumer markets to enlarge beyond a point, hitting investment. Premature market saturation has dogged many countries whose growth served an elite far more than their masses. Maybe the upcoming Union Budget will signal remedial action in the form of much bigger outlays on basic levellers like health and education. Since the private sector does most of the hiring, anything that spurs private investment would help too. But cracking the paradox we face may take more than fiscal policy.

MY VIEW | ON THE OTHER HAND

Telecom price hikes rang a bell on three lessons of economics

Politics matters, competition can injure itself and other industries may be impacted in unseen ways



VIVEK KAUL is the author of Bad Money.

in theory, it doesn't mean that they will change in practice as well.

Now, Vittal's concern of low tariffs—or if one were to put it technically, a low monthly average revenue per user (ARPU)—is genuine. The average ARPU per month across telecom players from January to March 2024 stood at ₹154. From July to September 2009, the oldest such data available, the average ARPU per month of those using a GSM connection was ₹164. Comparing the average ARPU in 2009-10 with that in January to March tells us that it has come down over the years. In fact, if we take inflation into account, the decline is dramatic.

So, how did things get to this? In the early 2010s, there were 12-13 different companies operating in India, leading to hyper-competition. The average GSM ARPU fell from ₹156 in 2009-10 to ₹98 in 2012-13. In early 2012, the Supreme Court cancelled many telecom licences. Further, over the next few years, quite a few telecom firms shut down. This should have led to the ARPU going up, but then Jio decided to launch telecom services in 2016, which disrupted the entire industry and sent ARPU crashing, with the GSM average falling to ₹69 during April to June 2018. Competition made things cheaper for the end consumer. But the story is now changing. And that leads us to the second lesson in economics on offer here.

As Thomas Sowell writes in *Basic Economics*: "Competition as a condition is precisely what eliminates many competitors." That's something that has happened in the Indian telecom space, with only three private players and the government-owned BSNL still operative. Given this, they are now in a position to increase mobile phone charges, and, in the process, their ARPUs. Or, as Vittal put it: "The right level of ARPU, even ₹300, will still be one of the lowest in the world."

Indeed, starting a new mobile phone company requires big investment and government licences, implying that it

isn't exactly easy for new players to enter this market. Hence, the existing telecom companies have pricing power. What complicates the situation is that Vodafone isn't really in good shape, and as the company continues to lose customers (it lost close to 17 million users in 2023-24), the pricing power of the two other private players will only get stronger.

That brings us to the third lesson in economics. As mobile phone charges go up, most people will be ready to pay a higher price, given that it's a service that is now as important as 'roti, kapda aur makaan' (food, clothing and shelter). But then, they will cut spending elsewhere and this will impact other businesses, though it may not be easy to figure out which these are.

As Henry Hazlitt states in *Economics in One Lesson*: "In order that one industry might grow... other industries would have to shrink." This will be an observed effect of higher mobile phone charges. But it will be difficult to identify which industries will be impacted—and that will be its unseen effect. As Hazlitt puts it: "The shrinkage of... other industries... would not be so easily noticed." As Indian consumers pay a higher price for using their mobile phones, "it would be impossible for even the cleverest statistician to know... precisely how much business each particular industry had lost."

Now, why can't the consumer pay a higher price for telecom services without cutting expenditure elsewhere? The average Indian consumer is already struggling. Ignoring the pandemic year 2020-21, private consumption growth in 2023-24 was at its lowest since 2002-03. Indeed, mobile tele-density peaked in 2017-18 and has fallen since.

That's the final lesson from the telecom tariff hikes. The seen effects in economics are easy to spell out, but not the unseen effects. Which is why what is good for one business may not necessarily be good for other businesses and the overall economy.

10 YEARS AGO



JUST A THOUGHT

Technologies that change societies are technologies that change interactions between people.

CESAR HIDALGO

MY VIEW | EX MACHINA

Disability-friendly organizations outperform the rest

RAHUL MATTHAN



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There are nearly 1.3 billion people with a disability in the world—60 million of whom live in India. And yet, despite various statutory and regulatory measures that have been put in place to integrate them better with society, most still face significant challenges when it comes to finding gainful employment.

This is somewhat surprising, considering that companies that offer opportunities to people with disabilities have been able to realize 1.6 times more revenue, 2.6 times more net income, and 2 times more economic profit. Not only are people with disabilities ideally suited to fill recruitment gaps, given that they tend not to seek new jobs every few years, they form a more stable workforce, generally speaking.

In India, the Rights of Persons with Disabilities Act requires private establishments to publish equal-opportunity policies that detail the facilities and amenities put in place for persons with disabilities, the positions in the organization that are suitable for them (as

well as how to apply for job selection), the training it will provide, and also the measures taken for barrier-free accessibility (such as assistive devices, etc).

While many organizations have put these policies in place, few actively implement them. Most establishments lack the facilities that people with disability need, forcing them to rely on their colleagues for even the most basic activities. This being the case, it is little wonder that employers are loath to make offers to people with disability. Employers seem to fear that they may have to designate other team members to help them with even the smallest of tasks.

One might have thought this is exactly the sort of problem that digital technology would be able to solve. To the contrary, rapid advances in computational technology have made it harder than ever for people with disabilities to integrate themselves into the modern workforce.

When digital technology became widely available, organizations fell over themselves to improve internal efficiencies with new tools. But they failed to pay enough attention to whether the digital improvements they implemented were broadly accessible. As a result, the widespread use of these technologies has, if anything, worsened the hardships

suffered by individuals with disabilities.

So what can organizations do to make their workplaces more accessible?

In the first place, organizations need to adopt a user-centred approach for the design of their digital interfaces. This would mean involving people with disabilities in the design process, so that their requirements can be adequately reflected in the final product. In many instances, this could be as simple as incorporating into the technology additional features, such as audio descriptions (to help people with visual impairment understand visual content), closed captions (to enable deaf and hard-of-hearing individuals to follow conversations), and high contrast modes (to make it easier for people with visual impairments to navigate digital interfaces).

But, by far, the most important change an organization can make is enabling the use of assistive technologies in as many aspects of its operations as possible, so that people with disability have every chance to function on

par with their colleagues. For instance, all it will take to unlock digital content (websites, documents and mobile apps) for persons with visual impairment is enabling the use of screen-reader technology—simple software applications that convert all text and menu functions on a screen into sounds. This allows them to 'read' this digital information with their ears.

This by itself is not enough. Screen-readers are only useful if the websites and applications they are applied to conform to well-established accessibility standards. If, for instance, the page being 'read' is largely composed of images, it will remain illegible to persons with visual impairment unless the images are accompanied by descriptions of what can be seen for a screen-reader to articulate aloud.

If an organization wants to be truly accessible, it needs to operate with this level of attention to detail. When it procures software, it needs to ensure—whether or not its staff includes persons with visual impair-

ment at the time—that it meets the accessibility standards set out by the World Wide Web Consortium (W3C). This way, a business would be proactively inclusive, rather than having to try fixing accessibility shortcomings only once a new employee with disability joins.

Organizations that have taken measures like these have already been able to unlock tremendous benefits. By offering wide accessibility in a thoughtful manner, they have made it possible for employees with visual impairment to engage more fully in the workplace without always having to rely on colleagues for assistance. This, in turn, has given employers the confidence to use them for a wider range of tasks without having to worry about the need to make special arrangements to accommodate their impairment. What's more, since screen-readers let people with visual impairment multi-task (as they can simultaneously receive auditory feedback and perform other tasks), they can significantly improve their job productivity and compete on a more equal footing.

Integrating people with disabilities into the workforce is much more than just a social responsibility. Organizations that manage to do it properly are likely to unlock tremendous commercial value.

Assistive tools that widen access to work operations can boost an organization's productivity



GUEST VIEW

MINT CURATOR

Drop the angel tax: Stop taxing startup investments as income

The premise of this tax is dubious, its application has had a harsh impact and India should relieve startups of it without ado



MOHANDAS PAI & SIDDARTH M. PAI are, respectively, chairman at Aarin Capital and managing partner at 3one4 Capital.

Much has been written about India's 'angel tax,' an innocuous coinage with diabolical consequences. It's in the news again, as the department for promotion of industry and internal trade (DPIIT) is reportedly in favour of startups being relieved of it. It's a uniquely Indian innovation that converts capital into taxable income. It's a tax on capital in a country short of capital, and thus antithetical to the government's agenda of attracting capital to India. It often seems like a cruel joke.

Its origin: Section 56(2)(viib) was inserted in 2012 by then finance minister Pranab Mukherjee under a series of measures titled "Measures to prevent generation and circulation of unaccounted money". It applies to unlisted companies that issue securities at a premium to investors, when the price at which these are issued is higher than their "fair market value." The difference is subject to tax in the hands of the issuing company.

Since 2016, this section has been applied to startups that raise capital from investors for nascent business ideas. As the money raised is from 'angel investors' (primarily high net-worth individuals and family offices), it was dubbed an 'angel tax.' It originally applied only to investments from Indian residents, but was extended to non-residents (with carve-outs) from 2023-24 onwards.

Its flawed assumptions: The notion that a high share premium is a sign of unaccounted-for funds mistakes correlation for causation. A high share premium is an outcome of legitimate business decisions taken by a company. For example, the number of securities issued in the past could be low, with their face value low too, while the current valuation of the business could be much higher. Each is permissible under Indian law. A company with ₹1 lakh of paid-up capital at ₹1 per share, with an average pre-money valuation of ₹10 crore now would result in an issue price of ₹1,000 per share, or a premium of ₹999. But this would likely result in angel-tax notice from authorities.

The tax department uses a system known as Computer-Aided Selection of Cases For Scrutiny (CASS). As the department states: "CASS is a system-based method for scrutiny selection which identifies cases through data-analytics and three-hundred sixty-degree data profiling of taxpayers and in a non-discretionary manner." An analysis of various companies that received such notices would suggest that the criteria employed for angel tax include the question of whether a loss-making business issued shares at a premium.

Early-stage losses are the norm for startups, not an exception. They invest heavily in teams, their product-market fit, marketing, etc, in the early years, faced as they are by intense competition, often from entrenched players. Getting a business

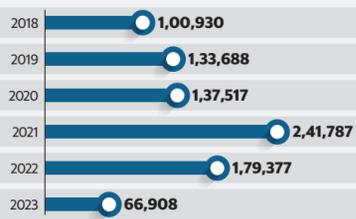


BLOOMBERG

Impact of an angel tax change

The money raised by Indian startups has been on a downside that accelerated after this tax was extended to investments by non-residents

Amount raised by Indian startups (in ₹ crore)



Source: PrivateCircle Research

started incurs high costs much in advance of revenues, with the expectation that these will rise and costs will stabilize or flatten over time. Such losses do not indicate lack of value creation, as they are investments in a revenue ramp-up over time.

Its core issue: The practice of assessing officers comparing startup projections in its valuation report with actual performance, with no regard for a valuation report in case of deviations, is problematic. As forecasts, projections are subject to execution risk. Even India's budget sees adjustments. New businesses operate under more uncertainty, and the equity risk taken by investors covers it.

While combating unaccounted funds is a global issue, no other country has taken the approach of taxing a share premium as income. The US Internal Revenue Code, for example, categorically states that the exchange of stock for cash/other consideration shall not be treated as income.

Its patchwork fixes are not a cure: Angel tax notices began to pick up in 2016. On 19 February 2019, the DPIIT provided relief from this tax with conditions. A DPIIT startup was exempt from angel tax for ₹25 crore worth of shares issued at a premium, provided the funds were not invested in a blacklist. Many conditions were reasonable and had a carve-out for transactions undertaken in the ordinary course of business, but three bars crippled this concession: on giving loans and advances, capital

contributions to other entities and investments in shares and securities. This effectively bars salary and vendor advances, rental deposits, investment of surplus funds in treasury instruments, investments in subsidiaries or joint ventures, and the creation of a trust for employee stock options. It applies for seven years after the fund-raise. As a firm may remain a DPIIT startup for 10 years, the bar on routine transactions can be for 17 years. Many startups have surrendered the 2019 exemption because of these conditions.

In 2023-24, Section 56(2)(viib) was extended to non-residents as well (with carve-outs). Five additional valuation methods, leeway of 10% issue price variance from 'fair market value,' a list of safe-harbour countries, etc, have failed to mitigate this blow. The Indian startup ecosystem raises around 85% of its capital from abroad. Of the top five countries of origin, three—Singapore, Mauritius and the Netherlands—are not 'safe harbours.' Since the tax was extended to non-residents, startup funding dipped by an estimated 63% in 2023, year-on-year, with the lowest amount raised in six years.

Since 2012, various measures have been taken to combat unaccounted funds. Unlisted company shares were made to go demat, all issuances had to be reported, unlisted securities had to be disclosed in Income Tax Returns, and more, aimed at transparency. Listed companies are excluded from the scope of Section 56(2)(viib) as they meet various transparency norms. Unlisted companies should also be excluded for similar reasons. There already exist sufficient tools for the tax department to nab bad actors. Such an exclusion will stop genuine startups from being harassed and driven out.

The Congress Party, which introduced this angel tax in 2012, stated in its manifesto that it would remove it. The ruling BJP stated in its manifesto that it would "completely revamp our economic and commercial legislations to suit our economic needs." Lifting this tax on investments should be the first step. It will not compromise India's fight against unaccounted funds. Startup India has been crippled by the angel tax. Stop-gap relief has not solved the problem. The removal of Section 56(2)(viib), however, can reverse India's dip in startup funding and give entrepreneurs and investors the confidence they need to invest in India and generate success stories.

GUEST VIEW

There's a message in Koo's shutdown for B2C startups

VIVAN SHARAN & BERGES MALU



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India's homegrown social media service, Koo, ceased operations last week. Launched with the ambition of providing a multi-language social media service to compete with X (formerly Twitter), Koo failed to carve out a niche in the digital market. Its shutdown sheds light on challenges that must be tackled to build a digital economy that creates local value.

First, Koo's journey underscores the importance of achieving a product-market fit and a revenue roadmap; entrepreneurs must identify and cater to specific market needs effectively. With relatively easy availability of capital, startup founders often overlook this crucial aspect, making applications with limited use cases, focusing instead on funding rounds. Koo's emphasis on multi-language support as a unique feature was misplaced, as it did not differentiate the platform meaningfully from competitors. Trying to build a brand on this premise was perhaps not a sound strategy. A reliance on copycat models without

added innovations is another issue in the Indian business-to-consumer (B2C) app space. Copying successful models can prove a winning formula. Before Facebook, there were apps like Myspace and Friendster. But a derivative app still requires adding an innovation of significant value to succeed. Zomato is an example of this approach. Initially similar to Yelp, with features such as menu browsing and reviews, Zomato added food delivery as a major add-on feature two whole years after starting up.

Moreover, B2C startups often fail to develop unique technology, resulting in a lack of intellectual property (IP) that can serve as a valuable asset or defence moat for the business. For instance, Snap built upon its social-media service by pioneering new augmented reality and camera innovations, providing residual value even if the company faces future challenges and revenue stream questions. The company has over 3,000 patents globally and is a fine example of innovation-centricity in a near-saturated social media market. Conversely, Koo did not create proprietary technology, leaving it without assets as it closed down.

Inadequate collective action and thought leadership on public policy is an additional challenge that Indian startups must over-

come. Founders are mostly busy running their business. But adverse events can strike unexpectedly, as seen with Paytm when the Reserve Bank of India (RBI) cracked its whip. In March 2022, RBI barred Paytm Payments Bank from onboarding new customers and asked for a comprehensive audit. This decision was driven by concerns over data storage, non-compliance with know-your-customer norms and issues related to digital infrastructure and management.

Policy engagement shouldn't be an afterthought. Many other fintech startups are finding this out the hard way as they face a slew of stringent regulations on user security, data and quality of service. Entrepreneurs must begin to speak up on policy matters that require systemic reforms. For instance, liberalization of foreign exchange management is essential for cross-border fintech, while we need to also enable micropayments for monetizing small-value transactions common to India.

Startups must view the digital market as a common pie that needs to be expanded collectively. Industry groups in the past have often lobbied against one another on tactical grounds, driven by a fear of missing out on regulatory advantages. For instance, when the Niti Aayog drafted guiding principles for the regulation of online fantasy sports platforms in India in 2020, industry associations representing other gaming segments vociferously opposed the draft. They argued that it favoured fantasy sports with special treatment.

Thinking of a consumer market as a common pie is hard in the case of apps, but an analogy from the hardware market may help. Electric vehicle (EV) adoption requires common charging infrastructure, interoperable software, standardized batteries, loan availability and recycling facilities. It makes sense for industry stakeholders to advocate an 'ecosystem' approach. Similarly, B2C startups should serve policymakers inputs on inter-related app economy issues for everyone's

benefit. These can include critical themes such as the future of network infrastructure, consumer protection, product and service liabilities and environmental protection.

Finally, many B2C startups neglect global markets, unlike their B2B counterparts. Companies in the Software as a Service (SaaS) space have aimed for foreign markets from the outset, helping make India the world's second-largest SaaS hub, with our share expected to reach 8% by 2028. Firms like Zoho and Freshworks build products keeping the global market in mind and dominate specialized segments. Indian B2C businesses must also leverage the global internet and diversify revenue streams.

India, as the world's largest test bed for B2C apps outside of an insular China, provides a special opportunity to local entrepreneurs. They have the chance to design apps for a diverse local market and also address a vast global e-commerce market where there are few distortions, unlike in merchandise trade.

With this opportunity comes a responsibility to solve real problems that consumers face by innovating to offer new products (and build IP assets). If all this falls in place, commercial sustainability will follow. *These are the authors' personal views.*

Tractor Supply's DEI reversal could easily return to haunt it

It went back on a key commitment and it's unlikely to serve it well



BETH KOWITZ is a Bloomberg Opinion columnist covering corporate America.



Tractor Supply succumbed to a rightist backlash against diversity

In 2021, Tractor Supply Company's Chief Executive Hal Lawton published an op-ed in *The Tennessean* that read like a call to action. "If we are to tackle important issues such as climate that put our children's future at risk, and if we are to make real progress on a societal commitment to greater opportunities for all, the business community needs to lead by example," he wrote in the company's hometown paper. "Tractor Supply can and will do more."

Less than three years later, "doing more" has come to mean marking the end of Pride Month by abandoning the LGBTQIA+ community.

The US retailer based in Brentwood, Tennessee, is known for selling farming supplies and animal feed, but succumbed to a social media campaign led by right-wing commentator Robby Starbuck, who "exposed" the company's commitment to "woke priorities." "We don't want our money going to woke causes," Starbuck said toward the end of a nearly 8-minute video that criticizes the company's investments in diversity, equity and inclusion (DEI).

It took less than a month for Tractor Supply executives to cave. On 27 June, the company put out a statement saying it would stop submitting data to the Human Right Campaign, halt sponsorship of activities like Pride festivals and voting campaigns, eliminate DEI roles and goals and withdraw its carbon emission targets. "We have heard from customers that we have disappointed them," the company wrote. "We have taken this feedback to heart."

This is one of the most extreme examples yet of the DEI backlash that's currently sweeping corporate America. Plenty of companies have slashed their DEI departments and erased or tweaked corporate language about inclusivity. But most have done so quietly to avoid publicizing their spinelessness and hypocrisy. Few have put out statements like Tractor Supply's, which seems to celebrate the betrayal of causes that the company once claimed were important. Tractor Supply is now sending a very different and clear message about the customers it prioritizes and wants in its stores.

It's been easy to dismiss the wave of climate and diversity commitments that came out of companies during the last half decade as toothless—often nothing more than thinly veiled attempts to generate good PR. But Tractor Supply's initiatives were substantive, which Starbuck's attacks ironically showcased. The company put out annual reports on its diverse hiring statistics, offered inclusive benefits, con-

ducted trainings on unconscious bias and sponsored events in the local community that reflected those values. For companies looking to do real ESG and DEI work, Tractor Supply offered a strong model.

That only makes its reversal all the more disappointing.

Submitting to a bully only makes them stronger. Having found success with his Tractor Supply campaign, Starbuck will prey on some other company. He has said as much, claiming in a more recent video that after successfully turning Tractor Supply into the first Fortune 300 company to "go backwards on ESG and DEI," other corporations "are going to have to understand they may be next."

Tractor Supply, meanwhile, should expect a backlash to the backlash. The company's executives have said that its customers tend to skew more conservative. But to borrow a line from Michael Jordan, Democrats buy farming supplies, too. During the pandemic, Tractor Supply boomed thanks to urban dwellers fleeing cities for dreams of rural living replete with backyard chickens and fire-pits. As *Fortune* reported in 2021, Wappinger Falls, about 110km north of New York City in Dutchess County, is viewed by the company as a textbook Tractor Supply town. Executives might want to note that it also voted Democratic in the last four presidential elections.

Now that the pandemic surge is over, Tractor Supply's growth has stalled. The company's same store sales, an important industry metric, were flat last year and a meagre 1.1% in the first quarter. Its top management team probably feared a boycott would make things worse for the company, which brought in \$14.6 billion in revenue in 2023. Instead, executives only alienated the kinds of customers they need to attract to reignite growth.

Most damaging, however, is the ease with which Tractor Supply abandoned its purported values and a subset of its customer base along with it. The company provided a haven for LGBTQIA+ people in parts of rural America where it didn't always feel like they had a safe place to shop. "It is so isolating out here and often very scary to be queer," said a trans educator and content creator. "One of the places we felt the most welcome was our local Tractor Supply." **©BLOOMBERG**

They need intellectual property and true innovation that can serve real user needs even overseas



The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

TERROR IN KATHUA

It requires a security response. But government must not let it divert it from the goal of restoring political process in J&K

THE ATTACK ON an Indian Army convoy in Kathua in Jammu and Kashmir (J&K) in which five soldiers were killed on Monday was reportedly carried out by a well-trained and armed force. The ambush seems part of a broader trend in which terrorist activity has shifted across the Pir Panjal to the Jammu region from the Valley. This year alone, there have been at least six major incidents in the Jammu region, including the death of nine people in Reasi in an attack on a bus carrying pilgrims. Security forces face the challenge of shifting theatres of operations — over the weekend, there were twin attacks at Kulgam in South Kashmir, which ended with the Army killing five terrorists. However, the recent attacks and the high toll they have taken of precious lives — even one life lost to terror is one life too many — should not detract from the broader trend of declining violence: According to the Union Home Ministry, between 2017 and 2022, the number of infiltrators has fallen from 53 to 14, civilians killed from 55 to 31, and “terrorist initiated incidents” from 228 to 125.

With the Supreme Court’s deadline (September 30) to hold elections fast approaching, it may well be the case that terrorists and their backers across the border have stepped up their activities to scupper the return of political normalcy. After all, the people of the erstwhile state have unequivocally endorsed the ballot and rejected the bullet. In the recently-concluded Lok Sabha elections, voter turnout in the region stood at 58.6 per cent — the highest in 35 years. Now, the government must not take the bait of those who seek to subvert the moves towards restoring the political process in J&K. It must keep its promise to the people and the Court. Second, for long-term security, it is essential that steps are taken to address the alienation in the UT. The best way to ensure this is to facilitate people’s engagement with, and participation in, processes of representation and accountability.

The elephant in the room, of course, is Pakistan’s intransigence when it comes to using terrorism — actively and tacitly — as a tool for its security and foreign policy. This is despite global condemnation and the fact that the Frankenstein’s monster it sought to unleash against India has turned inward as well. In April, Punjab Chief Minister and former PM Nawaz Sharif’s heir-apparent echoed her father and spoke of trade and peace with India, which optimists thought signalled a shift in Pakistan’s intent. But there can be no diplomatic breakthroughs under the shadow of violence and terror, with Indian civilians in J&K and soldiers being killed. For both its own economy and security, as well as for the larger cause of peace, Rawalpindi and Islamabad must abandon their support of terror as an instrument of politics and policy.

JOBS, STILL

Ensuring that growth translates to more productive employment opportunities is government’s foremost challenge

AMIDST GROWING CONCERNS over inadequate employment opportunities despite the economy growing at a fast clip, new estimates from the RBI suggest a pick up in job growth. As per the central bank’s KLEMS database, employment in the country grew by 4.67 crore in 2023-24. However, these are provisional estimates and they do not provide the disaggregated sector-wise job numbers for the latest year. In recent years for which the disaggregated data is available (2017-18 to 2022-23), however, much of the increase in employment has occurred in agriculture, followed by construction and trade — sectors marked by low levels of productivity. As per the database, value added per worker, a measure of labour productivity, is the lowest in the case of agriculture, and in the case of construction and trade is substantially lower than in the most productive sectors of the economy. This low level of productivity has implications for workers’ wages.

In recent years there has been a sharp pick up in the labour force participation rate as seen in data from the periodic labour force surveys. Much of this increase was driven by women joining the labour market in greater numbers. Worryingly, a sizable number of these new entrants are engaged in self-employment, as helpers in household enterprises. This indicates the absence of more productive, more remunerative jobs. Alongside, data from the recently conducted survey of unincorporated sector enterprises affirms that a sizable section of the labour force continues to be engaged in a low productive informal sector. In 2022-23, the number of unincorporated enterprises or informal sector firms stood at 6.5 crore and roughly 11 crore workers continue to be engaged in these establishments. In such firms, value added per worker is only a fraction of that in the larger formal firms.

The issue of inadequate creation of more productive forms of non-farm employment has been at the heart of India’s development story. The State of Working India 2023 report had pointed towards the weak link between long run GDP and non-farm employment growth. While successive governments have taken steps to facilitate job creation, progress has been patchy. With growing capital intensity of production, even in the labour intensive sectors, this will become even more challenging. The India Employment Report 2024 had noted that “the production process has increasingly become capital-intensive and labour-saving”. It had also pointed out that the skill intensity of employment had increased, “which was contrary to the labour market needs of the country”. Ensuring that growth translates to more productive job opportunities is the foremost challenge before the government.

CENA’S FAREWELL

In a world of unending choices, the former bodybuilder and limousine driver will be missed in the ring

IN A MANNER that was deeply unironical and matter-of-fact, John Cena, the face of WWE for years, announced the start of his Farewell Tour, leading to an eventual retirement in December 2025 at an event dubbed “Money in the Bank”. Explaining his decision later, the famous show-wrestler said that WWE was soon to shift to Netflix, implying that all his last-firsts on the OTT platform will get generously monetised. His new catchphrase “The Last Time is now” is expected to be carefully scripted over 30-40 last-dates in 2025, spanning *Royal Rumble*, *Elimination Chamber* and *Wrestlemania*. The much-loved and aped gimmicks, from robotic power moves to arrogant hip-hop, from an Attitude Adjustment on Triple H to comical steel chains, are likely to get nostalgic reruns as Netflix’ primary paying public — those in their 30s and 40s — relive their childhoods that idolised Cena’s gigs from Doctor of Thuganomics to the superhero slant.

When he became the 16-time WWE champion, there were those who started to intellectualise his squared-circle ring antics. Sports geeks stopped guffawing and began finding meaning in choke slams. Both Netflix and the new WWE management of Triple H and Shawn Michaels will desperately hope that they can get Cena to aim for a record breaking 17th title at the *Rumble* or *Elimination Chamber*, so the pre-written tag of him being the greatest is actually fulfilled.

Netflix and WWE need Cena more than he needs them. He has diversified from the *Fast & Furious* franchise to playing Peacemaker in *Suicide Squad*. He has transitioned to OTT with a walk-on part in season 3 of *Bear* on Hulu, upcoming movie *Jackpot* on Prime and a dip into *Shark Week* on Discovery. He makes dreams come true and has 650 make-a-wishes fulfilled. In this world of unending choices, the former bodybuilder and limousine driver will go down as one of the last entertainers to be universally recognised. OTT needs to make the most out of television’s final wrestling hero.



SHARAT SABHARWAL

SEVEN SECURITY PERSONNEL have lost their lives to terror in Jammu and Kashmir in the last two days, close on the heels of four back-to-back terror attacks in June. Pakistan’s involvement has been reported. These tragic incidents are a reminder that after over four decades of suffering Pakistan-sponsored terror, and despite numerous peace initiatives and 10 years of avowed muscularity from us, our goal to put an end to it remains unaccomplished.

The attacks have brutally shattered the complacency of a section of our strategic community and in the minds of the public over Pakistan’s relative restraint on its terror apparatus in recent years. The intractable internal challenges faced by the Pakistani state, especially since 2021, and the changed geopolitical dynamics, have been seen as signs of its impending collapse. Though sporadic Pakistan-sponsored terror in Jammu and Kashmir never ceased, the sense of complacency has also been buttressed by a tendency among some to overestimate the impact of our muscular approach, including revocation of the special status of J&K, in largely containing, if not putting an end to, our Pakistan problem.

The fact, however, is this: Pakistan is nowhere close to a collapse. No major country desires this outcome in a highly volatile space with a nuclear arsenal. Second, there has been no sign of the Pakistani establishment abnegating terrorism. It has been merely calibrating and adapting its terror activity by, inter alia, taking out the notorious faces of its terror machine in response to the Financial Action Task Force scrutiny and our security/punitive measures. Third, the revocation of the special status of J&K has not put an end to the Pakistan dimension of our problem there. Pakistan’s questioning of the accession of J&K to India preceded the introduction of Article 370 in our

Recurring terror attacks in J&K underline need for calibrated punitive approach to Pakistan

The fact, however, is this: Pakistan is nowhere close to a collapse. No major country desires this outcome in a highly volatile space with a nuclear arsenal. Second, there has been no sign of the Pakistani establishment abnegating terrorism. It has been merely calibrating and adapting its terror activity by, inter alia, taking out the notorious faces of its terror machine in response to the Financial Action Task Force scrutiny and our security/punitive measures. Third, the revocation of the special status of J&K has not put an end to the Pakistan dimension of our problem there.

Constitution and has outlasted its revocation. The terror attacks are an attempt to stay relevant to the situation in J&K and queer the pitch for the assembly election.

Certain factors on both sides make reduction of tension extremely difficult. The slogan “terror and talks cannot go together” tapped successfully into the deep and justified anger of the Indian public at Pakistan’s conduct in the run-up to our 2014 election. It was not followed as a policy uniformly. Sporadic open and behind-the-scenes bilateral contacts appear to have continued at least till early 2017; there are reports of quiet talks yet again towards the end of 2020, leading to restoration of the LoC ceasefire in February 2021. If there has been any additional quiet contact, we will not know. In any case, such contacts are useful in dealing with a complex and emotionally charged relationship. However, “terror and talks cannot go together” has become a buzzword in the public’s mind, thereby restricting the government’s elbow room for diplomacy with Pakistan.

There is a much bigger problem on the Pakistani side. It results not only from the traditional adversarial posture of its establishment, but also the tight corner that the then Imran Khan government, groping for an answer to India’s August 2019 move, pushed Pakistan into by suspending trade and calling upon India to reverse the move for any bilateral engagement. The sharp political polarisation in recent years, with an incarcerated but popular Khan pitted against the army-led establishment, has made a climbdown from this stand extremely difficult without a face saver. Thus, trade with India remains banned in spite of the pressure from a large segment of the industry to resume it. PML(N) leader Nawaz Sharif sent a conciliatory message on PM Modi’s re-election. But he is not in charge

and, in any case, the final say on the matter is with the army. There is little indication, at least in public, of the army chief Asim Munir’s thinking on the subject.

This situation leaves us dependent entirely on our security apparatus, with our diplomatic machinery focused essentially on isolating Pakistan internationally (with limited success) and responding in kind to its anti-India rhetoric at international forums. The security-centric approach has obvious limitations in obtaining an enduring change in Pakistan’s behaviour towards us, especially in view of the growing China-Pakistan military nexus and the nuclear dimension. Therefore, Pakistan could be expected to continue with its terror attacks in J&K.

On assuming charge of his post a second time, External Affairs Minister S Jaishankar listed a solution to Pakistan’s years-old cross-border terrorism among the issues to be focused on by the new government. We will have to wait to see what steps the government takes, in addition to those in the last decade, to put an end to this menace. In the face of continued Pakistani terror, further strengthening of our counter-terror machinery, combined with a punitive approach, is an obvious answer. However, any punitive approach must be carefully calibrated in order not to result in cycles of tit-for-tat violence. Moreover, even as our security forces valiantly deal with the Pakistani threat, their effort must be supplemented by our diplomacy in continuing to look for opportunities to reduce the tension between the two countries. After all, besieged with multiple internal problems and a volatile western frontier, Pakistan could do with a calmer eastern frontier.

The writer is a former High Commissioner to Pakistan



RADHA KAPOOR SHARMA

IN OFFICE, OUT OF SYNC

The real loser of the French election has been Emmanuel Macron

IN THE SHORT SPAN of a few days, the UK and France voted in elections to move the political dial to the left, thereby bucking a world trend of right-wing electoral victories.

Like the UK, France went to the polls on a call for snap elections. President Emmanuel Macron’s decision to dissolve the National Assembly on June 9 in the wake of the far-right National Rally’s (NR) victory in the European parliamentary elections and call for polls in a mere three weeks baffled the country. With just weeks to go for the Olympics that France is hosting, this move defied logic. If the strategy behind it was an attempt to shore up support for his embattled minority government, stall the far right and pull the political rug from under his opponents’ feet, it backfired.

The 17th legislative assembly of the fifth Republic will essentially be a tripartite one with the newly formed four-party Left-Green alliance, the New Popular Front (NPF) emerging as the frontrunner with 178 seats, Macron’s centrist party, Ensemble (ENS), down to 150 deputies, and Marine Le Pen’s NR with 142 seats. The remaining seats are shared between unaffiliated Republicans, right and left-wing independents and others.

In a first-past-the-post system of voting like in India, the clear winner would have been the NR. These unexpected results that have pushed the far right down to third place are due to France’s system of two rounds of voting and the determination of left and centrist parties as well as the will of the people to stem the tide of the hate-driven, racist and fascist brand of politics espoused by the NR.

The broad left coalition, the NPF, reached an understanding with centrist and other

right-wing parties to form a Republican Front to act as a barrier to the victory of the far right during the second round of voting. A decision was taken for the lower-placed candidate to bow out of the race in a three-way runoff.

The results bear testimony to this tactical voting but also to the maturity of the French voters who rejected the headline positions of the NR on security, law and order, refugees, immigration and Islam, often voting against their own core political beliefs just to safeguard the republican values of liberty, equality and fraternity. A record near 67 per cent of the electorate voted in the second round.

Le Pen and her party have been stopped in their tracks, for now. As she declared, “The tide is rising. It did not rise high enough this time, but it continues to rise and our victory has simply been deferred.” There is certainly an element of victory in this defeat as they increased their seat share from 89 to 142.

For the left coalition, the NPF, though also deprived of the absolute majority of 289, the results are an unhelped-for opportunity to govern. Macron’s gamble on early elections has proved to be their lucky break. However, with only a relative majority and without a real mandate from the electorate — the vote for them often being, in fact, a vote against the far right — fulfilling their manifesto promises and pushing through their agenda will be difficult. Meanwhile, within the alliance, jostling for the prime ministerial position has begun.

The political gridlock is likely to continue for a while. A hung parliament with no dominant party is uncharted territory for France; it has no history of coalition governments. What we are likely to witness will be the “co-

habitation” of a president and a minority government from opposing political dispensations with no substantive legislation getting adopted. France is in store for a period of political uncertainty, crises and instability.

For a majority of the French, this outcome is preferable to the alternative of governance by a radical alliance. Nevertheless, a prolonged political stalemate presents a real danger of playing straight into Le Pen’s hands and strengthening her electoral appeal in the 2027 presidential elections.

Macron’s term ends in 2027 and he has vowed not to step down before that. However, the outcome of these elections has weakened his party and his position. As it is, protests against unemployment, wage stagnation, retirement reforms, etc., have been a constant feature of his two terms. Now, many within his party are unhappy with the gamble which resulted in a loss of almost 80 seats. The first-round results were a slap on the face and it was only thanks to the Republican Front that his party could salvage 150 seats.

The real loser of this election is Macron himself, who, isolated in his Elysée Palace, is clearly out of sync with the sentiments of the people who are disillusioned with their President. He is widely perceived as a monarch with an imperial style of governance by decree. Macron had hoped the election would provide “clarity”, instead it has plunged France into a political quagmire that will reduce its influence in the world and from which it is unlikely to emerge in the short term.

The author writes on politics, culture and current events

JULY 10, 1984, FORTY YEARS AGO

HIJACKERS WITHHELD

ON JULY 8, Pakistani President Zia-ul-Haq made it clear that the nine hijackers of the IA Airbus will neither face trial nor be extradited. Zia also said that the trial would take place later, as Punjab was India’s internal problem and Pakistan wanted to avoid a political fallout. There is no treaty of extradition between India and Pakistan.

ARMY WITHDRAWS

UNION HOME MINISTER, P C Sethi, during a parliamentary consultative committee, said that there are no forces inside the Golden

Temple, marking the first official response regarding the Army’s presence in the complex. Before this, the government had given the impression that forces would not be withdrawn. However, the Army is still conducting anti-terror operations in the surrounding regions.

MEDICAL EXAM ERROR

DISCREPANCIES IN THE evaluation process of Delhi University’s medical entrance examination has affected the fortunes of at least 1,600 students. The wrong answer key was used to correct the combined Chemistry and Physics paper. This was noticed when around 150 students applied for re-checking of their answer

sheets, as they scored lower than expected.

SUPPORT FOR G M SHAH

WHILE SENIOR MEMBERS of the J&K Congress Legislature party issue their “unconditional support” to the current Chief Minister, G M Shah, younger party MLAs appear restless. Sources suggest that some MLAs have asked the party leadership to put forth specific conditions for Shah. The CM remains dependent on Congress, given that his breakaway faction of the J&K National Conference is supported only by 14 MLAs, and 36 Congress MLAs backing him in the state assembly.



13 THE IDEAS PAGE

A mockery of Parliament?

Hostility between two sides during recent Session does not augur well for future. Fuel was added to fire by tone and tenor of speech by Leader of Opposition in Lok Sabha



HARIVANSH

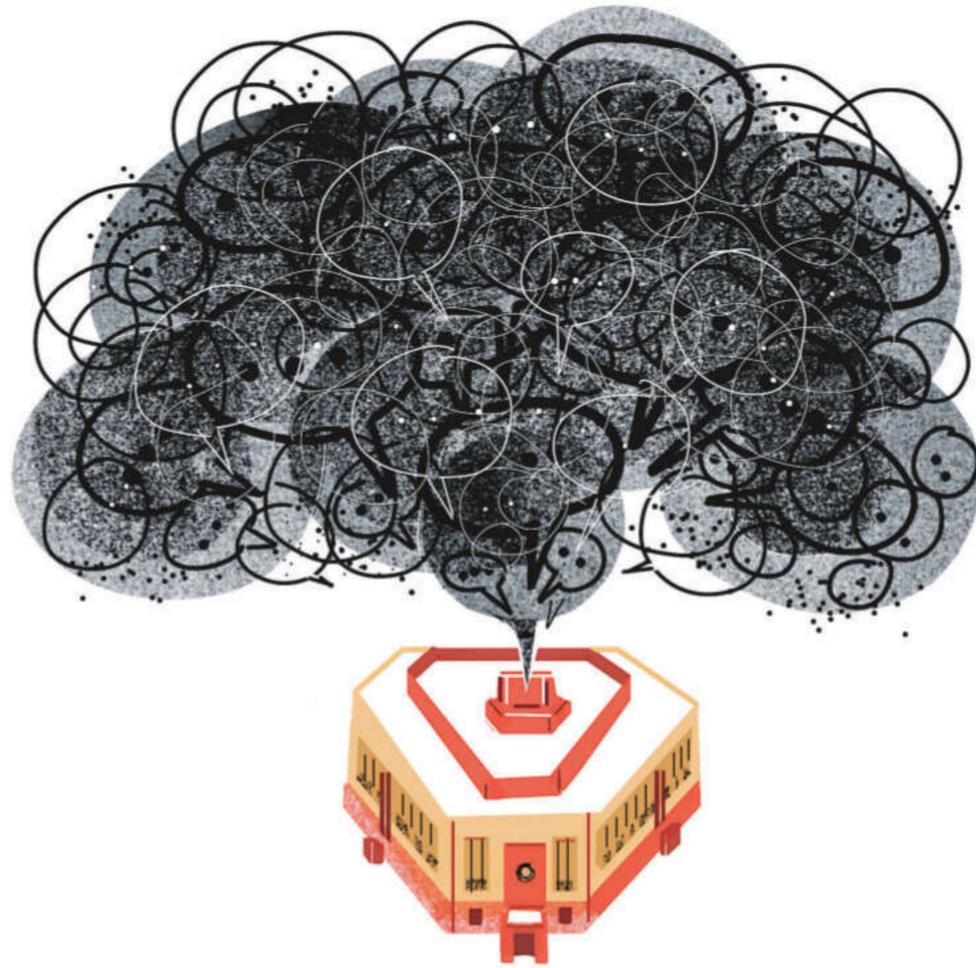
THE FIRST SESSION of the 18th Lok Sabha has just concluded where an unprecedented level of acrimony was witnessed. Since this session was held immediately after the general elections, the mood during the election-eering, it appears, was carried into the House, as was reflected in the speeches made from both sides. Few speakers referred to the issues, included or not included in the President's Address. Fuel was added to the fire by the tone and tenor of the speech made by the Leader of Opposition in the Lok Sabha.

As is natural, it set the tone of further discussion in both the Houses, particularly that of the replies to be given by the Prime Minister. The Opposition members continuously shouted slogans in the Lok Sabha obstructing the Prime Minister's speech and they walked out of the Rajya Sabha when he spoke there the next day. Booming the Prime Minister incessantly during his speech was quite worrying. So was the walkout by the Opposition parties in the Rajya Sabha without listening to the Prime Minister. Both these acts by the Opposition are undeniably antithetical to basic canons of parliamentary democracy.

In Parliament, the right to speak should be balanced with respect for opposing viewpoints and parliamentary decorum. Disagreements can and should be expressed through debate and discussion rather than through disruptive tactics that prevent others from exercising their right to speak. In a deliberative context, the right to be heard and the duty to listen are inseparable; they are two sides of the democratic coin.

Expression of dissent, no doubt, is in-built in the working of any Parliament, provided it is within the ambit of the rules and practices of the House. Any gross violations are punishable. An attempt to shout down a Member of Parliament while speaking, leave alone the Prime Minister who is also the Leader of the House, is unacceptable and needs to be discouraged. More so, when the Prime Minister gave full respect to the Leader of Opposition and sat and listened to his entire speech in Lok Sabha with calm and poise. In the same spirit, the Opposition in the Rajya Sabha also should have sat and listened to what the PM had to say. Failing to do that amounts to the Opposition shirking its responsibility.

The office of the Leader of Opposition has been associated with the highest traditions in India. Occupants of this office are expected to have the utmost respect for the parliamentary rules of procedure, conventions, etc. They must not be seen to be instigating others to go to the well to disrupt the House. They should avoid making defamatory or unsubstantiated allegations in the House that might be contradicted inside or outside the House. The Leader of the Opposition represents not only his own party but the entire



CR Sasikumar

Opposition in the House. So much so, in some countries he is seen as the shadow PM. Therefore, he has to be much more careful and responsible in what he says and how he behaves in the House.

While the instances of disruption and walkouts may not be new to our Parliament, their degree and scale this time was certainly unprecedented. The entire Opposition walking out when the Prime Minister was replying to the debate in which they all had participated is also very rare. The Opposition members continuously shouting in front of the Prime Minister to make his speech inaudible is unknown to any Parliament among the major democracies of the world.

We need to remember that the mandate of the people after the election is very clear. They have given a convincing majority to the NDA, a pre-poll alliance, to govern the country. The alliance has reposed its confidence in the vision and leadership of Prime Minister Narendra Modi. At the same time, the electorate has also increased the strength of the Opposition parties in the Lok Sabha this time. Having done so, people expect both

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sides to exercise their constitutional responsibilities in the most constructive manner. Governance is the joint responsibility of both sides. If any side fails to live up to their expectations, it would amount to defiance of their mandate.

The kind of hostility witnessed between the two sides during the recent Session in both the Houses does not augur well for the future of Parliament of India. The nation needs to seriously reflect upon this unfortunate development that has dangerous implications. A show of such aggression in the House will certainly vitiate the spirit of consensus and cooperation without which it will be difficult, nay impossible, to run the Houses.

Any legislative gridlock will be inimical to our vision to make India Viksit Bharat by 2047. Our Parliament has to be dynamic and robust for timely approval of the laws and finances needed for taking the country forward in today's fast changing world.

The writer is Deputy Chairperson of Rajya Sabha and a Janata Dal (United) MP

Not so Maha, anymore

Maharashtra is no longer a pioneer in innovative schemes that cross the state's boundary. Its leadership is now copy-pasting from others



GIRISH KUBER

THE STORY DATES back to the early '70s. Maharashtra was reeling under its worst-ever drought, which brought famine in its wake. Disturbed by the situation, Vitthal Sakharam Page, a Gandhian and then chairman of the state Legislative Council, asked his wife how much cash she had in hand. Upon finding out that it was Rs 700, his next question was how many labourers that amount could sustain. "Around 10 for two weeks" was the response.

Page wrote to Vasant Naik, the then chief minister of Maharashtra, asking him to allocate Rs 100 crore for the state's landless labourers. Naik invited him over to understand what lay at the heart of Page's proposal. When Page explained it to him, the chief minister was convinced. The same evening, he called the Leader of the Opposition (LoP), Krishnarao Dhulap of the Peasants and Workers Party (PWP), and followed it up with a series of meetings on how to tackle the crisis with other leaders over the next four days. Though everyone agreed on the gravity of the situation and the necessity for the state to take extraordinary measures to help the poor, the biggest challenge remained how to raise the Rs 100 crore.

Then came the historic moment. The Opposition, led by Dhulap, moved a resolution in the state assembly to raise the tax to create a corpus to fund drought-mitigation measures. It remains unparalleled in India's legislative history because there are hardly any instances where the Opposition asks for a tax hike and the treasury supports the move. It also shows the maturity of political leaders of the time. The move resulted in the state assembly unanimously resolving to levy a 15 paise surcharge per passenger per journey on state transport bus tickets. This is how the unassuming Employment Guarantee Scheme (EGS) came into being. Three decades later, Manmohan Singh as prime minister adopted it at the national level and, subsequently, rechristened it as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

Just a few years after Page's brainchild came into being, Sharad Pawar, who became Maharashtra's chief minister at the age of 38 in 1978, took a landmark decision that granted equal rights to daughters in inherited property. Around 16 years later in 1994, as a fourth-time chief minister, he fortified it by introducing 33 per cent reservations for women in local self-government. Soon, that too, was embraced at the national level. A decade later, in 2005, the efforts of another chief minister, Vilasrao Deshmukh, empowered the citizens of Maharashtra with the Right to Information (RTI) Act. Subsequently, that, too, was adopted at the national level.

These are some examples — going all the way back to 1902, when the reformist Shahu Maharaj showed the path to social equality by opening up reservation for Dalits in the princely state of Kolhapur — of how Maharashtra's political class dis-

played social, political and economic ingenuity in governance.

Not any more. Thanks to the incessant Lilliputisation of Maharashtra's polity, dotted with unimaginative politicians, Maharashtra is no longer a pioneer in innovative schemes that cross the state's boundary and become national. It is now the reverse. Of late, Maharashtra has been showing signs of degeneration on almost all fronts, including in governance. And the leadership is happy copy-pasting schemes from others.

For example, the Mukhyamantri Majhi Ladki Bahin Yojana scheme announced in the state budget on June 28 is a replica of Madhya Pradesh's Ladli Behna scheme, introduced by Shivraj Singh Chouhan. Perhaps Maharashtra Chief Minister Eknath Shinde hopes that, like in Madhya Pradesh, voters in Maharashtra, too, will repose faith in him in the assembly elections later this year. And that's not the only "copy". Like many central government schemes that have Pradhan Mantri (PM) as a permanent prefix, Shinde, too, is busy launching schemes beginning with the words "Mukhya Mantri" (Chief Minister). It doesn't end there. Some of his overzealous acolytes are trying hard to portray Shinde as Maharashtra's very own "Bulldozer Baba", akin to Yogi Adityanath of Uttar Pradesh, for his alleged drive against the drug mafias. Incidentally, this is yet to bear fruit.

However, Shinde alone cannot be blamed for aping his counterparts in other states and successful politicians elsewhere. When the cow slaughter ban in the north yielded rich political dividends, former chief minister Devendra Fadnis, too, was lured into reviving similar legislation in the state. Another case in point could be "love jihad". This was one of the early resolutions of the incumbent government when it wrested power after ousting the Uddhav Thackeray-led alliance government in 2022. The Shinde-Fadnis government went to the extent of setting up a panel under BJP veteran and the state's Women and Child Welfare minister Mangal Prabhat Lodha to monitor "inter-faith marriages". Lodha later stirred up a controversy by claiming his panel has been flooded with "lakhs of 'love jihad' cases". However, he later retracted the statement, saying that the sole reason for forming the panel had been "to help those girls who have gone against the wishes of their original family (in marrying). We want to protect them, we want them to communicate with their original family. There is no 'love jihad' angle".

There are some other examples. All of them lead to the same bitter truth. In a state that was once a leader in innovative, people-friendly and progressive ideas in governance that went on to shape the social and political landscape even at the national level, the current breed of politicians has lost its mojo along with the ability to think out of the box. Some believe this is the result of the state losing its preeminence in economic matters. In reality, it is the other way round. The rot in politics set in first, followed by economic decay. From a bright torchbearer to a lamentable copycat, Maharashtra has witnessed a steep decline. If left unattended, there will hardly be anything "maha" left in the state.

The writer is editor, Loksatta



K M CHANDRASEKHAR

Budgeting for science

More funds in R&D, greater autonomy for institutions, are needed

A NEW UNION Budget is around the corner. This is the time for new ideas, for a giant leap forward, like in 1991.

Every prime minister, from Jawaharlal Nehru to Narendra Modi, has spoken of the importance of investing resources in science and technology. Our first PM was devoted to the development of science and technology, and to him goes the credit for starting India's most successful scientific ventures in space research and atomic energy. He spoke at various times of his affinity for science and technology. He said, "And though circumstances made me part company with science, my thoughts turned to it with longing. In later years, through devious processes, I arrived again at science, when I realised that science was not only a pleasant diversion and abstraction but was of the very texture of life, without which our modern world would vanish away."

Still, nothing significant has happened except in space and atomic energy and, to a limited extent, in defence. Governments in India have long talked about raising the spending on R&D to 2 per cent of the GDP, but it remains at a measly 0.6 per cent to 0.7 per cent. While inaugurating the Indian Science Congress at Bhubaneswar in 2012, Manmohan Singh said, "Over the past few decades, India's relative position in the world of science has been declining, and we have been overtaken by countries like China. Things are changing, but we cannot be satisfied with what has been achieved. We need to do much more to change the face of Indian science."

The present Prime Minister's Economic

Advisory Council, in a report titled 'R&D Expenditure Ecosystem', pointed out that several countries, including the US (2.8 per cent of GDP), China (2.1 per cent), Israel (4.3 per cent) and South Korea (4.2 per cent) were far ahead of India in spending on R&D for the future. The Council made important suggestions on how to move R&D to a higher level. In the 2022-23 budget, the Finance Minister announced the formation of a National Research Foundation with a corpus of Rs 50,000 crore, but thus far, there has been little progress.

We can take a leaf out of China's book. They ratcheted up their R&D expenditures from 0.7 per cent of GDP in the 1990s to 2.1 per cent currently. China is now second only to the US in actual volume of spending on R&D in purchasing power parity (PPP) terms. The total expenditure on R&D in China in PPP terms was \$525.7 billion in 2019, almost ten times the amount spent by India — \$58.7 billion (2018 figure). China employs 7,38,000 people in R&D compared to 1,58,000 in India. As China's former minister for science and technology, Wan Gang, said, "China needs to enter the ranks of innovative countries and become a big technological innovation power by 2050." It undertook a massive overhaul of science and technology in 2018 with the restructuring of 15 ministries, with further reforms in 2023.

There are also lessons to be learnt from our own experience. While other areas have generally languished, we have made astonishing progress in space and atomic energy. Besides investing liberally in these areas, we also gave almost total autonomy to the ad-

ministration of the Space Commission and the Atomic Energy Commission. High-powered bodies, chaired by senior scientists and including the Minister of State in the PMO, Principal Secretary to the Prime Minister, Cabinet Secretary, Finance Secretary and leading scientists, were empowered to make decisions without the constraints of bureaucracy. The results are there for all to see.

There are other peculiar features of research in science and technology in India. The government sector accounts for more than half of India's R&D (56 per cent), while in other countries, government spending is much less — China (15 per cent), Germany (14 per cent), the United Kingdom (7 per cent) and Japan (8 per cent). India tried incentivising the private sector with liberal income tax concessions, but most companies largely misused them. Another significant feature is that India spent 44 per cent of its R&D expenses on capital development, unlike China (0 per cent), the UK (0 per cent), and the US (0.2 per cent). The bulk of government money in R&D is probably going into construction and acquiring real estate.

PM Modi has underlined the importance of science, technology, research, and development in building the foundations of a great Indian economy. He said, "We will explore the mysteries of science and harness the power of technology and innovation. We will realise the opportunities of the digital world."

The Budget of 2024 could be the harbinger of a significant change. The FM talks to industry associations. So does the Revenue

Department. This is the time for the FM to bring together the country's top scientists who can generate many ideas. Let all scientific institutions be merged into one or two overarching bodies like the Space Commission and the Atomic Energy Commission and have similar autonomy.

To promote genuine research in the private sector, it would be desirable to mandate 2 per cent of the companies' profits for research and development in the same manner as for corporate social responsibility. If any company or group cannot spend this amount, the unspent amount may be contributed to the National Research Foundation. The corpus of the NRF can be used to develop a centrally sponsored scheme available to state governments, centres of learning and research, and even corporates.

The construction of buildings and fixed assets should be excluded from expenditure figures on R&D. There is also a need to develop a research mentality in higher learning institutions.

State governments may be allowed to raise another half per cent of GSDP by way of loans to be exclusively used by the State Councils of Science and Technology for research and development projects approved by the National Research Foundation.

Let this Budget breathe new life into a languishing but essential sector to achieve our development goals!

The writer is former Cabinet Secretary and author of *As Good as My Word: a Memoir*

LETTERS TO THE EDITOR

FORGING UNITY

THIS REFERS TO the editorial, 'Finally, Manipur' (IE, July 9). Prime Minister Narendra Modi's first remarks in months on Manipur stated that many steps have been taken to improve the situation and efforts are being made to restore normalcy. The PM expressed satisfaction over the decline of violence in the state. That does not answer the questions raised about his government's handling of the present situation. Terrorism, drugs, ethnicity, territorial domination and foreign interference are factors complicating the problem. Sincere efforts must be taken by Chief Minister Biren Singh and the Centre to establish peace. The differences between the Meiteis and Kuki-Zomis need to be put in order along with efforts to forge permanent unity.

Khokan Das, Kolkata

PROSPECT OF CHANGE

THIS REFERS TO the article, 'The test in Tehran' (IE, July 9). In the last few decades, conservatism has struck deep roots in the political system, judiciary and bureaucracy in Iran. But as the two-year-long protests after the death of Mahsa Amini showed, the patience of the Iranian people and civil society is fraying. A reformist as the new president-elect is a welcome change. With his strong mandate, Masoud Pezeshkian must push for

change. This is an opportunity to promote gradual reforms at home and careful engagement with the world.

SS Paul, Nadia

AWAITING REFORMS

THIS REFERS TO the article, 'Why NEET does not work' (IE, July 9). National-level entrance exams like NEET are an important phase in a candidate's life. When their integrity is compromised, it understandably becomes an issue. There may be multiple alternatives for the candidate's assessment, but whether the students will be able to cope with a new exam pattern if implemented, is another question. Reforms are needed, but it is important to gauge their impact.

Suraj R Wagate, Mumbai

DEAFENING SILENCE

THIS REFERS TO the report, 'Step-dad sexually abused me, mom kept quiet: Alice Munro's daughter' (IE, July 9). The revelation by Andrea Robin Skinner, Nobel laureate Alice Munro's daughter, is shocking. Writers cannot be lauded simply as literature-producing machines. How can a society that values compassion and generosity, close its eyes to Munro's unacceptable behaviour? To not give protection to one's progeny is a lapse that questions Munro's moral status as a parent and as a writer.

Narendra Dani, Lucknow

EXPLAINED GLOBAL

WHAT IS ORDER OF SAINT ANDREW THE APOSTLE, CONFERRED UPON PM MODI?

EXPRESS NEWS SERVICE
 NEW DELHI, JULY 9

PRIME MINISTER Narendra Modi was on Tuesday awarded Russia's highest civilian honour, the Order of Saint Andrew the Apostle, during his visit to the country. The award for the PM was announced in 2019, for "exceptional services in promoting special & privileged strategic partnership between Russia and India and friendly relations between the Russian and Indian peoples."



PM Modi after being awarded the Order of St Andrew the Apostle in Moscow on Tuesday. Reuters

What is the award, and who gets it?
 The award is given to prominent government and public figures, military leaders, and outstanding representatives of science, culture, art, and various sectors of the economy for exceptional services to Russia. It can also be awarded to heads of foreign states for outstanding services to the Russian Federation.

Its name comes from Saint Andrew, who is believed to be one of the apostles or 12 original followers of Jesus. After Christ's crucifixion, the apostles are said to have travelled great distances to spread his message. Saint Andrew travelled to Russia, Greece, and other places in Europe and Asia, and founded the Church of Constantinople, which later led to the establishment of the Russian Orthodox Church. More than 90 million people follow the Church in Russia, out of the country's population of around 140 million.

Saint Andrew is regarded as the patron saint of Russia and Scotland. The 'X' symbol on the flag of Scotland comes from the saint's symbol, called the 'Saltire'. It is believed that he was crucified on a cross of a similar shape.

Tsar Peter the Great (1672-1725) established the Order of Saint Andrew in 1698. The chain of the Order consists of 17 alternating links, and features a gilded image of the State Emblem of the Russian

Federation, a double-headed eagle. It also includes a badge, a star, and a light blue silk moire ribbon. For those recognised for distinction in combat, the badge and star are adorned with swords.

The order was abolished in 1918 following the Russian Revolution, which overthrew the Tsarist regime. It was re-established in 1998 by an Executive Order of the President of Russia.

Who has received the honour earlier?

Past recipients largely include influential figures in Russia, such as military engineer and gun designer Mikhail Kalashnikov, author Sergey Mikhalkov, the last leader of the Soviet Union Mikhail Gorbachev, Russian Orthodox Church leader Patriarch Alexy II, and the current head of the Russian Orthodox Church Patriarch Kirill.

Foreign leaders who have been honoured in the past include Chinese President Xi Jinping in 2017, and the former President of Kazakhstan, Nursultan Nazarbayev.

Florida carpenter ants perform life-saving amputations: study

FLORIDA CARPENTER ants bite off the injured limbs of their nest mates to prevent infection, according to a study published in the journal *Current Biology* last week.

Although other ant species are known to tend to the wounds of their injured, typically by licking them clean, this is the first time that an ant species has been known to use amputation to treat an injury.

The ants in the study performed amputations on only certain leg injuries, suggesting that they are methodical in their surgical practices. Aside from humans, no other animal is known to conduct such amputations. The prevalence of the behavior among Florida carpenter ants raises questions about their intelligence and their ability to feel pain.

The researchers also said that the amputations appeared to be consensual.

"The ant presents its injured leg and calmly sits there while another ant gnaws it off," Erik Frank, one of the authors of the study, said.

After observing dozens of amputa-

tions, the researchers noticed that the ants would perform the procedure only on nest mates with thigh injuries, and not when the wound was further away from the body.

To understand this, researchers performed micro-CT scans on the amputees.

Ants have several muscles throughout their bodies that keep hemolymph, their version of blood, flowing. Florida carpenter ants have many such muscles in the thighs. When they sustain a thigh injury, the flow of hemolymph is reduced, making it more difficult for bacteria to move from the wound into the body.

In such cases, if the entire leg is amputated quickly, the chance of infection is very low.

But when a Florida carpenter ant injures its lower legs, bacteria can penetrate its body very quickly. As a result, the time window for a successful amputation is narrow and the chance of it being successful is slim.



THE NEW YORK TIMES

EXPLAINED CONSERVATION

The High Seas Treaty

India will sign and ratify the High Seas Treaty. The agreement, which deals with oceans outside a country's national jurisdiction, can help protect marine ecology, and ensure equitable sharing of marine resources



AMITABH SINHA

THE INDIAN government on Monday said it would soon sign and ratify the High Seas Treaty, a new international legal architecture for maintaining the ecological health of the oceans. The treaty is meant for reducing pollution, and for conservation and sustainable use of biodiversity and other marine resources in ocean waters.

It is also called the Biodiversity Beyond National Jurisdictions (BBNJ) Agreement as high seas are areas outside the national jurisdiction of any country. The treaty is formally known as the Agreement on Conservation and Sustainable Use of Marine Biological Diversity of Areas Beyond National Jurisdiction.

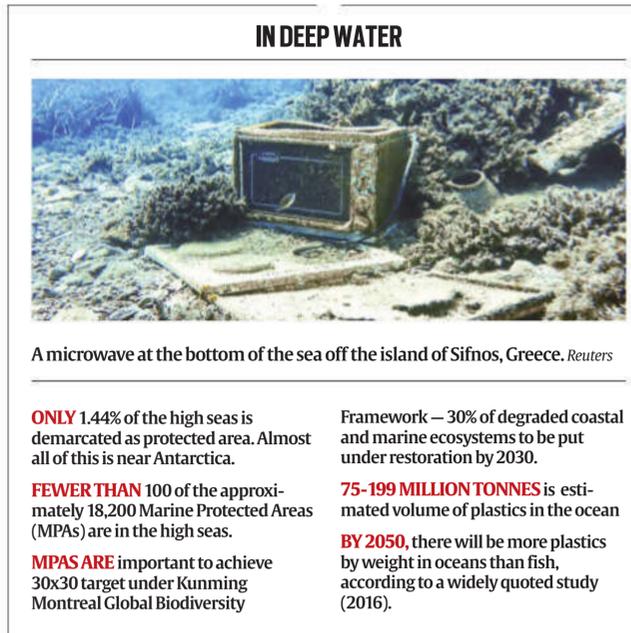
So far, 91 countries have signed the treaty, while eight of them have also ratified it.

Protection and Access

The High Seas Treaty seeks to achieve three substantive objectives. One, the conservation and protection of marine ecology. Two, fair and equitable sharing of benefits from marine genetic resources. Three, to make environmental impact assessments (EIA) for any activity that can degrade the marine ecosystem a mandatory practice.

There is a fourth objective as well, that of capacity building and transfer of marine technologies to developing countries. This will help make full use of the benefits of the oceans while at the same time contributing towards its conservation.

The treaty deals only with the oceans that are outside the national jurisdiction of any country. Typically, the national jurisdictions extend up to 200 nautical miles (370 km) from the coastline, an area that is called the exclusive economic zone or EEZ. Areas outside of EEZs of every country are known as high seas or international waters. They constitute about 61% of the total ocean area, and are considered global commons. They belong to no one and everyone enjoys equal rights for navigation, overflight, economic activities, scientific research, or laying of infrastructure like undersea cables.



A microwave at the bottom of the sea off the island of Sifnos, Greece. Reuters

ONLY 1.44% of the high seas is demarcated as protected area. Almost all of this is near Antarctica.

FEWER THAN 100 of the approximately 18,200 Marine Protected Areas (MPAs) are in the high seas.

MPAS ARE important to achieve 30x30 target under Kunming Montreal Global Biodiversity

Framework — 30% of degraded coastal and marine ecosystems to be put under restoration by 2030.

75-199 MILLION TONNES is estimated volume of plastics in the ocean

BY 2050, there will be more plastics by weight in oceans than fish, according to a widely quoted study (2016).

Marine Protected Areas

The High Seas Treaty's key objective of the protection and conservation of marine ecosystems is sought to be achieved mainly through the demarcation of Marine Protected Areas (MPAs). These would be the ocean equivalents of national parks or wildlife reserves where activities would be regulated, and conservation efforts taken up.

Protected areas in the oceans already exist but most of them are in territorial waters, where countries are free to enact and implement their laws.

Currently, there are 18,200 MPAs, according to the latest update of the World Database of Protected Areas, the most comprehensive catalogue of protected areas on land as well as sea. These together cover about 8% of the total ocean area. Almost 90% of this area is in territorial waters.

The new treaty is expected to facilitate the creation of MPAs in the high seas, where pollution, over-exploitation of resources, biodiversity loss, etc, are taking place.

Under the Kunming Montreal Global

Biodiversity Framework, a separate international arrangement, countries have agreed to put at least 30% of degraded coastal and marine ecosystems under restoration by 2030. MPAs can help achieve that goal.

Equitable sharing of benefits

Oceans are home to a very large number of diverse life forms, many of which may be of immense value to human beings. Many of these organisms are thought to have genetic properties that might be very useful in drug discovery or other applications such as cosmetics. For this reason, they could be commercially lucrative as well.

The High Seas Treaty seeks to ensure that the benefits from these marine genetic resource is equally shared amongst all. The treaty recognises that there might be costs involved in accessing these resources or their benefits but it clearly states that no country can have proprietary rights over them.

According to the treaty, mandatory EIA for any activity that can potentially damage marine ecosystems will have to be made public. An EIA is to be carried out for activities within national jurisdictions as well, if the impacts are expected in the high seas.

Ratification

Like any other international law, the High Seas Treaty would come into force only when a certain minimum number of countries ratify, or accede to, it. In the case of this treaty, this number is 60. The treaty would become international law 120 days after the 60th ratification is submitted.

Ratification is the process by which a country agrees to be legally bound to the provisions of an international law. This is separate from a mere signing on to an international law. Signing indicates that a country agrees with the provisions of the international law concerned, and is willing to abide by it. But till it ratifies it, the process for which varies from country to country, it is not legally bound to follow that law.

In countries that have legislative bodies like a parliament, ratification typically requires the consent of the legislature. In other countries, it might just need executive approval or accession. A country can sign on to but not ratify a treaty. In that case, it is not considered a party to the treaty. For instance, the US signed the 1997 Kyoto Protocol, the predecessor to the 2015 Paris Agreement. However, it did not ratify it because its Senate, the upper house of the legislature, did not give its approval.

In Govt's NEET line, recalling a 2021 case

AJOY SINHA KARPURAM
 NEW DELHI, JULY 9

THE GOVERNMENT has submitted to the Supreme Court that since there was no "large-scale breach of confidentiality" in NEET UG, it would not be "rational to scrap the entire examination".

The court is hearing a set of pleas seeking the cancellation of the exam on grounds that the question paper was leaked.

The Ministry of Education affidavit, submitted on July 4, relies heavily on a 2021 decision authored by Justice D Y Chandrachud — now Chief Justice of India and leading the Bench hearing the pleas — in *Sachin Kumar & Ors v Delhi Subordinate Service Selection Board (DSSSB) & Ors*.

Story of the case

Between June 2014 and July 2015, the DSSSB carried out recruitments to fill 231 posts of head clerks in the Services Department of the Government of National Capital Territory of Delhi. A preliminary (Tier-I) exam was held to shortlist candidates, followed by a main (Tier-II) exam.

More than 62,000 candidates had applied after applications were first invited in 2009. However, only 8,224 candidates wrote the Tier-I exam in June 2014.

There were complaints of serious irregularities in both tiers, including impersonation of candidates, paper leaks, and allegations that relatives sat together to write the exam. In September 2015, a committee set up by the Deputy Chief Minister of Delhi confirmed that irregularities had taken place within a specific "zone of consideration".

That December, DSSSB was directed to verify the candidates from this zone and lodge an FIR against the impersonators. Of the 290 candidates in the zone, nine did not report for verification, and "serious" concerns were raised in the case of seven others.

In March 2016, the DSSSB noted that these findings — limited to a single "zone" — "clearly indicate that the examination process has been vitiated". The Deputy CM issued a notification cancelling the entire process that same month.

'Spectrum' of responses

Six candidates approached the Central

Administrative Tribunal against the notification, arguing that the allegations of irregularities were made by unsuccessful candidates who wanted another crack at the exam.

In February 2017, the Tribunal set aside the Deputy CM's order, saying 281 of the 290 candidates "were free from blame". Cancelling the entire process should be the "last resort" and an effort should be first made to separate "tainted" candidates from the "untainted", it said.

The DSSSB and GNCTD appealed, but the Delhi High Court upheld the Tribunal's decision. The case went to the Supreme Court, which observed that there could be a "spectrum" of responses to alleged irregularities in the recruitment processes.

If irregularities take place at a "systemic level", affecting the "credibility and legitimacy of the process", the authority (DSSSB in this case) has "no option but to cancel it (the examination or the recruitment process) in its entirety", as it may be difficult to separate the tainted and untainted candidates.

However, in cases where the guilty candidates can be separated out, "those who are innocent of wrong-doing should not pay a price

for those who are actually found to be involved in irregularities". This, the court said, was part of a "fair and reasonable process", which is a "fundamental requirement" of the right to equality under Article 14 of the Constitution.

The court found "serious flaws" in the DSSSB's process. This included a five-year delay in holding the exam, leading to a significantly reduced turnout; admit cards being issued only by electronic means; the fact that a large section of candidates belonged to "a particular area of Delhi".

These factors "erode[d] the credibility of...the recruitment process", the court said, reversing the decisions of the Tribunal and the Delhi HC, and upholding the scrapping of the entire exercise.

What now on NEET?

The SC has begun applying these principles in the NEET case. It has asked the National Testing Agency (NTA) if the alleged breach took place at a systemic level, or whether it was possible to segregate the beneficiaries of the leak from the untainted candidates.

The court will hear the NTA's response and the CBI's update on the investigation into the alleged leak on July 11.



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Defamation case against Wikipedia and 'safe harbour' protection clause

KHADIJA KHAN
 NEW DELHI, JULY 9

NEWS AGENCY Asian News International (ANI) has moved Delhi High Court against Wikipedia for allowing allegedly defamatory content on ANI's wiki page.

A Bench of Justice Navin Chawla has sought a response from Wikipedia, and listed the matter for further hearing on August 20.

Complaint against Wikipedia

The petitioner has sought damages to the tune of Rs 2 crore, alleging that the said content is "palpably false" and defamatory, and that its reputation was being tarnished and goodwill discredited.

The petition contends that the "false and misleading content" on Wikipedia raised doubts about ANI's credibility as a news agency. It says that the editing history of the

page shows that in April, a series of edits were made reflecting the true and factual position, but these were "deliberately reversed" in May to cause harm to the petitioner's reputation.

Content posted on Wikipedia

Wikipedia, which started in 2001, itself does not produce the content for its online encyclopedia. It is a collaborative, open source, nonprofit platform whose users contribute to the content of the website.

The suit against Wikipedia, rather than the individuals who could have made the edits to the page, is intended to ensure enforcement by holding the intermediary liable.

Laws invoked in the case

ANI has argued that Wikipedia is a significant social media intermediary under the meaning of Section 2(1)(w) of the Information Technology Act, 2000: "any person who on behalf of another person re-

ceives, stores or transmits that record or provides any service with respect to that record and includes telecom service providers, network service providers, Internet service providers, web-hosting service providers, search engines, online payment sites, online-auction sites, online-market places and cyber cafes".

The petitioner has also relied on Sections 79(2) and (3) of the Act, which lay down the requirements for the "safe harbour clause" to come into effect.

The safe harbour clause

Section 79 of the IT Act (Exemption from liability of intermediary in certain cases) states that an intermediary shall not be held legally or otherwise liable for any third-party information, data, or communication link made available or hosted on its platform.

This protection shall be applicable if the

intermediary does not in any way initiate the transmission of the message in question, select the receiver of the transmitted message, or modify any information contained in the transmission, according to Section 79(2)(b).

Another requirement for safe harbour protection is that the intermediary must adhere to the Intermediary Guidelines and Digital Media Ethics Code, which came into force in 2021. The guidelines mandated setting up a grievance-redressal mechanism, along with a resident grievance officer, a chief compliance officer, and a nodal contact person.

Section 79(3) states that the protection will not apply if the intermediary, despite being informed by the government or its agencies, does not immediately remove or disable access to the material in question.

Additionally, the intermediary cannot tamper with any evidence of these messages

or content on its platform, failing which it would lose its protection under the Act.

Rule 7 of the IT Rules, 2021 states that if "an intermediary fails to observe these rules, the provisions sub-section (1) of section 79 of the Act shall not be applicable", and "the intermediary shall be liable for punishment under any law for the time being in force".

Section 230 of the US Communications Decency Act is analogous to Section 79 of the IT Act. It states that "no provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider".

Previous rulings of SC

On October 10, 2022, the Supreme Court dismissed a batch of petitions filed by the Ayurvedic Medicine Manufacturers Organisation of India, alleging that an article published on Wikipedia about them was

Opinion

WEDNESDAY, JULY 10, 2024

EDUCATING INDIA

Union education minister Dharmendra Pradhan

India is a young country and our challenge is to make global citizens for the 21st century world which is rapidly changing and being driven by technology. Ensuring an education system which is both rooted and futuristic is our collective responsibility

Managing dry fuel

A competitive coal market may lure more pvt investments, but the public sector will have to do the heavy lifting

COAL INDIA'S RECENT move to award 23 discontinued underground mines to the private sector under generous revenue-sharing terms marks the culmination of the series of steps taken over the last few years, to "democratise" the sector. The liberalisation process began with the upending of the Coal Mines (Nationalisation) Act, 1973, for long a political hot potato, in February 2018. Commercial mining by the private sector is now largely unrestricted under composite licence. This has added incremental pace to domestic production of the dry fuel, with captive mines registering a share of 15% of the total coal output in FY24, up from less than 10% in FY21. Populating the coal mining segment with more players, including those technically equipped to undertake the high-reward-high-risk underground mining, and coal gasification ventures, is the need of the hour, given the widening demand-supply gap in the power sector.

In just over a year after the National Electricity Plan (NEP) 2022-27 was announced, the government is feeling constrained to review it. The country's peak power demand is expected to touch 260 gigawatt (Gw) in September this year, sharply up from 184 Gw registered in FY20, power secretary Pankaj Agarwal said recently, adding that the demand would "easily cross 400 Gw by 2031-32". The peak demand has risen by an average of 7% in the last five fiscal years, a steep 20% over the last two, and by 9% upon an elevated base in the first quarter of the current year. Since the trend is expected to continue, even the 900 Gw power capacity envisaged for 2031-32 would fall quite short.

Given the intermittency of renewable energy, the capital-intensive nature of storage, and non-viability of gas-based power, the country would need to fall back on coal for its medium-term energy needs, in even greater degree than assumed earlier. That's why the government recently invoked an emergency clause for stranded gas-based power units to operate. Coal-based units have been asked to use full capacity, and continue to use fuel blended with imported coal till mid-October. Also, power companies have been reportedly asked, in a rare move, to place equipment orders worth \$33 billion for coal-based capacity. The Cabinet approved a ₹8,500-crore scheme in late January to promote coal/lignite gasification projects. Coal India has since announced a couple of synthesis gas projects, and also struck separate deals with Gail and Bhel, for capital-intensive projects.

While global majors are still to invest in coal mining ventures in India, Vedanta, Adani Group, Tata, and GMR are indeed scaling up investments. Production from captive mines has risen by over 120% between FY21 and FY24, while Coal India raised its output by 30% on a much larger base. Domestic coal production, on an aggregate basis, grew by an impressive 39% to close to a billion tonnes in FY24. Yet, demand is outpacing supplies. The government's stated objective to eliminate imports of (locally substitutable) coal in another two years is creditable, but at odds with ground reality — imports rose from 215 million tonnes (MT) in FY21 to 265 MT in FY24. Given that private capex, constrained by restricted financing of fossil-fuel projects, can't be expected to surge all of a sudden, the state-run firms would still have to play the dominant role in boosting coal supplies, in solid and gas forms. Apart from energy security, the country has a lot to gain from coal ventures which have strong backward and forward linkages.

30 years ago, the real saved Brazil's economy

THIS MONTH MARKS the 30th anniversary of the Brazilian real, a significant achievement that illuminates both the promise and the limits of reform.

On one hand, the creation of the new currency was a success. I recall visiting Rio de Janeiro in the early 1990s and experiencing hyperinflation. I tried to hold most of my money in dollars; if I came into possession of some Brazilian currency, then called the Cruzeiro Real, I made sure to spend it right away. In 1990, the rate of inflation in Brazil was 2,948%.

Fortunately, economists and other reformers came to the rescue and designed an effective plan for currency stabilisation. Brazil first created a virtual currency, called the URV, and switched contracts and prices to the new accounting unit. Next, a new currency, the real, was introduced as equal in value to the URV and roughly equal to the US dollar. That treated the prospect of a new and more stable currency.

The crucial part of the reforms was a credible plan for fiscal stability. Brazil wasn't experiencing hyperinflation for no reason — rather, the freshly printed money was needed to make good on promised government expenditures. So to make the numbers add up without hyperinflation, the Brazilian government carried out some budget cuts, privatised some assets, transferred some functions to state and local governments, and made some constitutional and legislative pledges in the direction of a balanced budget.

It worked. By 1995, the inflation rate was down to 66%, and today it is running at about 4%. The textbook economic formula for fixing a hyperinflation was applied — and it succeeded. The adjustment did cause a serious recession, but in such situations it is better to get that over with, rather than have to take more painful medicine later on. And while the Brazilian currency has been weak as of late, President Luiz Inacio Lula da Silva is trying to address that problem with further spending restrictions.

Yet the ending to this story is by no means entirely happy. For several years Brazil's economy has been growing below 1%, though it has recently climbed above 2%. The country has bountiful natural resources, plenty of human talent, some excellent companies and universities, and no natural geopolitical enemies. Still, its economic growth has been mediocre. Brazil ought to be able to achieve annual growth of 4% to 6%.

The causes of this disappointing growth are varied and subject to dispute. Possible culprits include corruption, excess protectionism, an economy too dependent on natural resources, an unreliable education system and, perhaps, a loss of economic dynamism. In the golden years of the late 1960s and early '70s, Brazil had very high growth rates, hitting 14% in 1973, so extremely good performance is possible.

No one, least of all me, is arguing that Brazil today would be better off with a renewed dose of hyperinflation. Yet it is also hard to deny that the limits of reform have become evident.

Reforms are likely to have the biggest impact when an entire dysfunctional economic system is overthrown all at once. Poland suffered for decades under communism, but since its market-oriented shock therapy of the early 1990s, it has grown steadily and is approaching the living standards of Western Europe. China, Vietnam, and Estonia all have made fundamental changes as well, and mostly for the better.

Sadly, the Brazil scenario — modest success — is more common. NAFTA solidified Mexican democracy and helped develop a manufacturing sector in the north of the country. But it has not made Mexico anything like the Asian tigers. New Zealand started some fairly radical and mostly successful reforms in the 1980s, yet the gap in living standards between New Zealand and the US has not narrowed. New Zealand is a small country far away from the rest of the world, and no policy changes can alter that.

Don't get me wrong: Brazil's monetary stability is worthy of celebration. At the same time, Brazil's economy is growing far more slowly than it should be. Sometimes the best that any reform can hope to achieve is not making things any worse. And sometimes — often, even — that is quite an accomplishment.

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EDUCATING INDIA

Union education minister Dharmendra Pradhan

India is a young country and our challenge is to make global citizens for the 21st century world which is rapidly changing and being driven by technology. Ensuring an education system which is both rooted and futuristic is our collective responsibility

BUDGET ROAD MAP

FISCAL PRUDENCE WOULD OFFER SOLACE AMID CONTINUING RISKS TO INFLATION TRAJECTORY

Prudent budgeting

ADITI NAYAR

Chief economist, head, research & outreach, ICRA



THE FY25 UNION Budget is much awaited on multiple counts. It is the first Budget of the government after the 2024 general elections, and the penultimate one as far as the medium-term fiscal road map ending in FY26 is concerned.

We got a sneak peek into what this Budget may hold, from the Interim Budget for FY25 that was presented in February. This was a Vote On Account for April-August, which can be thought of as getting Parliament's approval for business-as-usual activities to continue through the election period. This Vote On Account had placed the government of India's (GoI's) fiscal deficit at a five-year low 5.1% of GDP in FY25, a considerable pullback from the 9.2% of GDP scaled in FY21 during the Covid-19 pandemic, and within eyeshot of the medium-term target of bringing it below 4.5% of GDP by FY26.

Our assessment suggests that the GoI's revenue receipts will comfortably exceed the target set in the Interim Budget Estimate (IBE) for FY25 by around ₹1.2 trillion, led by the dividend from the Reserve Bank of India and net tax receipts. We anticipate a modest upside in both direct and indirect taxes, in gross terms, a portion of which will have to be shared by the states, leaving mildly higher net tax revenues for the GoI. How should this tax and non-tax upside be channelled?

The usual obvious answer from an economist would be to expand growth-inducing capital expenditure. However, FY25 is a distinct year, given the transient dip in activity in certain sectors during the phased parliamentary elections, including the GoI's capex. As against the fairly handsome embedded growth target of 17% for FY25 (over

FY24, provisional), the GoI's capex unfortunately, albeit expectedly, declined by 14% in year-on-year (YoY) terms in April-May FY25. Given this, and the typically compressed execution during the monsoon months, we fear that the required monthly run rate in H2 FY25 already poses a tough ask. Accordingly, it may be more realistic to retain the capital expenditure target of ₹11.1 trillion for FY25.

The GoI had allocated ₹0.7 trillion for "new schemes" under the finance ministry capex in the FY25 IBE, the details of which were not disclosed. This amount is likely to be redistributed to raise the capex of some ministries, such as roads and highways, and railways, which had seen muted 3-4% hikes in their capex allocations in the FY25 IBE vis-à-vis their provisional numbers for FY24.

Moreover, the GoI could raise the budgeted target for revenue expenditure compared to the IBE, either to bring in a new scheme or to increase the outlay for some of the existing schemes. New schemes take time to implement, and their actual outgo in the first year tends to be quite modest, restricted to a quarter or two. We anticipate the allocation

for non-interest non-subsidy revenue expenditure could be enhanced by ₹500-600 billion vis-à-vis the IBE. This could be focused on the rural economy, to partly mollify some of the negative spillovers of the inadequate and uneven monsoon that was seen in 2023. This may also help to address some of the admitted unevenness in economic growth and consumption that has been observed in the recent quarters.

The balance revenue upside could be used to pare the GoI's fiscal deficit to 4.9-5% of GDP in the full Budget for FY25 as against the target of 5.1% of GDP mentioned in the IBE. In turn, the Centre's gross and net market issuances could then be reduced by ₹350-550 billion for H2 FY25. Along with the demand boost for government securities (G-secs) owing to the bond

index inclusion, a lower borrowing figure for H2 could decisively help cap the 10-year G-sec yield at 7%.

The GoI is likely to issue a fresh medium-term fiscal consolidation road map in the Budget. Assuming that gross capex is kept unchanged at 3.4% of GDP over the medium term, in line with the FY25 IBE, a fiscal deficit target of 3%

GoI should consider paring the fiscal deficit to 4.0% of GDP over the medium term as against the Fiscal Responsibility and Budget Management target of 3.0%

observed in the recent quarters.

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Recipe for AI: Regulation & benchmarking



SP KOCHHAR

Director general, Cellular Operators Association of India

Beyond regulation, standardisation of artificial intelligence practices and technologies ensure safety, interoperability, and trust

ARTIFICIAL INTELLIGENCE (AI) STANDS at the crossroads of innovation and ethics, presenting both transformative benefits and profound challenges. This dual nature of AI necessitates comprehensive regulation and responsible deployment, as we prepare to integrate it into every facet of society — from healthcare and education to security and finance. AI's potential to enhance our lives is undoubtedly immense. It improves industry efficiency, optimises business operations, and contributes to environmental conservation by monitoring biodiversity and predicting climate change impacts. By processing vast data sets quickly, AI unlocks new knowledge and drives innovations previously beyond our reach. However, this data also poses significant risks, from breaches of confidentiality to identity theft and beyond.

The advent of deepfakes and AI-based impersonation illustrates these dangers vividly. These technologies, which manipulate audio and visual content with disturbing accuracy, can be used to commit fraud, spread misinformation, and manipulate public opinion, threatening individual privacy and societal trust by undermining the fabric of factual consensus. Furthermore, AI's role in perpetuating societal biases, due to algorithmic prejudices, poses a stark challenge to fairness and equity.

Governments worldwide are increasingly recognising the need to address AI challenges and are implementing a range of strategies and regulations. The European Union (EU) leads with comprehensive AI regulations focusing on high-risk applications, transparency, and safety. Similarly, the USA emphasises accountability and the protection of civil liberties

in its AI guidelines. In Asia, China and Singapore are developing AI governance frameworks balancing innovation with security and public welfare. These efforts involve cross-sectoral collaboration with academia, industry leaders, and international bodies to create holistic and effective AI policies. Many institutions and industry bodies have also developed ethical guidelines for AI. For example, the IEEE Global Initiative on Ethics of Autonomous and Intelligent Systems provides a comprehensive framework for ethical considerations in AI development and deployment, while the AI Ethics Guidelines by the European Commission aim to protect individuals' rights and ensure responsible AI deployment.

While effective regulation is crucial for safeguarding privacy, ensuring data security, and fostering fairness by setting standards for algorithmic transparency and data quality, there are challenges which include regulating AI's rapid development pace and global applications.

AI technologies often transcend national boundaries, operating across multiple countries and complicating the establishment of uniform regulatory standards, as different nations have varying priorities, values, and legal frameworks. Internationally, different priorities and legal frameworks influence AI regulation. The EU, for instance, emphasises strict data privacy through its General Data Protection Regulation, while other regions focus more on innovation and economic competitiveness.

Additionally, the rapid pace of AI development often outstrips slower legislative processes, making it difficult for laws to keep up with technological advancements. This disparity necessitates international cooperation to harmonise regulations and establish a consensus on fundamental principles, leading to regulations that provide clear guidance while respecting each nation's sovereignty.

Beyond regulation, standardisation of AI practices and technologies ensure safety, interoperability, and trust. Common standards enable effective communication across different AI systems and platforms, enhancing global integration and operational efficiency. They address ethical issues such as data privacy, bias mitigation, and transparency, building trust among users and stakeholders. For instance, standardised AI protocols in surveillance can balance security needs with individual privacy rights.

Standardisation also extends into the realm of content moderation and fraud detection, where uniform AI applications can improve the detection and handling of harmful or illegal content and financial fraud. Standardised AI systems can more consistently and transparently determine what constitutes harmful or illegal content across different platforms, reducing bias and errors. In fraud detection, standard protocols can enable the seamless sharing of threat intelligence across financial institutions, improving fraud detection and response. Moreover, in combating deepfakes, standardised detection

tools are imperative for effective identification and mitigation.

Standardisation can significantly enhance the monetisation of AI technologies as well, particularly through application programming interface (API) and devices. By establishing common standards for AI APIs, developers can ensure compatibility across platforms and systems, making it easier to integrate and sell their services in a broader market. This uniformity reduces costs and increasing scalability. For devices, standardisation allows AI to be easily embedded into a wide range of products, from smartphones to home appliances, facilitating widespread adoption. This creates a cohesive ecosystem making AI applications more accessible and appealing to a larger audience, driving greater adoption and enhancing the overall value of AI investments.

As we look to integrate AI more deeply into our society, lessons from past technological integrations must guide us. Responsible implementation, adaptability, public engagement, and proactive measures are essential. These strategies not only foster inclusivity and trust, but also ensure that AI's benefits are broadly shared while minimising its potential harms.

AI embodies a powerful tool — one that holds immense promise for advancing human welfare but also poses significant risks. Balancing these aspects requires a multifaceted approach involving robust regulation, international cooperation, and rigorous standardisation. Thoughtful stewardship is essential to harness AI's full potential while safeguarding our societal values and individual rights, ensuring it benefits all.

LETTERS TO THE EDITOR

A study in contrast

Prime Minister Narendra Modi ought to have led an all-party delegation to Manipur to empathise with the people of the state living in untold distress engendered by ethnic violence, and try to make some headway with the peace process. But he, for whatever reason, chose not to. He has not made use of the restorative power of his exalted office in the context of tangible tension in an ethnically

divided region. At the same time, Rahul Gandhi visited Manipur to assess the ground reality. True to form, the Bharatiya Janata Party has described Gandhi's compassionate outreach as "sick tragedy tourism". The embrace of Russian President Vladimir Putin by Prime Minister Narendra Modi in Moscow and the embrace of the victims of violence by the Leader of Opposition Rahul Gandhi in Manipur made for a study in contrast.

—G David Milton, Maruthancode

Unseen economic reefs

That we are cruising past a \$4-trillion economy is good news. In its wake, market evaluations are steeply climbing by the day to put greater onus on our markets and its watchdogs, who need to be ready to negotiate the reefs ahead. Take the ongoing phenomenon where multinational corporations are monetising their stock holdings in a very substantial way. Do they smell

something we don't, or is it that the optimism of the buyers of their stocks rides far ahead? Perhaps everyone finds the economy big enough and long-term prospects for growth too alluring to propel a potential bull run. But are these factors by themselves sturdy enough to protect the small investor from large-scale harm in the event of an incidental bubble?

—R Narayanan, Navi Mumbai

●Write to us at feletters@expressindia.com



The court cannot connive at a process which eventually makes fundamental rights as rare as 'roses in December, ice in June'

VR Krishna Iyer

INDIAN EXPRESS IS NOT AN INDUSTRY. IT IS A MISSION.

— Rammath Goenka

GOVT NEEDS A NEW APPROACH TO THE BUDGET

THE Union government will table the Budget for 2024-25 in parliament on July 23. Before it does so, the Narendra Modi-led government might want to look at the people's verdict at the recent Lok Sabha elections and opt for a course correction. Modi 3.0's diminished verdict reflected the anguish of a large section of voters at issues such as soaring joblessness, high inflation and unfavourable tax policies. These economic issues are hurting the people and the Budget is a suitable platform to address them in earnest.

The build-up to the full Budget for 2024-25 has, at least, raised hopes that it would deliver on making life easier for the people by leaving more money in their hands. If the government acts on pleas for changes to the income tax slabs, it would give immediate respite to salaried citizens. However, this would not be sufficient, because a number of goods and services have become unaffordable to a growing section of society. Much of a rate rationalisation exercise in the goods and services tax (GST) regime would need to go through the GST Council. However, the government can make a statement in this regard in the Budget and reassure people that the rates would not be solely driven by revenue concerns.

The government has, over the years, been limiting its role in education and healthcare, making tertiary healthcare and higher education out of reach for the masses. If this Budget reverses the trend and the government shows a renewed focus on building quality healthcare and educational institutions, it would help several sectors of the economy and go a long way towards building a Viksit Bharat.

The money spent on social schemes has often been seen with contempt. Not all subsidies to the poor should be derided as freebies—even though the government has succeeded in bringing down the level of extreme poverty, the number in need of such schemes is still huge in the world's most populous nation. The government has rightly taken pride in spending substantial amounts on infrastructure, but the quality of infrastructure can be given renewed focus with an outcome-oriented approach. The finance minister, when she rises to present the Budget, would do well to shun a fiscal fundamentalist approach. An empathetic touch is called for in this Budget more than a document crammed with arithmetical homilies.

IOA MUST PRESENT A UNITED FRONT NOW

AS things stand, the Indian Olympic Association (IOA) seems to have two faces—and one of them is not good. Let us turn our attention to the good first. There have been quite a few groundbreaking decisions taken by the IOA to make the Paris Olympics a comfortable one for the athletes. They have assembled a 13-member medical team for the first time to attend to the athletes' needs. There will be a sleep therapist, a psychologist and nutritionists, too. The medical room will be operational 24x7. The organisers have managed a few commercial deals as well. The IOA will be taking care of the support staff accommodated outside the Games Village. The IOA has also looked into requests to accommodate personal coaches. The ikat-inspired ceremonial kit for the opening has been designed by Tarun Tahliani. Overall, with help from the sports ministry and the Sports Authority of India (SAI), the preparation has been quite robust and smooth.

Yet, one thing is threatening to shift the focus away. After much delay and parley, the organisers announced Gagan Narang as *chef de mission* on Monday, long after M C Mary Kom stepped down in April. They have aptly chosen one Olympic medallist to replace another. But with only about two weeks remaining, the IOA members seem to be divided. As of Tuesday, the executive committee was still not aligned with the IOA president, P T Usha, over the appointment of CEO Raghuram Iyer. Meanwhile, the CEO's appointment has been endorsed by the International Olympic Committee (IOC) and he has been attending meetings with the sports ministry and SAI. Though the new sports minister had shown serious intent to end the stalemate, a lasting solution still seems far away. In a symbolic gesture, the minister even went to the IOA Bhawan right after assuming office. At best, there could be a truce before the Games.

This might severely impact the 2036 Olympic Games bid talks that India is planning with the IOC during the Games. A united house is a must for a strong bid and the IOC has already pointed this out. The IOA must be cautious and put the interest of the athletes first. Perhaps it is time for all members to come together for the Olympics. After all, the Games and the athletes' interests should take precedence.

QUICK TAKE

FOR ÉGALITÉ, FRATERNITÉ

WHAT a difference a week makes. The world agonised when the far-right National Rally won a third of the votes in the first round of France's National Assembly election. But in the second round polled a week later, the pendulum swung left. New Popular Front, an alliance of leftist and green parties, won the largest number of seats. This massive swing did not come out of thin air. A large section of the French intelligentsia and icons like Kylian Mbappé exhorted the nation to reject the far right. The seat arrangements and tactical voting that followed showed that those who value *égalité* and *fraternité* can be resiliently effective when they come together.

ON June 20, the Patna High Court set aside the amendment in Bihar's reservation policy that had been passed by the previous JDU-RJD government. The amendment, based on a caste survey, sought to enhance the total caste-based reservation in jobs to 65 percent. The high court went by the Supreme Court's 1992 decision to cap such reservation at 50 percent and struck down the Bihar amendment. Now, the JDU-BJP led state government has challenged the decision in the Supreme Court. It is interesting to note that amid all this to and fro, Nitish Kumar has remained chief minister.

The Patna High Court's decision confused many observers not well-versed with legal nuances. Especially because Tamil Nadu has a provision for 69 percent reservation under the Ninth Schedule of the Constitution. Once an act is brought under this Schedule, which was introduced by the first constitutional amendment in 1951, it has some immunity under Article 31B from being legally challenged.

The TN quota was arrived at with changing caste and class calculations made by chief ministers M Karunanidhi and M G Ramachandran through the 1970s and 80s. We must also acknowledge the contribution of another former CM, K Kamaraj, who took the case to the then PM Jawaharlal Nehru to enable the state to take affirmative action by amending Articles 15 and 16 of the Constitution. Later, many similar provisions were enacted by other states and challenged in court. A plea on the TV reservation is still pending before the Supreme Court.

The Patna High Court verdict has come before the state's assembly election due in 2025. The previous JDU-RJD government was aiming at this election when it initiated the caste survey and enhanced reservation to 65 percent in 2023. After the court verdict, Nitish Kumar's NDA government has challenged the decision in the Supreme Court. If the appeal is not sustained, the substantial exercise of the caste survey will be of little political use for Nitish.

But the survey will surely affect the state election. It has raised expectations among castes leaders, as now they clearly know their numerical strengths. This will affect political expectations of their representation. Every party will have to face this changed calculus

The Patna High Court's scrapping of Bihar's higher reservation cap has lobbed the ball back to Nitish Kumar. No one will be immune from the fallout at next year's assembly poll

A CAP THAT IS REFUSING TO FIT ALL HEADS

D M DIWAKAR

Honorary Director and Professor, Development Research Institute, Jalsain, and former Director, A N Sinha Institute of Social Studies, Patna



MANDAR PARDIKAR

and strike a fine balance, otherwise their fortunes will change.

A litmus test is coming up for the JDU-BJP honeymoon in the next few months. Nitish will face challenges in consolidating his party and its social base to keep the cadre and leaders on his side and the allies in good humour. The BJP will have to consolidate its allies too. Now, it's for the NDA government to secure a spot for the enhanced quota law in the Ninth Schedule, as Tamil Nadu did. If the BJP demurs, as it has indicated in the past, it would transmit a message against the double-engine sarkar to Bihar's voters.

The NDA regime has not yet succeeded in the matter of granting Bihar a special status. This will provide

an opportunity to the INDIA bloc in general and the Tejashwi Yadav-led RJD in particular to counter the NDA government.

The BJP has already announced that the next assembly election will be fought under Nitish's leadership, so that he does not again move away from the NDA. Nitish, too, knows that some in the RJD would rather have him move to national politics. However, politics is a game of possibilities—and one of the hardest things to know is Nitish's next political move. It's said the right hand of Nitish Kumar does not know what his left hand will do before the next polls.

Nitish has also started reconfiguring his party with the state poll in view.

At JDU's national executive committee meeting on June 29, he made Sanjay Jha the party's working president, eyeing the votes of Brahmins in Mithilanchal. The party also made Rajiv Ranjan 'Lalan' Singh, a Bhumihar, a cabinet minister, and Rammath Thakur, son of Karpooori Thakur from an economically backward class, a minister too. Nitish, known for canny social engineering, has upper-caste and EBC votes in his crosshairs. Jha is also said to be close to the BJP.

Nitish had to pay a heavy price at the last assembly election when Chirag Paswan fielded candidates in every seat. It was an open secret that many of the candidates were BJP proxies. As a result, the JDU was reduced from 73 to 41 in the 243-seat assembly. At next year's hustings, Chirag may not be as aggressive as the last time, but the BJP would not want to give Nitish room to grow stronger.

Bihar implemented the Mungerial Commission Report in 1976, much before the central government's Mandal Commission. The BJP, which has generally been against reservation, withdrew support for the V P Singh government at the Centre in the 1990s as Singh did not agree to support the Kamandal Rath led by Lal Krishna Advani, which tried to frame the national narrative on the Mandal Commission. Advani's rath was stopped in Bihar by the then CM Lalu Prasad Yadav. It's also on record that the RSS has reiterated its call to review the reservation policy. However, BJP leaders have repeatedly supported its continuation in the face of vote-bank realities. We must remember that NDA member Chirag's father, the late Ram Vilas Paswan, advocated reservation in the private sector, too.

It's clear that those in favour of privatisation are generally against reservation in jobs, as it would stand in the way of the government's target of selling more state assets to raise revenues. Reservation becomes meaningless with fewer jobs in the public sector. Still, affirmative action to protect marginalised communities will remain a sensitive issue. No party in government can afford to take a direct position against it. Hence the use of disinvestment, privatisation, contract appointments, and Agniveer are seen as indirect methods of achieving the same goal. Nitish is no exception from those facing these opposing compulsions.

(Views are personal) dmdiwakar@gmail.com

THE STINGING DISSENT TO TRUMP IMMUNITY RULING

NARASIMHAN VIJAYARAGHAVAN

Advocate, Madras High Court

He is facing more criminal prosecutions in the classified documents' case and the January 6 riot case.

It was in the context of these prosecutions that Trump raised the issues of executive privilege and absolute immunity for POTUS. Washington district Judge Tanya Chutkan, on December 1, 2023 rejected Trump's argument that he could



Justice Sonia Sotomayor's sharp dissent against the US Supreme Court's majority decision granting Donald Trump limited immunity will be remembered for its stout defence of democratic principles. It's a rebuke of the dangerous precedent that put a president above the law

not face prosecution for official actions he took as president, as the US presidency "does not confer a lifelong 'get-out-of-jail-free' pass". Trump's appeal to the federal appellate jurisdiction failed. From that emerged the docket before SCOTUS, which was certified fit to be heard by the Nine.

The ruling by the six in majority—Chief Justice John Roberts authoring it, and justices Clarence Thomas, Samuel Alito, Neil Gorsuch, Brett Kavanaugh and Amy Coney Barrett joining in—is that Trump had "broad protection for actions that fell within his official responsibilities as POTUS". The effect is that the complex task of determining how to apply the "broad immunity" in the four-count crimi-

nal indictment is left to the pending trial in the lower court. It is an escape route for Trump. Chutkan will have to conduct a detailed examination of the indictment to determine which of Trump's actions were official and must be stricken from the case and which were private acts that can proceed to trial. Easy to suggest, but near impossible to carry out.

The same SCOTUS had, on June 24, 2022 in the *Dobbs vs Jackson Women's Health Organization* decision, removed the federal constitutional right to abortion for individuals in the US, which had been in place for almost 50 years, on the historical ground that 'abortion' was not even contemplated by the framers of the US Constitution. But they forgot 'history' in the Trump immunity case. Of late, Roberts' court has morphed into an openly partisan Republican one.

This is where the dissent of Justice Sotomayor kicks in. She was ruthless in her choice of words. And she chose to read her 29-page dissent for 25 minutes, looking at the audience when she emphasised her stinging dissent. She read, "The president of the US is the most powerful person in the country, and possibly the world. When he uses his official powers in any way, under the majority's reasoning, he now will be insulated from criminal prosecution."

Be you ever so high—the principle has roots in English common law and has influenced American legal thought. It aligns with democratic ideals and prevents tyranny. Remember that Trump has promised to be a dictator on Day One of his presidency. Any Supreme Court is a political institution as justices Benjamin Cardozo, Louis Brandeis and our own V R Krishna Iyer branded them.

Let's the SCOTUS majority claimed they were abiding by Rule of the Law, some punchlines from the Sotomayor dissent have gone viral: "Orders the Navy Seal Team 6 to assassinate a political rival? Immune. Organises a military coup to hold onto power? Immune. Takes a bribe in exchange for a pardon? Immune, immune, immune."

(Views are personal)

MAILBAG

WRITE TO: letters@newindianexpress.com

Constitutional values

Ref: *Why society turns to miracle workers* (Jul 9). The author has rightfully pointed out that superstition is possibly one of the biggest killers in India. Instead of adhering to such beliefs, faith in constitutional values could help citizens and society at large. **Gana Shruthy M K, Bidar**

God complex

So-called godmen are gradually snatching thrones from the actual gods to deliver blessings to the suffering masses. People in India, instead of thinking of ways to solve their problems in life, seem to think more about gods and goddesses. The author has observed minutely the cause of the Hathras stampede. **Pradip Kumar Behera, Cuttack**

Govt inaction

The article clearly exposes the UP government's inaction in dealing with such cases due to political compulsions. The society turns to miracle workers due to the failure of the government in solving their problems. Our media, too, seems to sometimes forget its responsibility in educating society. **V O Harindranathan, Chennai**

Available sarcasm

Frequent sarcasm against Prime Minister Narendra Modi belittles the stature of prominent opposition leaders. Congress leader Jairam Ramesh referred to the PM as 'non-biological' at least four times in his comments about the PM's Russia visit. Leaders of Jairam Ramesh's stature should realise that such sarcasm speaks volumes about their small minds. **Suryanarayana Murty Peri, Bhawanipatna**

Posting etiquette

Self-styled intellectuals of the Congress seem to have crossed all limits while criticising the PM. In trying to show one-upmanship over others, Jairam Ramesh called Modi 'non-biological'. He should maintain some etiquette while posting comments on X. **Jaikishan N, Kengeri**

Jammu vigil

In the wake of a series of terror attacks in the Jammu region, strict vigil should be imposed with full vigour in order to save the lives of our jawans. In an attack in Kathua two days ago, our soldiers killed two militants at the expense of a jawan's life. In retaliation, they killed four of our brave soldiers. This is shameful for us. Some proactive actions like surgical strike or air strikes should be carried out immediately in order to nip such incidents in the bud itself. **PK Sreevatsan, Kannur**

Don't Slip Up on Oil Payment Imbalance

Iran, China can be entry points for Russian crude

A key issue in the India-Russia dialogue is a payment mechanism for oil. Trade between the two countries has become lopsided after India stepped up its purchase of Ural crude following a Western blockade of Russia's energy exports. Some of the oil purchases are in local currency. But it leads to a stranding of Russian oil exporters' revenue. This situation can't continue indefinitely, and the two nations must arrive at a workaround. Combining two solutions could lead to an acceptable outcome for both sides. One, find a currency to bypass the sanctions on dollar trade. Two, allow more significant cross-border investments to balance payments. Neither solution is easy nor complete.

The obvious peg for an exchange rate mechanism is the yuan. Russia's oil exports to China are better balanced by merchandise imports, and the yuan can serve as a medium of exchange. However, India runs up an even bigger trade deficit with China than it does with Russia. From India's standpoint, the yuan has limitations as a market-clearing mechanism. Trying to balance payments through cross-border investments typically involves greater downstream energy investments in refining and distribution by Russian firms and upstream investments by Indian firms in exploration and production. This option will pull New Delhi into a closer strategic relationship with Moscow and could face pushback from the West. Even Beijing may have concerns over India's access to Russian energy sources. China is the biggest buyer of Russian oil, which ships easily across their common land border.

Yet, Moscow will have to redraw exports as Europe reduces its reliance on Russian gas. This provides India with an opportunity to push its strategic interests for an overland trade route through Iran and a maritime route through Chinese ports. India can leverage Russia's relative proximity to China as leverage with a strategic competitor. India should ideally become more secure once the world energy market finds a new equilibrium.

This Age is Not of Dismissing Red Lines

Ukraine's Okhmatdyt Children's Hospital in Kyiv was bombed reportedly by a Russian missile — Moscow, as is its SOP, has denied its role in the bombing — on Monday. As images of injured children were beamed into living rooms across the world, it's becoming clear that this is a war with no rules. From Kyiv and Gaza to Khartoum and Peshawar, instances of aggressors blatantly ignoring established don'ts of war keep piling.

Rules of war have existed throughout history. Modern codification of these practices into international law was begun by Henri Dunant, founder of the Red Cross. In 1864, he helped establish the first Geneva Convention focusing on treatment of combatants. After World War 2, rules were expanded and updated resulting in the Geneva Convention of 1949. Its 196 signatories agreed to not targeting civilians, hospitals and aid workers, providing safe passage and access to humanitarian organisations to civilians. Also, there would be no torture or inhumane treatment of detainees. Yet, our century has seen the most egregious disregard of these rules from Guantanamo Bay to Syria and Yemen to Kyiv.

State-sanctioned mass murder is ugly by itself. But a disregard to agreed-upon 'red lines' of conflicts is particularly grotesque. It takes away any moral differentiation from a warring state and a terrorist state or non-state actor, thereby making a mockery of all terms of engagement in inter-state armed conflicts that seek resolution. As Prime Minister Narendra Modi underlined in his retrospectively ill-timed visit to Moscow, "...when innocent children are killed, the heart bleeds and that pain is very terrifying." Today's age is supposed to be not for war. But what, perhaps, needs fixing first is sticking to the rules of engagement.

JUST IN JEST
Is the descriptor that subtly differentiates 'godmen' a differentiator at all?

'Self-Styled' Gurus And Babas Vs...?

In the teeming bazaar of transactional spirituality, we encounter a peculiar practitioner: the 'self-styled' baba or guru. This qualifier is supposed to differentiate the wise and/or holy man (not always coming in the same package) who has been certified, from those who, à la Napoleon, crowned themselves babaji. 'Self-styled' is supposed to be a subtle indicator — even warning — that no quality control spiritual lab has attested to the person's wisdom and/or holiness. Hmm. It's a bit like fortune-tellers being divided into 'fortune-tellers' and 'get your fortunes told at your own risk fortune-tellers'. Even though fortune-telling, as a whole, is a highly speculative business anyway.

'Self-styled' here doesn't mean wise and/or holy men who don't have a certificate on the wall behind their consultation desk, dais or stage. Neither does it mean such persons describing themselves on LinkedIn: Spiritual Influencer | Aura Whisperer | Soul Whisperer. Every guru worth his Himalayan salt has a job cut out before himself — to be convincing with imparting wisdom, of sharing spiritual solutions. For this purpose, whether one has been styled by others or by oneself, the bhakt will find the proof of his guru-ness and badom in his proverbial pudding (read: preaching). Which means that all wise and/or holy men come from the same school of 'style'.

CURSOR India needs to look at sports as a giant job-creating, hyper-local economic enterprise

Let a Thousand IPLs Bloom



T K Arun

When Taylor Swift fans stomp their feet in rhythmic ecstasy at the pop star's overflowing venues, the earth trembles, on a scale large enough for a seismograph to take note. President Barack Obama is partnering NBA Africa to scout for fresh talent and promote the game of basketball in Africa.

These are just two indicators that suggest the scale of entertainment, broadly defined to include spectator sports, besides fiction, television, gaming, song, dance, drama, movies, eating out and tourism. Large-scale economic activities are what create jobs in large numbers.

In the run-up to the budget, serious-minded worthies are busy making learned recommendations on how to boost manufacturing and create sustainable manufacturing jobs. This, in itself, is a generator of minor employment. A more useful pursuit might be to explore ways to maximise job creation in entertainment, broadly defined.

This is not to dismiss the importance of manufacturing but merely to accept that, in a globalised world, local manufacturing has to compete with highly automated manufacturing elsewhere, that today's manufacturing jobs demand a degree of skill beyond the reach of most jobseekers, and each sustainable manufacturing job has to be backed up with significant amounts of invested capital at the level where the job is created and at higher levels. Scope to increase the number of manufacturing jobs is not, therefore, huge.

At the same time, people, particularly the young, need jobs in increasing numbers. Entertainment could well be the source of a large supply of jobs. Several segments of entertainment are doing quite well, on their own. Talent shows on TV boost song, dance, acting, acrobatics, mimicry, juggling and magic. Video distribution on social media helps millions of talented Indians reach audiences they otherwise could not have accessed.

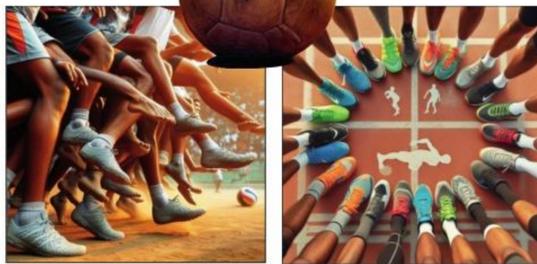
The uncanny genius of Indian politicians to be unwittingly comical has served as the basis on which to build profitable careers, for stand-up comedians, and professional trolls, whose memes and one-liners suffuse social media.

Those who film performers in all the fields mentioned above, and those who arrange the lights and manage the sound, those who edit the resulting footage — they all find work they could not have had, in the absence of vibrant social media.

The one sector that does not seem to generate a whole lot of jobs without outside help is sports. Indian Premier League (IPL) shows the enormous potential of a popular sport to create lakhs of jobs — in advertising,



First, be on the ball



merchandising, ticketing, food and beverage sales at stadia, food and beverage delivery at the elbow of the couch-ridden cricket fan, television programming and, shh... betting.

IPL has democratised the game, dug out talent outside the genteel circles of the urban elite and brought to the fore youngsters, who struggle to vocalise thoughts beyond stock phrases — 'the boys played very well' — but play great cricket.

India does have 10 major leagues for sports ranging from football and hockey to kho kho and kabaddi, as well as dozens of smaller leagues, ranging from Andhra Premier League to Zee Maharashtra Kusti Danga. The potential of organised sport is gradually being recognised by industry, in general, and some industrial houses in particular.

But given India's vast population and geographic spread, India should

have thousands of leagues at all levels for all different sports, ranging from sevens football (football, played with seven members to a side, some of them recruited from abroad) in Kerala, to khodor khan (hitting a wooden ball with a wooden stick) in Kashmir; and pcheda (teams competing to throw a bamboostick the farthest) in Nagaland.

The more local the sport and league, the greater the likely local enthusiasm. The smaller leagues should feed talent to larger leagues, which should support the smaller leagues to develop and deliver that talent.

Official policy on sport development targets nurturing talent, offers fellowships, training for sports officials and such like, and offers less than ₹5,500 cr of support out of a budget of ₹45 lakh cr. Policy sees sports as an area of physical excellence channelled by mental stamina, to win medals at Olympic and other global meets. It does not see sport as a potentially gigantic segment of the ever-expanding entertainment business, capable of employing millions in myriad capacities.

How should the government support sports? Not by giving tax breaks to sports leagues or to industrialists who invest in sports leagues, or primarily by increasing the number of sports fellowships and scholarships. GoI should offer states fiscal support for the creation of places where sports can take place. This should not, and cannot, be planned at the national level, or at the state capital. It can be done only at the local level, of village and town.

The state must formulate policy to incentivise the availability of open spaces for young people to play, of stadia at least at the level of the taluq, and of broadband connectivity at the village level, so that local sporting events can be broadcast over the internet. Policy must guard against prejudice towards animal-sourced protein foods, milk, meat and eggs.

Sporting excellence transcends divisions of caste and community. And when excellence wins money for those who invest in sporting excellence, greed would fight prejudice and discrimination. Leagues for women sports would help society achieve gender equality.

Here is to Faster, Higher, Stronger — Together!



THE SPEAKING TREE

Gita & Ethics In Business

ARUN K GUPTA

Business ethics is the code of good conduct that a business adheres to in its daily dealings both with other businesses and with customers. Most philosophers conclude that ethical failure occurs because of lack of character. Virtuous people will live ethically. Therefore, we need to think about the desired virtues and how one can develop those virtues.

In the month of Magha (December) 5,000 years ago, on the battlefield at Kurukshetra just before the start of the Mahabharat war, Krishna outlined to Arjun a system of ethics that has withstood the test of time. In the Bhagwad Gita, Krishna tells Arjun not only how to build character but also the root cause of ethical failure and how to avoid it.

Krishna outlines 26 qualities of a gentleman — to be merciful, obedient, truthful, equitable, saintly, magnanimous, mild-mannered, clean, simple, charitable and peaceful. He should have surrendered to God and not be greedy or possessive but remain steady and determined, free of the six bad qualities, not gluttonous, sober, respectful, humble, compassionate, friendly, eloquent, expert and concise.

Even though hundreds of trainers teach people good character, people's character still fails. Why? Krishna answers in chapter 3: 'O Arjun, it is lust... later transformed into wrath, which is the all-devouring sinful enemy of this world. As a fire is covered by smoke, as a mirror is covered by dust, or as the embryo is covered by the womb, the living entity is similarly covered by different degrees of this lust.'

Chat Room

Curry Flavour With Dry Onion

Apropos 'Don't Cry Over Onion Prices' by Neeraj Kaushal (Jul 9), when it comes to onions, the consumer is in tears in two stages, first by paying the higher price and then while chopping the vegetable. The idea of dried onions is a feasible solution for many smart families. This will promote the food processing industry, along with the scope for employment and income generation. So, let's trade onions more in the dried form to control inflation, and save our tears on both the occasions.

ARADHANA NANDA
Delhi

Onion is a staple ingredient in Indian cuisine. Most of us prefer fresh onions because the water content is preserved and fresh onions have a stronger flavour than the dried ones. Locally grown onions are preferred as the imported varieties do not suit our taste buds and are less pungent. The traders and farmers hoard onions in the hope of increasing

its price if the rabi crop fails and make a good profit by fleecing the public. Governments have repeatedly failed to stop the hoarding of onions despite the high price of onions in the past having toppled governments, at the Centre in 1980, and in Delhi and Rajasthan in 1998. Maharashtra is the largest producer of onions. Keeping in mind the upcoming assembly elections in the state, GoI is buying onions from Maharashtra at a 74% higher price.

INDIRA SATYANARAYAN
By email

Peeling Present, Profitable Past

Apropos The Edit, 'Something is Rotten In The State of Bihar' (Jul 8), over the decades, Bihar has existed in a deprived condition. Unabated crime, corruption, poverty and misgovernance are all taken for granted by the people as bridges and embankments routinely fall to be rebuilt by contractors happy to share the spoils with the authorities. On the other hand, GoI revels in the glories of the past to attract tourists, both Indian and foreign, to famed sites such as Nalanda and Bodhi Gaya, part of Bihar's rich cultural heritage, who suffer the crime-infested, dilapidated infrastructure before arriving at their destinations.

BUDDHA BAGAI
New Delhi

Letters to the editor may be addressed to editet@timesofindia.com

ChatGPT SHAIRI OF THE DAY

In a world with enough twists and shouts,
Nato's aged, there's no doubt.
Seventy-five years,
Still allaying fears,
With a walker, they're still moving about!

Digital Wallets

Digital wallets remained the people's choice for payments in 2023, accounting across channels for a combined \$14 trillion in consumer spending, according to Worldpay's Global Payments Report 2024. Last year wallets accounted for 50% of global e-commerce spending (\$3.1 trillion+) and 30% of global POS (point-of-sale) spend (\$10.8 trillion). By 2027, wallets are projected to account for more than \$25 trillion in global transaction value (49%) across e-commerce and POS...

	E-COM		POS	
	2023	2027*	2023	2027*
Digital wallets	50	61	30	46
Credit cards	22	15	27	22
Debit cards	12	8	23	18
A2A**	7	8	Cash	16
Buy now pay later	5	5	Prepaid cards	2
Cash on delivery	2	1	POS financing	1
Prepaid cards	1	1		

*Estimate; **forecast; Totals may not equal 100% due to rounding; **Account-to-account payments popular in select markets such as Brazil, India (UPI) and Poland

Bell Curves ■ R Prasad



It's more than just a syrup, doctor; it's an ideology that combats cold, headaches, fevers, indigestion...

Untether the Fuel Nozzle



Sanjeev Choudhary

When Narendra Modi took the prime ministerial office for the first time in 2014, he set clear goals for the oil and gas sector. Strong policy support and close oversight helped boost fuel access in a decade.

- Households' access to cooking gas has since become nearly universal.
- Network of petrol pumps has expanded by about three-fourths, and cooking gas distributors by about 80%.
- Natural gas pipelines have grown by half, and LNG import facilities more than doubled in capacity.
- Average ethanol blending in petrol has gone beyond 12% from 1.5% a decade ago.
- Fuel subsidies have shrunk, and state oil firms' finances look strong — both strengthening GoI's balance sheet.

While access to fuels has risen, consumer affordability is lower than a decade earlier due to a decline in subsidies, increase in taxes and higher margins of oil companies. In Delhi, petrol is a third more expensive than it was in June 2014. Diesel is 50% dearer. Most cooking gas consumers no longer receive subsidies and end up paying double the price they did in 2014.

Despite the PM's call in 2015 to cut oil and gas import dependence by a tenth by 2022, it has risen in a decade to 88% from 77% in oil, and to 46% from 29% in gas. Domestic production has dropped by about a fifth for crude oil and risen barely 3% for natural gas in a decade. Meanwhile, consumption of

refined products has increased by about half and that of natural gas by about a third.

Foreign investors have shown little interest in the Indian exploration sector despite policy reforms. Set in the first term of the government, the goal of increasing the share of natural gas in the energy mix to 15% by 2030 from 6% hasn't gotten nearer. The share is below 7%.

The plan to build a \$44 bn refinery with Saudi Aramco hasn't happened. And the jury is still out on the benefits of building a mega state oil company by getting ONGC to acquire HPCL. GoI's determination to build a competitive fuel retail market suffered a setback in the early days of the Ukraine war as the goal of providing affordable fuels powered the instinct to keep a tight control on domestic prices. GoI has since shown little sign of loosening its grip. Failure to find a buyer for state refiner BPCL further diminished the chances of a larger role for the



Right steps to tap into the pool

private sector.

Now in its third term, the BJP-led NDA government should focus on the following:

- **Curb demand** Officials often interpret rising domestic oil demand as a recognition that the economy is being managed well. Expanding economies need energy, not necessarily oil whose heavy import makes our economy vulnerable to global market shocks and geopolitics. The country needs massive investments in electrified public transport, and big incentives for faster adoption of EVs. China's roaring success — 38% of new cars sold were electric in 2023, up from a mere 5% in 2018 — shows how quickly consumers can shift to EVs.
- **Cut exploration uncertainty** Reform laws or licensing contracts to assure explorers that their return from a project will not be affected by future government action. This is essential to draw in investors scared by retrospective and windfall taxes.
- **Reform gas sector** Include natural gas in GST, unbundle carriage and content, and end marketing exclusivity of city gas distributors where it's due.
- **Rules for energy emergency** Bring in practical rules to deal with special situations, such as the one witnessed in the early days of the Ukraine war when global supply became difficult and prices skyrocketed.
- **End price control** Wars are still raging, but the energy market has stabilised. A genuinely competitive market would serve people better than the ones dependent on the state.
- **Stop vacillating on SPRs** Allocate funds to help build new strategic petroleum reserves (SPRs) and to fill them up, as it's important for managing short-term supply problems.

PEAS IN A PODCAST

Make Cities Child's Play

Truth is, outdoors in Indian cities are stretches you have to negotiate and dodge rather than spaces you'd prefer spending time in. While there is money to upgrade them, there is a severe lack of imagination. This is unfortunate, as there are many brilliant ideas out there to draw from about reimagining our cities.

A great podcast to delve into such ideas is The Urbanist. In



the episode, **Start with Children** summit, host Andrew Tuck travels to Slovakia's capital, Bratislava, where its mayor is making the city more welcoming for future generations. 'A city that's friendly toward children is friendly toward everyone,' said mayor Matias Vallo. He also spoke of Bratislava's child-friendly adaptations: pedestrian-friendly street and crosswalk redesigns, public spaces that are better protected from traffic, and — the best one — a rotating roster of 'play streets' that allow children to temporarily appropriate parts of the city usually reserved for cars. Take a leaf out of this podcast, Delhi, Mumbai, Bengaluru, Kolkata, Pune...

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CONTRAPUNTO

Students undergo a conversion in the third year of medical school – not pre-clinical to clinical, but pre-cynical to cynical

—ABRAHAM VERGHESE

Mess Gets Neeter

Official, judicial conversations on NEET are missing the main point, which is not retest but wholesale reform

The way ahead for 2.4 mn medical aspirants looks rocky. Deliberations on entrance test NEET's question paper leak are slipping into a maze. SC said a retest is an "extreme last resort" – only in play if leaks were "systemic", compromised the entire test, and if it was not possible to identify how many, and who, benefitted from the breach. Nodal test agency NTA says breach isn't systemic, didn't compromise the test at the all-India level, and was limited to centres of Godhra and Patna. Its claims are curious. In today's always-online world, it's near-naïve to imagine that question papers would be confined to geographical origins of said leak. The scary part is that weeks after revelations of the breach, the only "solution" on the table is a retest, which is a non-starter. Everyone agrees with this, yet the idea lingers.

Students left hanging | Measures taken so far have been drops in the ocean of overhaul required. Ninety-three candidates have been debarred, and an SC-directed re-test was conducted to correct NTA's very own grace-marks fiddle. In the uncertainty, counselling, the next step of allotting colleges, has been indefinitely delayed. That means 1.3 mn candidates who qualified have been left high and dry. The academic calendar indefinitely delayed, it's clear that NEET, introduced as a reform, has plunged medical education into chaos.

Logistics one part | SC requires NTA to establish the extent of the breach. CBI will need months to do that, and it should not limit itself to investigating only the paper leak, for it will stumble upon more anomalies. What till then? It's been long suggested NEET-UG follow the JEE system of computer-based offline exams, with less outsourcing of examiners. NTA's overhaul too will not be overnight. A committee largely of technocrats headed by a space scientist is reviewing its functioning. The limitation is that both are really dealing with logistics and security of exams.

Reboot both NTA & NEET | Faults at NTA are not about conduct of exams alone. It is equally about govt's approach to assessment for professional and higher education. What is unfolding this year with NEET-UG – there's no end in sight for students' anxiety – is making it more evident that centralisation of tests can derail an entire academic year, and future of students. That is the conversation that must also be renewed.

Why Jammu Is Terror's New Kashmir

One small ambush is no Uri or Pulwama, but a series of small attacks can build fear as effectively as a large one. India must strengthen Jammu's counter-terror grid. It's currently less effective than Kashmir's

Syed Ata Hasnain



A series of terrorist attacks have occurred in recent months in the Jammu division of J&K. Monday saw yet another attack on an army convoy in the densely forested tracts north of Kathua and well south of Doda (where Tuesday saw a new encounter), with five soldiers killed in action. This adds to the substantial casualties suffered over the last year or so. The question is why such terror attacks are escalating now. Hadn't the back of Pak sponsored terror groups been broken after 2019?

Why have terrorist attacks increased in Jammu?

Terrorism is like water. It flows wherever there is less resistance. For many years Pakistan concentrated on Kashmir because that is where its focus always has been. But after Indian security forces (SF) and intelligence agencies effectively neutralised the terror networks in Kashmir after 2019, Pakistan began losing its relevance as a stakeholder here. Lack of high-profile terrorist activity, low levels of violence and absence of even street demonstrations meant a shrinking Pak ability to demonstrate its hold over J&K.

It has invested too much over 35 years to become irrelevant. If it does not demonstrate an intent of continuing to sponsor separatism now, it would be extremely difficult to revive any kind of resistance in later years. Pakistan can see an asymmetry emerging in almost all domains with India's undoubted rise.

This means that with time, India's economic development will inevitably lead to the integration of J&K. Pakistan aims to offset this ambition by upsetting the apple cart.

Is there a specific calculation behind the timing?

Absolutely, yes. It is becoming almost impossible for the deep state sponsors from Pakistan to execute large-scale terror attacks such as Pulwama. The recent killing of six terrorists in the Kulgam area of Kashmir represents how attempts to hit large targets such as the ongoing Sri Amarnathji Yatra, are no longer succeeding.

SF domination of the Valley has ensured timely neutralisation of bigger terrorist actions. Pakistan is thus left to execute smaller acts. Of course, these terrorist actions are also timed to create obstacles in the path of upcoming assembly elections in the UT.

Why are the attacks being executed at such high frequency?

Smaller events executed frequently have the near impact of a large one.

One small ambush of a convoy with even a few fatalities inflicted does not measure up to an Uri or Pulwama. However, a series of such events in a given geographical area is a demonstration that the deep state has effective control over the initiation of violence.

It gives the planners a high in their scheme of things and emboldens them. Beyond this, the intent is definitely to make India defensive, force deployment of more troops on protection duties, tire out all SF and project Pak's abiding relevance.



Uday Deb

In what ways is Kashmir better defended than Jammu?

Kashmir has been Pakistan's centre of gravity. The terror campaign commenced

there in 1989 and only for some years did Doda, Udhampur, Rajouri and Poonch from Jammu division become very active. Thus, Kashmir has had a near permanent counter-terrorism (CT) grid, reinforced from time to time.

Jammu division's grid was reinforced by formations from Eastern Command and Northern Command reserves, which moved back once the area became relatively quiet by 2008-9. In 2020 a light division worth of troops was detached from Reasi and redeployed to Ladakh in view of the renewed Chinese threat.

Lower footprint and density of boots on the ground means the area is perceived as more 'doable' for terrorists. Infiltration here results in easy access to the National Highway Jammu-Pathankot. It also allows a quicker melt into the Pir Panjal tracts where jungle hideouts abound.

Are there any operational lacunae?

Frequency of casualties is sometimes indicative of some lacunae in drills, and CT operations have a lot to do with effective drills. This is not to say that the army has been found wanting but that the earlier infrequency of active operations in Jammu in comparison to the very active grid in Kashmir may have taken a toll.

Movement of single vehicles, inadequately equipped quick reaction teams, and a poorly oriented intelligence grid can result in negative trends. This happens to the best of CT grids but full efficiency can also be quickly regained. Adequate resources to reinforce the grid have already been deployed. It should take just one major success of the CT grid for a positive trend to automatically commence.

What do we do about it?

We have faced such situations before. We cannot have troops guarding every inch of territory. That is wasteful. Precautions have to be taken especially in the remote areas of Jammu division. Of course, intelligence has to be sharpened. Local population has to be taken on board. Village defence committees have to be revived. Success will come with perseverance, but it will be a hard grind.

Pakistan and separatists want to push back the assembly elections. To thwart them, to neutralise the fear psychosis, assembly elections must be held with full determination.

The writer is former commander of Indian army's 15 Corps in J&K

Searching For The Peace Concerto In Vienna

As an EU but non-Nato nation, Austria is the perfect destination for Modi after his Moscow visit. He will get an idea of what a moderate European state thinks of his relationship with Putin

TP Sreenivasan



Much thought must have gone into the selection of Austria for Modi's visit after a potentially controversial visit to Moscow and the wide-ranging agreements signed there. Austria, together with Ireland, Cyprus and Malta, is a member of EU but not of Nato, which is likely to take a dim view of the warm reception that Modi got in Moscow. Modi may reiterate the call for peace and not war, but Nato countries would want him to condemn Putin for his aggression in Ukraine.

Old friends | Austria, on the other hand, has memories of India-Soviet relations proving beneficial to it during the difficult days of the occupation of Vienna after WWII. Following the 'Khrushchev Thaw' in Europe, Nehru intervened during negotiations in June 1953 on the Austrian State Treaty, which ended the Allied occupation of Austria and restored its sovereignty. India's good relations with the Soviet Union were a factor in the new arrangement, which entailed the withdrawal of Soviet forces from Vienna. It is customary on bilateral ceremonial occasions for Austrian leaders to thank India for the role it played in the liberation of Vienna.

Trouble-free ties | Even otherwise, India has enjoyed excellent relations with Austria ever since diplomatic relations were established in 1949. During my time in Vienna, there were hardly any

bilateral issues between us and I could spend much of my time dealing with our complex relations with IAEA as a non-NPT signatory, together with Pakistan and Israel. Several countries have multiple ambassadors, one for bilateral matters, one for multilateral matters and another for Opec.

Some differences | On international political issues, India and Austria were on the same page, except on the universality of self-determination for all peoples. Austria was unenthusiastic about nuclear power for peaceful uses because of the dangers involved, even though the IAEA is located in Vienna. Austria had built a nuclear power plant despite its rich hydro-electric resources, but never commissioned it because of popular opposition to nuclear power. Austria was not positive about an expansion

of the permanent membership of UN Security Council. They would only say that India and other countries should play a greater role in UNSC. India had also supported Austria at the time of UN-Tyrol conventions.

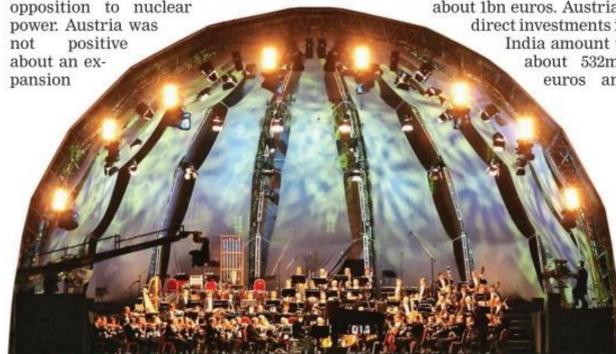
Steady bilateral growth | Austria-India bilateral relations have been on the upswing with regular high-level visits and Foreign Office Consultations. Trade has been increasing steadily in a balanced manner. Austria believes in expanding traditional partnerships rather than jumping into new projects. As of now, there are more than 200 collaboration programmes, half of them technical like railways and heavy machinery. Austrian exports to India amount to 2bn euros and Indian exports are worth about 1bn euros. Austrian direct investments in India amount to about 532mn euros and

Indian investments add up to about 128mn euros.

Strong cultural connect | India-Austria cultural relations are strong and growing. Indian maestro Zubin Mehta performed regularly in Austria, while an Austrian, Radha Anjali, popularised Indian classical dances in Austria and also performed in India. More than 30,000 Indians live in Austria and 25,000 Indian tourists visit Austria every year. As a UN Centre, Vienna hosts many international conferences, which attract Indian experts in many fields such as atomic energy, space, fight against terrorism and drugs. Modi's visit will strengthen ties between India and Austria and also demonstrate a model relationship between countries in Europe and Asia. India's ability to serve as a bridge between continents will be highlighted and India-Austria relations may also be seen as beneficial to the world.

Bridging continents | Modi will have a patient hearing in Austria about his meetings in Moscow as Austria is not anti-Russia in its policies, though it is weary of the war in Ukraine. Any hint of any progress on a ceasefire will be warmly welcomed and conveyed to EU and others. The stop in Austria after his Russia visit will enable Modi to measure the reaction in a moderate EU country. Once the ice is broken, India may eventually be able to become a true emissary of peace.

The writer is a former ambassador to Austria



CLASSICAL FLASHBACK: Zubin Mehta conducts the Vienna Philharmonic Orchestra

Let Them Bid

Fancy number plates are fun. More seriously, auctions are best way to allocate scarce national resources

Delhi's transport department is raking it in. Its auction for the coveted 0001 vehicle licence plate in March fetched a staggering ₹23.4L. Figures for other fancy registration numbers are almost as impressive. It's time Trai took the cue and sought its pound of flesh from telcos for vanity numbers they have been auctioning.

Auctions make things fair | But auctions do far more than just feed vanities of the rich. They have emerged as the best form of allocation of precious resources for the state. Efficiency and probity are not characteristics we regularly associate with govts. Remember 2G scam? The flawed manner in which telecom licences were handed out by UPA govt led to SC mandating in 2012 auctions for spectrum allocation. By providing a level playing field, auction of scarce resources maximises revenue for the state, ensures profits for winners and benefits consumers, who gain from private investment and tech upgrade.

Process all-important | But they must be done right. Auction theory has fetched several individuals Nobel prizes. What the 2020 laureates, Paul Milgrom and Robert Wilson, said is most important. How auctions are designed is critical to bidding outcomes. Symmetry of info among bidders is another pre-requisite for a fair process. For, there is always the danger of "winner's curse", or a successful bidder overpaying, which can hurt the sector.

Besides telecom, sectors like mineral and oil & gas have seen auctions in India, with some notable results. To take one example, the biggest gas find in India, KG-D6, happened after bidding was introduced under NELP in 1999.

It's true every public good cannot and should not be auctioned. But even for those that can, the state can keep social considerations in mind while hammering out terms and conditions for successful bidders. It is the owner of the resource, after all.

Polls apart

Elections show that Britain and India are separated by a common democracy

Jug Suraiya



I happened to be in London during the British elections in which Labour Party scored a landslide victory over Rishi Sunak's Conservative govt.

A day before the polls I went to my local pub as usual. On leaving, I told the publican I'd see him the day after tomorrow. Oh, going to some other pub tomorrow, then? he asked. No, I replied, adding that the next day his, like all the other pubs in the country, would be closed.

He looked horrified at the thought of all the pubs in the country being closed for a day. It was the end of civilisation the way he knew it. Why would all the pubs be closed? he wondered.

I explained that during elections all places serving alcohol were shut in India. He looked puzzled, and said that in Britain during polls pubs were even more open than usual. Those whose party was winning would celebrate with a drink, and those whose party was losing, would drown their sorrows in the same.

Will there be a lot of security bandobast? I asked. Security Bandobast? he said. Is that the name of a new pop band? I don't think I've heard of it, he added.

How about booth-capturing? I ventured. He looked bemused. Booth-capturing? he queried. Why on earth would anyone want to capture a public phone booth when we all have our cell phones? he asked. Anyway, all the phone booths have long been vandalised and no one's going to bother to capture one, he added.

How about EVM tampering, then? Is there a lot of that? I asked. Is EVM a new food-delivery app? he responded. Why would anyone tamper with a food-delivery app?

What about horse trading? I wanted to know. Will there be a lot of horse trading after the polls? He frowned in deep thought. Well, Ascot's already over, where we do have horse racing, but I dunno about any horse trading. And why would anyone want to trade horses, anyway? he said.

I realised that while Britain and India both have democracy, the two are poles apart. Or polls apart.

Calvin & Hobbes



It Is Easy To Invite Joy Into Your Life

Narayani Ganesh

Something good happens to you – you cleared an examination, your blood test results are great, you just got that long-awaited promotion at work – and you feel overjoyed. You radiate that happiness to all around you and life is generally on a roll. The moment all that's listed above happens to someone else – and you have failed the exam, your cholesterol is high, and you did not get the raise or promotion you expected at work – you start burning with jealousy, you are angry, and you radiate all these negative feelings, making yourself and those around you miserable. Why is it so difficult to feel happy for your colleague or friend who managed to achieve those things?

When you take delight in the happiness of others, the Buddhists call it mudita. It means sympathetic joy. Physician turned mindfulness and

dharma teacher Christiane Wolf writes of the Buddha's exposition of the four brahmaviharas, the highest qualities of the heart. They are, metta, loving-kindness; karuna, compassion; upeksha, equanimity and mudita, sympathetic joy. Of these, mudita is perhaps the most challenging as it requires you to feel happy at the achievements of others. Jealousy among colleagues and even strangers is somewhat comprehensible but to resent the success of one's own sibling or parent, or even child, is something that is really gross. Instead of feeling joy and love, you feel violated, that how come this is not happening to you, and why is it happening to them? Why not me, why them?

The first step towards cultivating the quality of mudita, to feel joy at the

happiness of others, is to learn to look at your own self more sympathetically. Appreciate your good qualities, your plus points and maintain a decent degree of self-esteem. Uncover your strengths. Once you do that, there will be no room for feelings of insecurity and inferiority because you are beginning to realise your own worth. Once this is done, you will find it difficult not to feel joy for others, because you have begun to learn the art of inviting joy into your life. Because you know now how to feel joy within yourself. So, feeling happy for others is only the next step.

Once you have stopped being a party pooper, always seeing the negative side of things, so critical and ever complaining, you will see that all of these have been preventing you from experiencing what you really deserve,

to feel wonder and joy at your own self and in your life. These positive feelings will begin to radiate outside of you as well, and naturally, when something good happens to others, you, too, feel elated. You are no longer a drag, held back by dark thoughts that prevent you and others from participating in the euphoria of life.

The four brahmaviharas mentioned earlier, also known as the immeasurable, are all inter-connected, and once you are in the process of cultivating them, you will find it very difficult indeed to keep joy out of your life. This is aptly summed up in the following Sanskrit prayer: "Lokah samastah sukhino bhavantu." That is, once we strive to end our own suffering and have good thoughts for ourselves and others, we will wish happiness for everyone in the world. It's an ancient but timeless affirmation.

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Sacredspace

Those who are not looking for happiness are the most likely to find it, because those who are searching forget that the surest way to be happy is to seek happiness for others.

Martin Luther King Jr

The Tribune

ESTABLISHED IN 1881

Kathua ambush

India needs to review military, diplomatic options

THE killing of five Army personnel, including a Junior Commissioned Officer, in an ambush by heavily armed terrorists in Jammu and Kashmir's Kathua district has compounded the internal security challenge for the Narendra Modi government, barely a month after it assumed office for the third time. This is the latest in a series of terror incidents, beginning with the attack on a bus carrying pilgrims in Reasi district on June 9 — the very day the new government was installed in Delhi.

The situation is deteriorating despite PM Modi's go-ahead to officials to deploy the 'full spectrum of counter-terror capabilities'. Pakistan-based terror groups such as Jaish-e-Mohammad and Lashkar-e-Taiba have stepped up activities in the Jammu region through their local agents and recruits. The government, which is gearing up to conduct the long-delayed Assembly elections in J&K by September, has its work cut out.

Defence Secretary Giridhar Aramane has vowed that the sacrifice of soldiers will not go unavenged and India will defeat the evil forces behind the Kathua attack. The onus is on India to review its military and diplomatic options. The naming and shaming of Pakistan on international forums has not been of much help as Islamabad has continued to play the victim card, claiming that it is more sinned against than sinning as far as terrorism is concerned. Dependent on its allies for the first time in a decade, the ruling BJP may find it tough to adopt a typically muscular approach. During the Modi government's first term, cross-border 'surgical strikes' were carried out in the wake of the September 2016 Uri terror attack, while the Balakot airstrikes were conducted in retaliation for the February 2019 Pulwama suicide bombing. It's an 'enough is enough' scenario all over again, but Modi 3.0 might have to restrict itself to efforts to restore peace in J&K without crossing any red line.

Portrayal of disabled

Welcome SC move to lay down norms

THE Supreme Court has made a bold and welcome intervention by issuing guidelines to govern how people with disabilities are portrayed in films and other visual media. The landmark verdict underscores that language that disparages persons with special needs marginalises them further. It supplements the barriers in their social participation. Chief Justice of India DY Chandrachud has called for authentic as well as respectful representation, and not stereotyping that belittles their experiences. There have been jokes made on the disabled for comic relief, and this understanding is obsolete, he notes. The lack of familiarity has been attributed to the inadequate representation of the disabled in the dominant discourse. The CJI's message is crystal clear — distinguish between 'disability humour', which helps in understanding the disabled, and 'disablement humour' that denigrates them.

The apex court has aptly concluded that creative liberty cannot include the freedom to lampoon, stereotype, misrepresent or disparage those already marginalised. There is no denying that terms such as 'cripple' and 'spastic' have acquired devalued meanings in societal perceptions. Filmmakers now have a responsibility to move away from disrespectful tropes and caricatures. The creative lens must shift focus to sensitive, inclusive and realistic representation.

The new guidelines align with the anti-discrimination and dignity-affirming objectives of the Constitution as well as the Rights for Persons with Disabilities Act, 2016. The legislation seeks to protect and promote the rights and dignity of persons with disabilities. Reclaiming their rightful space continues to be a struggle for them. Unequal hiring and promotion, lack of access to training, occupational segregation, negligible attention to their requirements at restaurants and public offices — this is their reality. Real empowerment lies in providing them an enabling environment. Depicting them as they are is a crucial step.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, THURSDAY, JULY 10, 1924

Swaraj and Hindu-Muslim unity

NO saying is commoner in India today than that Hindu-Muslim unity is the first essential condition of Swaraj. Mahatma Gandhi was by no means the first Indian leader to lay down the proposition — in fact, it had been fairly common among educated and politically minded Indians long before Gandhi came on the scene — but to him belongs the undoubted credit of bringing it into such universal currency as to make it almost hackneyed. What is not usually realised, however, is that Swaraj itself is just as essential to Hindu-Muslim unity as Hindu-Muslim unity is to Swaraj. We do not mean merely that it is only in a state of Swaraj that the two communities can be expected finally to adjust all their supposed irreconcilable differences, and to regard themselves as what they really are, belonging to each other politically. Nor do we mean merely that so long as a third party is in possession of political power, it can never lack either the will or the opportunities to create an occasional division between the two communities in order to be the better able to rule both. Both these are obvious propositions, and have long been among the commonplaces of nationalist politics. What we do mean is that it is only in their common, burning love of freedom and self-government that the two communities can find the strongest motive for overcoming their mutual differences and prejudices and making themselves in to one. Here are two communities which, in spite of their having lived as neighbours for centuries, are today as far off from being one united whole as they ever were; in some respects, they are actually farther off from this goal than they were in the not very distant past.

It's time to rethink education

The existing system is giving birth to an unhappy generation with aggression, fear and psychic stress

AVIJIT PATHAK
SOCIOLOGIST

I often ask myself why I continue to write on education. Possibly, it is difficult for me to give my consent to what society regards as 'education'. If you go by the dominant common sense of the age, education primarily means three things: (a) it is some sort of 'training' or a mode of 'skill learning' — the skills the market demands or the skills that fetch one a job; (b) education is a kind of graded learning one passes through, or it is a way through which one becomes an 'expert' in some sort of specialised academic knowledge; and (c) it transforms one into a 'resource' that can be used for economic/militaristic/technological purposes. But then, I am not comfortable with this narrow/utilitarian/technical approach to education. The reason is that if education fails to activate our humanistic/aesthetic/spiritual sensibilities, it remains faulty and dangerous, even if it produces the 'skilled' labour force for enhancing the 'growth rate' of the nation, trains 'resource persons' for strengthening the techno-militaristic state and manufactures thousands of research papers in order to hardsell 'top-ranking' colleges/universities.

Let me be harsh. I have no hesitation in saying that this kind of instrumental education has proved to be completely incapable of imagining and striving for a new world free from militarism, the psychology of war, environmental disaster, xenophobic nationalism, religious fundamentalism and utter commodification of life. These days, we have an abundance of experts and specialists without a conscience,



COUNTERPRODUCTIVE: Standardised tests deprive students of the joy of reflexive and relaxed learning. FILE PHOTO

technology without soul, market without ethics and human 'resources' devoid of inner richness and higher ideals. In a way, the prevalent practice of education transforms a young learner into a reckless warrior; it is giving birth to an unhappy generation with aggression, chronic restlessness, fear, psychic stress and spiritual dumbness.

Yes, it is this anguish that arouses my critique. I critique the hollowness of standardised tests like NEET, JEE, NET and CUET — tests that deprive our students of the joy of deep/thoughtful/reflexive/relaxed learning. I debunk the phenomenon called Kota, a town in Rajasthan which is the embodiment of the life-killing coaching factory or machine that robs teenagers of their wonder years and transforms them into robotic 'exam warriors' who know only one thing — how to solve a physics or mathematics riddle quickly, instantly. I loathe the corporatisation of higher education or the vulgar act of measuring the worth of education through the mathematics of a 'salary package'. And yes, I am worried about the growing devaluation of liberal arts and humanities.

Imagine the damage we cause to the mental health of children when we deprive them of the opportunity to develop an aesthetically enriched self.

In this context, let me recall some of the forgotten ideals of education. For instance, sensitivity, Jiddu Krishnamurti repeatedly emphasised, is the highest form of intelligence — sensitivity to life or sensitivity to nature. Krishnamurti used to urge young students to watch the amazing sunset with absolute mindfulness and meditativeness. It is not idle daydreaming; it is not a waste of time; it is not a temporary relief from physics and mathematics. Instead, it is

about becoming alert, developing awakened intelligence and nurturing a self that relates compassionately to the world. In a way, this aesthetic/spiritual dimension of education can also be seen in Rabindranath Tagore's critique of regimented/oppressive school culture; and his plea for the development of artistic/aesthetic sensibilities of the young learner. Think of Devi Prasad — a great artist and a disciple of Gandhi and Tagore. His insightful book *Art: The Basis of Education* reminds us of the necessity of cultivating the innate creativity of the child. Imagine the intensity of the damage we cause to the mental health of our children when we deprive them of the opportunity to develop this aesthetically enriched relational self. They grow up with fear, anxiety and hyper-competitiveness.

I often draw inspiration from American feminist scholar bell hooks. Till the time she was alive, she continually inspired her students with a beautiful blend of critical pedagogy and ethic of care. Her pedagogic conversations with the likes of Paulo Freire, Erich Fromm and Thich Nhat Hanh gave her the

strength to interrogate racism, patriarchy and all sorts of domination. And education, she demonstrated through her teaching and writing, should cultivate the capacity to love and heal the world tormented by all sorts of violence. But then, think of our collective decay, our fall. As parents and teachers, we are advising this generation only to think of their careers — their salary packages. We are asking them to run like mad horses and not to think of others — their pain, trauma and suffering. What we regard as education these days seems to be only reproducing the ideology of a violent/hierarchical/exploitative society.

And finally, I recall distinguished political theorist and philosopher Martha Nussbaum's reminder: "Not everything is for profit; democracy needs humanities." We see the primacy of techno-science and economics in our colleges/universities, and the resultant devaluation of liberal arts and humanities. As Nussbaum argues, it is like thinking that the primary goal of education is to teach students to be economically productive rather than to think critically and become knowledgeable, productive and empathetic individuals. And this sort of one-sided focus on 'profitable skills', says Nussbaum, is eroding our ability to criticise authority and reducing our sympathy with the marginalised. Looking beyond the act of reducing education to a tool of the gross national product, Nussbaum wants to reconnect education to the humanities in order to encourage students to be true democratic citizens.

It is indeed high time we began to rethink education. If education is not saved from the virus of market fundamentalism, technocratic/instrumental reasoning and the essentially destabilising rat race, we will cause severe damage to the mental health of the new generation. We will not be forgiven for this crime.

THOUGHT FOR THE DAY

Education is not preparation for life; education is life itself. — John Dewey

Hostel is a home away from home

ARCHIT WATTS

ASK people to describe a hostel and many of them will say that it is a low-priced inn of sorts that offers basic, shared accommodation. However, for a university student, a hostel is a home away from home. It is very hard for alumni to visit the city where they studied and not go to their hostel.

Recently, I was in Chandigarh for an office meeting. I stayed in a hotel overnight, but the next morning, I went straight to my hostel to refresh all the memories. I even got a chance to have breakfast there.

Except for a few changes, everything was the same: the parking lot, notice boards, corridors, rooms, washrooms, the dining area and even the monkeys, which were roaming everywhere. It reminded me of the good old days of 2005-09 when I was a hosteller.

Walking in the corridors, sounds echoed in my ears, as if someone was calling me. However, I immediately realised that I was a guest, not a hosteller, and there was hardly a chance of anyone knowing me here.

As I entered the dining area, I just could not say 'no' to the mouth-watering *aloo parathas*. They seemed as delicious as they did two decades ago. For some students, hostel food is unpalatable compared to home-cooked food, but the two can't be compared — both have their own value and charm. For example, while *rajmah* was some students' favourite dish, it reminded others of medicine capsules.

Even as I relived the old scenes, I recalled that I was in tears on my last day as a hosteller. This time, too, I couldn't stop my eyes from welling up.

Those who haven't stayed in a hostel won't easily understand what hostel life is all about. A hostel gives you a sense of accountability, independence and self-care. Numerous good and bad lessons of life are learnt in that place. With the new academic session about to begin, I would ask every youngster to make the most of his or her time in the hostel; bidding it adieu is not an easy task. Try new things and form strong bonds. They can turn ordinary days into extraordinary adventures, filling your lives with joy and meaning. Treat your warden like a guardian and other hostellers like your siblings. This will not only make your stay comfortable but also help you forge lifelong relationships.

'Zindagi na milegi dobara' is a common refrain. I say, 'Hostel na milega dobara.' One can reach the pinnacle in one's field, but one hardly gets a chance to live a student's life all over again.

Someone has rightly said that you never truly leave the place you love; you take a part of it with you wherever you go.

LETTERS TO THE EDITOR

Setback for far right in France

In a significant relief for Europe and the global community, the outcome of France's snap election has halted the far right's advance. Despite President Emmanuel Macron's success in sidelining Marine Le Pen's National Rally, the leftist New Popular Front's (NFP) rise has fragmented the political landscape. As France gears up for the Paris Olympics, the prevailing instability is ill-timed. While the NFP's economic vision promises substantial public spending funded by wealth taxes, their potential governance might be hampered by coalition dynamics. Nonetheless, France's rejection of the far right underscores its commitment to democratic values, providing a global beacon of liberty, equality and fraternity. The poll verdict, while averting a geopolitical shift towards Le Pen's policies, necessitates stable governance. Amid this political turbulence, the safeguarding of democratic principles remains a heartening triumph.

GURDEV SINGH, BY MAIL

Farmers left in the lurch

Refer to the editorial 'MSP promise unmet'; despite the Punjab Government's efforts, it has failed to procure moong dal at the minimum support price (MSP), leaving farmers in the lurch. Left with no choice but to sell their produce below the MSP, the growers have been put under great financial strain; it also undermines crop diversification and soil health initiatives. Moong dal enriches soil and conserves groundwater. But the dominance of private players in the market exacerbates farmers' hardships. The government must formulate comprehensive procurement schemes, set up more purchase centres and create accredited warehouses to prevent distress sales.

CHANCHAL S MANN, UNA

Net loss for Punjab's farmers

The much-hyped moong procurement scheme in Punjab has turned out to be a dud. Despite the fanfare, the government has failed to purchase moong from the state mandis. Private players are exploiting farmers, buying the crop at around Rs 500 to 700 per quintal below the MSP. The result? Farmers are suffer-

ing losses, with over 99 per cent of the produce being traded at rates lower than the MSP. The government's apathy is staggering, especially given the success of the crop diversification plan. Though the highest-ever moong yield this year has mitigated some losses, the authorities' failure to address the issue is unacceptable. It is time for the administration to step up and ensure fair prices for farmers. The fate of Punjab's agricultural sector depends on it.

SAHIBPREET SINGH, MOHALI

Biden must bow out of race

Apropos of the news report 'Won't drop out of race, Biden tells Democrats'; desperate to remain in power, US President Joe Biden is ignoring the chorus of Democratic voices calling on him to step aside. But the Democrats must read the writing on the wall and replace him at the top of the ticket with Vice-President Kamala Harris at the earliest opportunity. The result of the upcoming presidential election would have far-reaching consequences for the US and the world. It is a make-or-break moment for the Democratic Party. Biden is just lying to his party when he says that he is the right candidate to take on Donald Trump in the November 5 elections.

UPENDRA SHARMA, BY MAIL

SAD has failed its voters

The Shiromani Akali Dal (SAD), the only regional party in Punjab, has failed to live up to the expectations of Punjabis. With its downfall, SAD has ceded space to right-wing extremists in the state. Punjab is yearning for development. More institutes of higher learning and hospitals need to be set up to that end. Fresh policies to overhaul healthcare and infrastructure, diversification in agriculture and a robust industry are the need of the hour. For how long will state residents remain content with freebies? Free electricity supply and ration are not enough to win over the public anymore. Most importantly, the law and order situation needs to be improved.

RAVI KUMAR, AMRITSAR

Presiding officers must run Parliament sans bias



AJAY K MEHRA
POLITICAL SCIENTIST

The Speaker is thus for all practical purposes impartial, and the House can leave to him the important judicial functions of deciding all points of order.

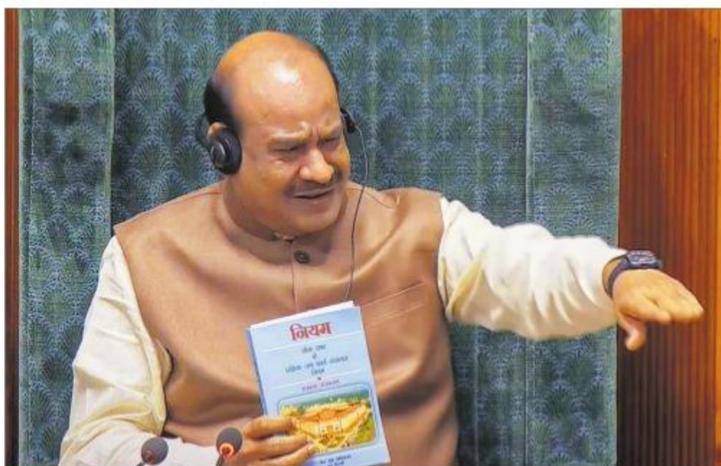
— Sir Ivor Jennings, *Parliament*, Cambridge University Press, 1957

AS the 18th Lok Sabha assembled for its first session on June 24, partisanship began from where the parties had left it off in the 16th and 17th Lok Sabhas, which had the BJP in the majority. Obviously, the race for and the 'election' of the Speaker of the Lok Sabha and the conduct of the subsequent proceedings of the House were far from 'impartial', a condition that Sir Jennings recorded and analysed in considerable detail in his monumental study of the British Parliament.

In fact, not given to respect for the Constitution, let alone its convention, the Narendra Modi-led BJP asserted that it would ensure that Parliament functioned on its bidding, even by

exhibiting partisanship. Thus, the age-old convention of the Westminster model being followed since the Constitution was inaugurated in both the Lok Sabha and the Legislative Assemblies — of the senior-most member of the House being appointed as the pro tem Speaker for administering the oath to the newly elected MPs — was given the go-by, because then the role would have been assigned to a Congress MP. Hence, the second senior-most member, who belonged to the BJP, was given the chair.

Obviously, any Opposition suggestion for a consensus was unlikely to be expected in the political assertion that 'acceptance of our choice is consensus'. This happened despite the fact that the people snatched away the Modi-led BJP's absolute majority in the Lok Sabha this year, reducing it from 303 seats to 240. The pre-poll National Democratic Alliance (NDA) became a saving grace, enabling it to form the government with 293 MPs. The return of the Congress with 99 seats and the broad-based Indian National Developmental Inclusive Alliance (INDIA) with 234 seats completed the story of juxtaposing the treasury benches with an Opposition that can assert itself. The office of the Leader of the Opposition (LoP) brought Rahul Gandhi in the lead.



ALLEGIANCE: Lok Sabha Speaker Om Birla's resolution against the Emergency indicated his party loyalty. PTI

However, despite first proposing a contest for the speakership, INDIA supported the NDA's (read Modi's) choice, previous Speaker Om Birla, expecting the assigning of the deputy speakership to the Opposition, a Westminster convention that India has mostly followed. But in order to deny the Opposition this privilege, the position has been kept vacant for a decade. The continuing silence on this is ominous.

The question of the presiding officer of the Rajya Sabha is settled when a regime selects the Vice-President of India, who is the ex-officio chairman of the House. Article 89,

India's parliamentary traditions are being trampled by presiding officers at the behest of their party.

which mandates this, also obligates the election of the deputy chairman from among the members. There is neither a constitutional provision nor a convention to offer this position to the Opposition. However, there have been several occasions since 1952 when an Opposition MP has occupied this post.

The conventions in the UK clearly suggest that "once a Speaker is appointed, he divests himself of his party character and is prevented from advocating the claims of his constituents."

Conditioned in the Westminster system, India began with a healthy practice when Vithalbhai Patel severed his ties with the

Swaraj Party and declined to walk out with the legislators in 1926. He followed the tradition in 1927 also. On his election as the Speaker of the Central Assembly in 1946, GV Mavalankar said, "Though a Congressman... it would be my duty to be impartial and remain above all considerations of party..." In March 1956, MA Ayyangar resigned from the Congress on assuming the office of the Speaker.

Sardar Hukum Singh (Lok Sabha Speaker from 1962 to 1967) acquitted himself well. However, he observed that the dependence of an incumbent or aspirant on the majority party for election to the chair made her/him vulnerable to the dictates of the ruling parties. No wonder that by the 1970s, the impartiality of the Speaker of the Lok Sabha had weakened. While Somnath Chatterjee (2004-09) elevated the office with his impartiality, some such as Bali Ram Bhagat and Balam Jakhur served in the Union Cabinet later.

As Birla was ushered to the Speaker's chair by the Prime Minister and the LoP, his bowed handshake with the former and the stiff-backed one with the latter made his loyalty clear. Then, Birla objected when Shashi Tharoor finished taking his oath as an MP on June 27 by saying 'Jai

Samvidhan'. Further, when Deepender Hooda asked why there was an objection to an oath hailing the Constitution, Birla snubbed him and asked him to sit down (*chalo baithe*). This was obviously a signal of an assertive partisanship.

Birla's resolution condemning the 1975 Emergency, apparently on the instructions of the PM, was a brazen sign of his party loyalty. He also expunged critical comments made by Rahul Gandhi against the PM, the BJP and the RSS under Rule 380 of the Rules and Procedure for the Lok Sabha. The person who had expelled 100 Opposition MPs in the 17th Lok Sabha for the unhindered passage of certain controversial Bills has demonstrated his allegiance to the ruling party.

Performing a dual role, Vice-President Jagdeep Dhankhar had also suspended 46 MPs to facilitate the passage of Bills during the previous Parliament. He continues to be partisan in conducting the Rajya Sabha proceedings — denying Opposition MPs time to speak and expunging their interventions criticising the government.

India's parliamentary traditions are being trampled by both presiding officers at the behest of their party, smudging the Westminster traditions.

China's mediation in Gaza war beset with pitfalls



VAPPALA BALACHANDRAN
FORMER SPECIAL SECRETARY,
CABINET SECRETARIAT

AFTER the Antony Blinken-Wang Yi meeting in Washington DC, the BBC reported on November 1, 2023, that "the US would work with China on trying to find a resolution" of the Gaza war. This point is now relevant as Israel has run aground in the Gaza quicksand, with even the Israel Defence Forces questioning Prime Minister Benjamin Netanyahu's strategic aims. Simultaneously, the US-led Western bloc has failed to exercise any check on the right-wing-dominated Israeli government even after over 37,000 Palestinians have been killed, with the possibility of the conflict escalating to a regional war with Iran and with the Netanyahu government appearing to be nonchalant even after inflaming its Opposition.

Will China, which managed an 'impossible' rapprochement between Saudi Arabia and Iran in 2023, leaving the US "on the sidelines during a moment of significant change", as the *New York*

Times said in March last year, be able to bring peace in Palestine? Does Beijing have the adeptness to do that impossible task? Will its intervention risk ruining its reputation by getting involved in the quagmire?

Before the Iran-Saudi deal, there was a mistaken impression that China was hesitant to intervene in other nations' knotty problems. This is not correct. The Mercator Institute of China Studies had said in 2018 that, by 2017, China was mediating in nine Belt and Road Initiative (BRI) countries' conflicts, compared to only three in 2012, when Xi Jinping took over as the General Secretary of the Chinese Communist Party. This was confirmed last month by the Stimson Centre, which added North Korea, where the Chinese aim is to ensure that the US "does not determine the future of the Peninsula bilaterally with North Korea."

A 2019 'Caim International' assessment by Guy Burton, visiting fellow at the London School of Economics (Middle East Centre), identified three phases of the Chinese policy towards the Israel-Palestine dispute: the first was "ideological and revolutionary" during the Mao Zedong era, favouring the Arab world, and rebuffing Israel's approaches for relations; the second, a 'pragmatic' policy under Deng Xiaoping, using foreign policy for economic, technical and agricultural development by



OUTREACH: Chinese President Xi Jinping (R) with his Palestinian counterpart Mahmoud Abbas. REUTERS

establishing diplomatic relations with Israel in 1992; and the third, from the late 1990s, seeking good relations with both parties in the conflict.

According to the Emirates Policy Centre (EPC), the third phase coincided with the rise of the Gulf states as a critical energy source since China transformed from being an exporter to an oil importer in 1993. China's regional policy also focused on enhancing economic and trade ties with Israel and discouraging Palestinians from 'internationalising' their cause. In 2017, China and Israel signed an 'Innovative Comprehensive Partnership' agreement as China became Israel's largest trading partner. During this period, China invested \$4 billion in Israel, increasing bilateral trade to \$24 billion from \$11 billion in 2012.

The marker of the fourth

China has been busy meeting Hamas and Fatah leaders and hosting them in Beijing to iron out their sharp differences.

phase, in my view, was November 21, 2023, when President Xi Jinping categorically told an online BRICs Summit that China supported "the legitimate national rights of the Palestinian people and the establishment of an independent state" and called for a ceasefire.

Xi also suggested an international conference "to build international consensus for peace and to work for a comprehensive, just and sustained solution to the question of Palestine as soon as possible." To this, Israel expressed its 'deep disappointment'.

China also spoke during the International Court of Justice proceedings and said in February that "in pursuit of the right to self-determination, the Palestinian people's use of force to resist foreign oppression and to complete the establishment of an independ-

ent state is an inalienable right well founded in international law." This was almost like Turkish President Tayyip Erdogan's statement on October 25, 2023, that Hamas was "a liberation group, mujahideen waging a battle to protect its lands and people."

Even before this, there were some signs of China realigning its West Asia policy to assume leadership of the Global South. China had condemned Israel's 2014 war on Gaza and supported the United Nations' investigation into allegations of 'crimes against humanity', even as it invested \$4 billion in Israel.

The reason why China lost interest in Israel could be attributed to Israel's appointment, under US pressure during the Donald Trump era, of an 'Advisory Committee for Examining National Security Aspects in Foreign Investments' in 2019 to investigate Chinese investments. This was confirmed during President Joe Biden's Israel visit in July 2022, with the establishment of a 'strategic dialogue' between both countries during Prime Minister Yair Lapid's tenure.

According to the EPC, another reason for Xi's strong stand on Gaza was PM Benjamin Netanyahu's 'enthusiastic' support to the India-Middle East-Europe Economic Corridor, declared during the September 2023 G20 Summit in New Delhi and showcased as one of the projects of the American Part-

nership for Global Infrastructure and Investment to compete with the BRI. In these circumstances, Israel is unlikely to agree to China's mediation as long as the Netanyahu government is in power.

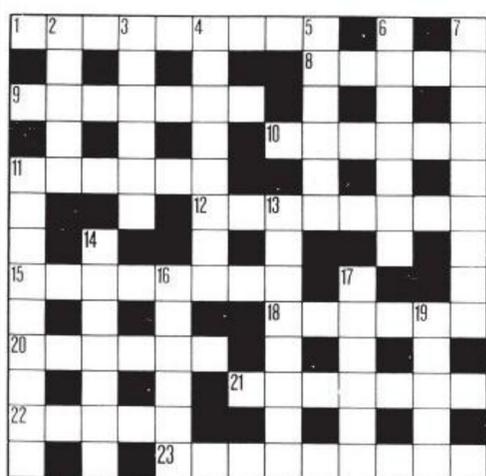
Meanwhile, China has been busy meeting Hamas and Fatah leaders and hosting them in Beijing to iron out their sharp differences. Lin Qin, professor of politics at the Guangdong Institute in China, told *Al-Araby Al-Jadeed* on May 8 that intra-Palestinian differences must be resolved to present a united front during the proposed international peace conference. This is because the Fatah-led Palestinian Authority had, under US pressure, agreed to adopt specific reforms in preparation for a post-war Gaza administration.

On April 30, Chinese Foreign Ministry spokesman Lin Jian announced that both Fatah and Hamas leaders had met in Beijing to have an "in-depth and candid dialogue". This was a follow-up of a meeting in Moscow on March 1. The second was to have been held by June-end.

However, The Foundation for the Defence of Democracies, based in Washington DC, described by Prof John Mearsheimer as an 'Israel lobby', reported that Fatah and Hamas leaders blamed each other on June 24 for the indefinite postponement of the June reconciliation talks in Beijing.

Views are personal

QUICK CROSSWORD



ACROSS

- Turning point in affairs (9)
- Justification (5)
- Flourishing excessively (7)
- Landed property (6)
- Reparation (6)
- Hand over (8)
- Nomad (8)
- Began (6)
- Narrate (6)
- Money put by (7)
- Widespread destruction (5)
- An excavated fortification (9)

DOWN

- Consternation (5)
- Express in greater detail (6)
- Presaging trouble (8)
- Small dark plum (6)
- Tall African ruminant (7)
- Energetic agitator (9)
- In safe condition to fly (9)
- Overbearing (8)
- Subjugate (7)
- Tempt (6)
- Criticism of book, play etc. (6)
- Impatient (5)

Yesterday's solution

Across: 1 Chaotic, 4 Limbo, 7 Away, 8 Backbone, 10 Present-day, 12 Gaiety, 13 Grille, 15 Let's face it, 18 Epidemic, 19 Wily, 20 Dense, 21 Thought.

Down: 1 Cramp, 2 Academic, 3 Chatty, 4 Like a dream, 5 Mood, 6 Overdue, 9 Weather eye, 11 Fleeting, 12 Go-ahead, 14 Assist, 16 Tryst, 17 Sign.

SU DO KU



HARD

YESTERDAY'S SOLUTION

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

CALENDAR

- JULY 10, 2024, WEDNESDAY**
- Shaka Samvat 1946
 - Aashadh Shaka 19
 - Aashadh Parvishite 27
 - Hijri 1446
 - Shukla Paksha Tithi 4, up to 7.53 am
 - Vyatapata Yoga up to 3.10 am
 - Magha Nakshatra up to 10.15 am
 - Moon in Leo sign
 - Gandmoola up to 10.15 am

FORECAST

SUNSET:	WEDNESDAY	19:27 HRS
SUNRISE:	THURSDAY	05:30 HRS
CITY	MAX	MIN
Chandigarh	35	28
New Delhi	34	26
Amritsar	38	29
Bathinda	39	28
Jalandhar	38	28
Ludhiana	36	28
Bhivani	35	28
Hisar	35	27
Sirsa	37	29
Dharamsala	30	21
Manali	27	17
Shimla	25	17
Srinagar	34	18
Jammu	36	24
Kargil	31	17
Leh	28	13
Dehradun	33	25
Mussoorie	23	17

TEMPERATURE IN °C



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PAPER WITH PASSION

Strong message

PM Modi's Russia visit signals India's intent to preserve its strategic autonomy and pursue its national interest

Prime Minister Narendra Modi is in Moscow for a two-day state visit. The visit comes after a long gap as the last time PM Modi visited Russia was in 2019. Since then, a lot has happened in the international arena and India and Russia have emerged as reliable friends. This visit holds profound implications for India-Russia relations, and it sends nuanced messages to both China and the West. India and Russia share a long-standing relationship rooted in historical, strategic, and economic cooperation. This visit underscores India's commitment to maintaining and strengthening these traditional ties. The partnership between the two nations spans various sectors, including defence, energy, space, and nuclear technology. By reaffirming these bonds, PM Modi signals India's intent to preserve its strategic autonomy and resist external pressures to align exclusively with any single global power bloc. India's relationship with China has been marked by border tensions. PM Modi's visit to Russia is a strategic manoeuvre in this delicate balance. Russia and China have their own close ties. However, India's engagement with Russia serves to remind China that India has strong partnerships beyond its immediate neighbourhood. PM Modi was welcomed at the airport by Russia's First Deputy Prime Minister, Denis Manturov, a higher-ranking official than the Deputy Prime Minister who greeted Chinese President Xi Jinping on his recent visit. This underscores the significant importance Russia places on its relationship with India and is in contrast with Xi Jinping's welcome, where the lower-ranking Deputy Prime Minister received him. On the other hand, India's relationship with Western powers, particularly the United States, has grown significantly in recent years. However, by visiting Russia, PM Modi communicates India's desire to maintain an independent foreign policy. This visit is a reminder that India will not be swayed into a singular alignment with Western interests. It underscores India's multipolar approach to international relations, where it seeks to engage with all major powers based on mutual interests and benefits. To put things in perspective Russia happens to be the major supplier of arms to India and India made no bones about buying Russian oil despite western sanctions. One of the critical aspects of PM Modi's visit is the focus on economic and energy cooperation. Russia is a significant supplier of energy resources, including oil and natural gas. Strengthening this energy partnership helps India secure its energy future while diversifying its sources. Defence cooperation has been a cornerstone of India-Russia relations. PM Modi's visit likely includes discussions on furthering defence ties and technology transfers. Furthermore, India has challenges in its neighbourhood and by leveraging its friendship with Russia, it can always have an edge. Besides, Russian support would come handy in India's bid for a permanent seat at the United Nations. India's engagement with Russia is vital for world peace and fostering a multipolar world which is the best guarantee for world peace.



PM Modi's visit to Russia is a strategic manoeuvre in this delicate balance. Russia and China have their own close ties. However, India's engagement with Russia serves to remind China that India has strong partnerships beyond its immediate neighbourhood. PM Modi was welcomed at the airport by Russia's First Deputy Prime Minister, Denis Manturov, a higher-ranking official than the Deputy Prime Minister who greeted Chinese President Xi Jinping on his recent visit. This underscores the significant importance Russia places on its relationship with India and is in contrast with Xi Jinping's welcome, where the lower-ranking Deputy Prime Minister received him. On the other hand, India's relationship with Western powers, particularly the United States, has grown significantly in recent years. However, by visiting Russia, PM Modi communicates India's desire to maintain an independent foreign policy. This visit is a reminder that India will not be swayed into a singular alignment with Western interests. It underscores India's multipolar approach to international relations, where it seeks to engage with all major powers based on mutual interests and benefits. To put things in perspective Russia happens to be the major supplier of arms to India and India made no bones about buying Russian oil despite western sanctions. One of the critical aspects of PM Modi's visit is the focus on economic and energy cooperation. Russia is a significant supplier of energy resources, including oil and natural gas. Strengthening this energy partnership helps India secure its energy future while diversifying its sources. Defence cooperation has been a cornerstone of India-Russia relations. PM Modi's visit likely includes discussions on furthering defence ties and technology transfers. Furthermore, India has challenges in its neighbourhood and by leveraging its friendship with Russia, it can always have an edge. Besides, Russian support would come handy in India's bid for a permanent seat at the United Nations. India's engagement with Russia is vital for world peace and fostering a multipolar world which is the best guarantee for world peace.

PICTALK



NDRF personnel rescue trapped people from the flooded areas in Tanakpur

PTI

The Imperative of upskilling strategies in modern business

By investing in learning and development initiatives, organisations not only equip their workforce with essential skills but also drive sustainable growth

In today's fast-evolving business environment, the ability to adapt and thrive through continuous learning has become indispensable for sustained success. To remain competitive amidst technological advancements, economic shifts, and geopolitical changes, businesses must adopt proactive upskilling strategies. These strategies empower organizations to innovate and stay resilient, ensuring readiness to tackle uncertainty and adapt to evolving market demands. A crucial aspect of fostering organizational success lies in developing a robust upskilling plan tailored to the needs of C-suite executives. This comprehensive approach focuses not only on enhancing technical competencies but also on cultivating strategic thinking and leadership abilities. CEOs play a pivotal role in this endeavor by investing in tailored Learning and Development (L&D) programs. These initiatives aim to refine communication skills, enhance adaptability, manage crises effectively, and unleash influential leadership potential. Strategic thinking involves



synthesising information from diverse sources and cultivating collaborative relationships with stakeholders. These competencies are pivotal for making informed decisions and driving organizational progress. Embracing technology-centric strategies that incorporate cutting-edge skills such as Generative AI, Machine Learning, Data Analytics, and Cybersecurity is essential for navigating complexities and maintaining market competitiveness. To effectively implement upskilling initiatives, organizations must first identify skill gaps within their workforce through regular assessments and performance reviews. Tailoring training programs to address these specific needs is key. Technology plays a crucial role in modern L&D, with e-learning platforms, virtual classrooms, and mobile appli-

cations offering flexible and accessible training options. Research underscores the importance of fostering a culture of continuous learning. Encouraging cross-functional experience is another pivotal element of a robust development plan. Leaders benefit from rotating through various roles and departments, gaining a comprehensive understanding of the organization and fostering better decision-making. Building strong internal and external relationships is crucial, enabling effective collaboration and leveraging partnerships for innovation and growth. The 2024 Business Outlook Report highlights that a significant majority of small and medium-sized enterprises have either implemented or plan to implement upskilling strategies. Failure to do so risks falling behind in a competitive landscape. McKinsey & Company supports this, citing that investment in employee development enhances engagement and retention. AI-powered Human Capital Management (HCM) systems are transforming how

organizations manage skills gaps. These systems analyze workforce data to identify current competencies and predict future skill requirements, recommending personalized development opportunities. Tracking metrics such as employee engagement, course completion rates, and skill acquisition is crucial for refining L&D strategies aligned with business objectives. Creating a culture that values learning is pivotal for upskilling success. Leaders must champion continuous development by setting an example, fostering an environment where learning is encouraged and rewarded. This involves integrating development goals into performance reviews, providing incentives for learning activities, and ensuring visible support from CEOs and senior leaders. Such a culture not only keeps businesses abreast of industry changes but also fosters sustainable growth and innovation, securing a competitive edge in the market. (The writer is CEO, TimesPro; views are personal)



ANISH SRIKRISHNA

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CELEBRATING TRUE HEROES

Madam — At a recent event in Kozhikode, Kerala, Union Minister Suresh Gopi referred to the cleaning staff as "superheroes" for their efforts in maintaining the cleanliness of the venue. He also invited them to sit in seats reserved for special guests, which they did hesitantly. Kudos to the minister for recognizing and honoring the work of a group of workers who are often overlooked. We hope this generous gesture will inspire more such acts of appreciation for those who typically remain on

REEVALUATE CANDIDACY CRITERIA

Madam — The radical Sikh preacher and chief of 'Waris Punjab De,' Amritpal Singh, who is imprisoned in Assam's Dibrugarh district under the National Security Act, and Kashmiri leader Sheikh Abdul Rashid, popularly known as Engineer Rashid, who is in Delhi's Tihar jail for a terror funding case under the Unlawful Activities (Prevention) Act, were granted parole to take their oaths as members of the Lok Sabha on July 5. This event took place amid heavy security in and around the Parliament complex. People are wondering how, under our constitution, both individuals were allowed to run for MP and won convincingly as independents. This reflects on the electorate's choices, not the country's policies. Moreover, while both Amritpal (31) and Rashid (56) took their oaths to uphold the Constitution, they have no faith in it. I believe it is high time our Parliament revisited the criteria for election candidates. Anyone facing charges of terrorism or anti-national activities should not be allowed to contest elections, regardless of their popularity. Any individual who does not respect India's integrity and sovereignty should be ineligible to file a nomination. Instead, an affidavit affirming faith in the Constitution and National Integrity should be a prerequisite for candidates. Bidyut Kumar Chatterjee | Faridabad

Mumbai battles monsoon rains



Mumbai, India's financial capital, has come to a standstill as heavy rain floods the city, causing widespread flooding and disruption. The city's residents are struggling to cope with the torrential downpour, which has led to waterlogging in many areas, particularly low-lying regions like Sion,

Andheri, and Kurla. The rain has also caused significant damage to property and infrastructure, with reports of wall collapses and tree falls disrupting daily life. The city's drainage system has been overwhelmed, leaving many areas submerged in water and hindering emergency services. The heavy rain has also affected the city's transportation systems, with flights and trains delayed or cancelled, and major roads clogged with traffic. Schools and offices have been forced to shut down, and the authorities are working hard to mitigate the situation. However, the city's residents are bracing themselves for another day of heavy rain and flooding, as the weather forecast predicts more rainfall in the coming days. The situation has sparked discussions on the need for improved urban planning and infrastructure to handle such extreme weather events. Purva Pandya | Ujjain

the margins of social functions. Even Gandhiji once said, "Sanitation is more important than Independence." Avinash Godbole | Dewas

AGENDA OF PM'S RUSSIA VISIT

Madam — As Prime Minister Narendra Modi traveled to Russia on Monday, July 8, there was anticipation about whether he would address the issue of Indian nationals fighting for the Russian army in the conflict zone and ensure their safe return to India as soon as possible. The prime minister will hold summit talks with President Vladimir Putin amid the ongoing conflict in Ukraine during this visit, which is his first trip to Russia since 2019 and the first since the Russian invasion of Ukraine in February 2022. India has a longstanding relationship with Russia, initially with the USSR, thanks to the diplomatic and strategic initiatives of various Congress governments over the decades. More recently, during his ten years as Prime Minister, Dr. Manmohan Singh met with Russian Presidents Vladimir Putin and Dmitry

Medvedev 16 times, either in India or Russia. In comparison, this is only Mr. Modi's 11th meeting with President Putin after a decade in office. Between FY14 and FY23, India's exports to Russia stagnated, dropping from USD 3.17 billion to USD 3.14 billion, while imports surged dramatically from USD 6.34 billion to USD 46.21 billion. Such an imbalanced trade relationship is unsustainable in the long term and has harmful effects on our domestic industry. According to the Indian Embassy in Moscow, at least 50 Indian nationals have joined the Russian army. Many others have been "duped" into fighting in a war where they have no stake, aside from a chance to escape the poverty and unemployment crisis perpetuated by the current administration. Will the prime minister address the plight of these youth and ensure their safe return to India as soon as possible? Bhagwan Thadani | Mumbai

Send your feedback to: letterstopioneer@gmail.com

Babas thrive on social equality deficit

The Hathras incident points to a deeper societal neglect of marginalised communities, offering a fertile ground for dubious leaders to emerge as champions of social reform



SIDHARTH MISHRA

The unfortunate incident in Hathras is finding a very despicable narrative in social media. Nobody seems to be mourning the death of 120-odd people belonging mostly to the Dalit community but contesting the fact that a godman had emerged from the Jatav community. We political analysts talk of undercurrents in polls and leave it unexplained. The emergence of a Baba like Surajpal Singh explains it. In times when the most powerful of the political leaders with the help of all the money and machinery at their disposal find it difficult to get 25000 people to attend a rally, there must be something in Surajpal Singh's modus operandi which saw a gathering of 250000 people. When the BJP blames the Hindu voters for deserting it, particularly in Uttar Pradesh during the last parliamentary elections, its answer lies in the Hathras incident. The opposition leaders led by Rahul Gandhi and Akhilesh Yadav have blamed the administration for the tragedy and in a way covertly if not overtly taken a stand in defence of the Baba. It's not only about a Surajpal from the Jatav community but several others like Rampal from the Jat community in Haryana, who have challenged the upper caste monopoly on Hindu spiritual discourse. They have their methods that challenge the Puritan practises but they are applauded by their followers for it. The police report filed in the matter states that organisers "underreported the number of expected attendees, did not cooperate in managing traffic, and concealed evidence after the stampede, which occurred when people stopped to collect soil from the path of the baba's vehicle." The FIR indicated that the police and administration did everything possible with available resources. The FIR ironically also shows that how the administration, not just district but pan-India, has been completely unaware of the swelling undercurrent. When such a large gathering of people clamber to clutch dust particles



kicked up by a departing godman's car, it reflects that the government and society have failed to engage with the poor and the deprived. Poverty is not an economist would define it but that of ignorance and inequality. This provides just the fertile ground for a Baba from the community to emerge as a 'social reformer'. The social reform programmes of the government, be it the 'sarvodaya' of the yore or the 'antodaya' of the current times, have focussed on cash transfer and not social equity transfer. This explains the financial sinews of Surajpal and others like him. The financially prosperous in the community donate liberally as he talks of ending social discrimination. In his discourses Surajpal talks of equality and empowerment. He advocates education and even facilitates the admission of children from his community into upmarket schools. He routinely condemns caste-based discrimination and preaches universal brotherhood. What got his following soar was that during the Covid-19 pandemic, he is reported to have facilitated food and medicine distribution and other such succour to the poor from the community. During the second wave of the pandemic, in



THE SOCIAL REFORM PROGRAMMES OF THE GOVERNMENT, BE IT THE 'SARVODAY' OF THE YORE OR THE 'ANTODAY' OF THE CURRENT TIMES, HAVE FOCUSED ON CASH TRANSFER AND NOT SOCIAL EQUITY TRANSFER. THIS EXPLAINS THE FINANCIAL SINES OF SURAJPAL AND OTHERS LIKE HIM

May 2021, when contagion was at its peak, Surajpal organised a camp in Farrukhabad. The district administration had allowed the presence of 50 people but several thousand attended. Such 'social movements' are not alone in western Uttar Pradesh where Surajpal operates. People flock to 'Deras' of different hues, especially in the region of Haryana-Punjab. Though all these Deras have followers among every caste, most followers are Dalits and backward caste people, who are often economically weaker too. Punjab has been witness to the emergence of a large number of Deras due to prevailing inequality in the social and economic order and the marginal position of the Dalits in society. According to rough estimates given by Sikh scholars, there are more than 9,000 Sikh and non-Sikh Deras in 12,000 villages in Punjab. Of these, there are about 300 major Deras across Punjab and the neighbouring Haryana. Out of these almost a dozen have over one lakh devotees each. Going by these standards Surajpal's Ashram has if not more at least as strong a numerical strength as the major Deras of Punjab like Radha Soami (Beas), Dera Sacha Sauda (Sirsa),

Nirankari, Namdhari, Diya Jyoti Jagran Sansthan (Nurmahal), Dera Sant Bhanarwala (Ropar), and Dera Sach Khand (Ballan). As of now, a judicial commission has been set up to enquire into the matter. The commission would blame Surajpal, his devotees and the administration for the tragedy. The state would also for some time act with full might carrying out arrests. Once the public outcry dies down, the media would withdraw its cameras and post it at another news event. The matter under judicial probe too will hit a dead end. Probably nobody wants to answer why Babas like Surajpal get a tailor-made pitch to mould public emotion. Through their clout they come to command political influence and every political party wants them on their side. No wonder Congress and Samajwadi Party are backing Surajpal Singh in the same way as the BJP government of Haryana gave liberal furloughs to murder convict Ram Rahim Singh of Dera Sacha Sauda. The wrath of Babas could be politically harmful. (The writer is the author and president of, the Centre for Reforms, Development & Justice; views expressed are personal)

LETTERS TO THE EDITOR



FIRST COLUMN DISCOVERING TRUE STRENGTH

The soul's intrinsic qualities of peace, love, and wisdom give us true strength and power



RAJYOGI BRAHMAKUMAR NIKUNJ JI

Mahatma Gandhi has defined power in 2 forms, one is obtained by the fear of punishment and the other by acts of love. According to him power based on love is a thousand times more effective and permanent than the one derived from fear of punishment. However, the world that we live in today has a different scenario wherein power spells authority, strength, capability and superiority. If we walk down history lane, we can see that all good and bad endeavours by individuals or groups in the past were directed at garnering power.

Be it world wars, political uprisings, revolutions, religious propaganda, scientific research, technological innovations, economic strategies, or ethnic-cultural dominance, almost everything was aimed at being powerful or being in the seat of power. So what is it about power that makes most of us go crazy after it? Well!! The simple reply to this would be... Who doesn't want to be powerful & experience the adrenaline rush? Of course, all of us just love that moment of power that allows us to do what we want to do on our terms.

Power has different meanings for different people, but the most common association of power is with money and that is why the rich and the powerful people in society always make headlines due to their high net worth. Another common imagery of power goes with political leaders who are seen as synonymous with power. In the 21st century, science and technology combined with marketing has also become another means of power along with media which has also emerged as a highly influential medium of power. It won't be exaggerating to say that media is one such source that affects all other powers as it can help to highlight downplay or even destroy the power value of all the above-mentioned powers. However in reality these are all outer forms or sources of power and since they are based on outer reality they tend to deplete or change and perish with time also they are unstable, unreliable and often disempowering. If that is so then what is the True source of power? The majority of us are unaware of the reality that True power is rooted in human consciousness i.e. in the soul. Yes!! But it's unfortunate that most of us, in our quest for power, totally forget that money or status



is the only means from which temporary power can be derived. Such power is also limited in its outreach, value or benefit. The sense of 'I' and 'mine' turns such power into a limitation and it has its influence for a limited period on a limited area of life to a limited degree. On the other hand, true power will be unlimited, benevolent and universal in its impact & hence it will automatically empower others. Therefore to reclaim our real power we need to first understand who we are and live life from a spiritual perspective because when the spirit is awake and aware it is indomitable. When we become aware of how powerful we are from within, we become free from all kinds of desires. Remember! A person who can control his thoughts and emotions and live by the highest values of peace, love, truth and joy under all circumstances is truly powerful. Such a person can influence and bring about change not only in his life but also in others' lives and the world around him. As children of the Supreme, every human being is a soul inherent with core values like peace, joy, love, purity, wisdom, power and bliss. Due to gross ignorance about these very values, we lose our true power and start searching for it in the wrong sources. That is why today the whole human race has become weak and impure. But! Now the Supreme Source of Power himself is guiding us all to regain our lost power and sovereignty by imparting knowledge of spirit (soul) through which we would become the rulers of our inner kingdom. So what are we waiting for? Let's just begin the journey to experience real power by connecting to our true selves and the Supreme Source.

(The writer is a spiritual educator and a popular columnist; views are personal)

Airfares to surge amidst aircraft shortage



SHIVAJI SARKAR

Indian air travelers are bracing for a steep hike in ticket prices as India is feeling the repercussions of a significant disruption in Boeing's production schedule



Airfares to shoot up sharply as airlines in India, the third largest in the world, face a shortage of aircraft. The airlines are to suffer as the US Boeing is in crisis for its Starliner space vehicle leakage and two fatal crashes defrauding the US government. Boeing has lost more than \$32 billion since 2019. Fewer companies could lose that kind of money and not be facing bankruptcy. Boeing may face three years of probation, independent safety audits and a penalty of \$ 487.3 million in penalty. It has put its new aircraft manufacturing off schedule causing delivery of far fewer planes to airlines in India. It would hamper the growth of the industry here and limit the capability to offer seats to fliers. It would result in severe seat shortages and spiralling fares.

The US Justice Department might charge Boeing with fraud if it does not plead guilty to two deadly Max crashes in 2018 and 2019 killing 346 people. The case stems from the department's determination that Boeing violated an agreement that was intended to resolve a 2021 charge of conspiracy to defraud the US government. Boeing is charged with misleading regulators who approved the 737 Max and set pilot-training requirements to fly the plane. The company blamed two relatively low-level employees for the fraud. Boeing reached a \$2.5 billion settlement for the 2018 and 2019 Ethiopian crashes with the Justice Department in January 2021 to avoid prosecution on a single charge of fraud — misleading federal regulators who approved the plane.

Boeing blamed the deception on two relatively low-level employees. In March 2019, an Ethiopian Airlines 737 MAX crashed, killing all 157 on board, after which regulators around the world grounded MAX aircraft. The crashes were blamed on a flaw with a newly-



BOEING REACHED A \$2.5 BILLION SETTLEMENT FOR THE 2018 AND 2019 ETHIOPIAN CRASHES WITH THE JUSTICE DEPARTMENT IN JANUARY 2021 TO AVOID PROSECUTION ON A SINGLE CHARGE OF FRAUD — MISLEADING FEDERAL REGULATORS WHO APPROVED THE PLANE

inducted system for pushing the aircraft nose down to prevent the plane from stalling.

This week the justice department's criminal fraud section told a federal court Boeing violated terms of the settlement by failing to make promised changes to detect and prevent violations of federal anti-fraud laws. The determination means that Boeing could be prosecuted "for any federal criminal violation," including the charge of fraud that the company hoped to avoid with the settlement, the Justice Department said.

The company handed over 27 planes in January, its lowest tally since September, compared with 67 deliveries in December. It sold three Boeing 737 Max planes but also logged three cancellations. As it was grappling with the situation on January 5, 2024, a door plug blew out on an Alaska Airlines flight at 16,000 feet shortly after take-off from Portland, Oregon. None was injured but it ripped off headrests and exposed passengers to a gaping hole in the 26th row. Bolts holding a door panel were also found missing, the US National Transportation Safety Board reported.

This led the Federal Aviation Administration (FAA) to halt Boeing's planned production increases till it was satisfied with the quality control issues.

The Max planes that Air India wants to buy, Boeing says, would have to rework about 50 of the undelivered planes because of incorrectly drilled holes in 22 fuselages or the larger outer shell that encompasses the main aircraft body.

It is a new production glitch that could slow deliveries further. Various FAA safety inspections would periodically stop the production line. The FAA says that it would allow the variant of the 737 Max 9 with the door plug to fly again — after demanding checks to the bolts on every plane. The family of two MAX victims want Boeing to face a criminal trial and pay a fine of \$ 24.8 billion. They are against plea bargaining saying this was just a reworking of "letting Boeing off the hook". In such a situation, the hope of Air India Express and Akasa getting their deliveries does not look bright.

Questions arise about how the two airlines agreed to the deal of MAX, which still has not cleared safety issues. China has reportedly cancelled some of its bookings. Amid such situations in June 2022, Tata Sons signed the agreement during the Paris Air Show for 20 Boeing Dreamliners, 10 Boeing 777X widebody aircraft, and 190 Boeing 737 MAX narrow-body aircraft along with 250 Euro Airbus for \$ 70 billion, according to Tata Sons and Air India chairman N Chandrababhan. In June 2023, IndiGo made the world's largest aircraft order by signing a deal for 500 A320 neo family planes from Airbus. IndiGo is expecting some Airbus 320 deliveries.

But that would not suffice the needs of the growing number of passengers. IndiGo is set to ground many aircraft. So would Spicejet, which met with several security issues. The delays, which are said to be unavoidable, would create a

shortage of aircraft almost with all major airlines, Indigo, Spicejet, Akasa and Air India.

Jet Airways and Go First have gone bankrupt adding to the shortage. The Boeing crisis could hit India hard with Air India and Akasa having fewer aircraft and an overall shortage of seats for domestic and international routes spiralling fares. Airlines in India carried a record 152 million passengers in 2023, a 30 per cent increase from 2022 and a 5 per cent rise over 2019. According to the Director General of Civil Aviation, the domestic air traffic from January to May rose 4 per cent during the period to 13.8 million.

The aviation industry fears that the reduced aircraft delivery is set to impact the aviation market severely more so as several passengers rise more owing to a fallacious dynamic Indian Railways fare structure. It hikes train fares to the level of air fares making people prefer to travel by air. This is impacting the railways and the airlines alike.

Fares in certain destinations like Kochi-Delhi Kolkata-Delhi Mumbai-Delhi or Guwahati-Delhi could skyrocket and match some of the international routes as the country does not have an integrated transportation approach. If the rail fares are cut and the reservation system rationalised, it could take off a significant load from the airlines. The unimaginative system predicts a scramble for airline tickets by the end of December winter vacation.

(The writer is a policy analyst; views expressed are personal)

Leadership shifts in the UK and Iran signal a new era of moderate politics

The recent election results in the UK and Iran reflect a broader global trend of voters favouring leaders who advocate for inclusivity and moderation

There has been a change of leadership in both the United Kingdom and Iran. In the UK, Rishi Sunak of the Conservative Party has been succeeded by Keir Starmer of the Labour Party. In Iran, the people have elected Masoud Pezeshkian, a reformist and relatively liberal candidate, as their new President.



AKHILESH SUMAN

favor of moderate leaders and parties.

This highlights how, when given the choice, people make thoughtful decisions on a large scale, guided by the current needs rather than the incessant rhetoric of hardliners invoking civilization and nationalism.

The Labour Party in Britain had been out of power for the last 14 years. Many predicted the party's demise and

believed the country would remain under Conservative rule indefinitely. The Conservatives, driven by their nationalistic desires, even led the UK out of the European Union, isolating the nation from its neighboring democracies. It is noteworthy that while the Conservatives' loss marks a historic low in the context of British democracy, the significant increase in seats for the Liberal Democrats, from 11 in 2019 to 72 now, represents a historic high.

As the Liberal Democrats are considered somewhat more left-leaning than even the Labour Party, there is a renewed emphasis on improving the quality of life for the common man, more so than at any other time in

the country's political landscape. Conversely, since the Islamic Revolution in 1979, Iran has consistently positioned itself against the West to assert its sovereignty. This stance has not only led to cultural conflicts with the West but also created significant challenges for Iran's economy. Its isolation and confrontations with G7 nations have weakened its oil-based economy.

Additionally, the Iranian people have periodically expressed their dissatisfaction with the country's social laws. With the recent changes in leadership in Britain and Iran, both new leaders have pledged to end their countries' isolation and foster global friendships. This suggests that the UK may seek to



renew ties with the European Union, and Iran may aim to improve relations with the West.

It will be interesting to see if Keir Starmer will reconsider Brexit and move the UK closer to the EU. Similarly, as the new Iranian President promises to "extend a hand of friendship to everyone," it

remains to be seen whether this will lead to peace with the USA and, eventually, with tech-rich Israel.

It will also be intriguing to observe if the Iranian leader can persuade the Supreme Leader to return to the Nuclear Non-Proliferation Treaty (NPT) framework, which is the main reason for

Iran's isolation in the West. These election results suggest a potential leftward shift in global politics, with significant changes occurring in both major European and Asian countries.

This could mean that governments will need to focus more on job creation and improving the quality of life for their citizens. Britain is currently facing financial difficulties and high inflation, despite soaring property prices.

Similarly, the Iranian people are feeling the weight of ever-increasing sanctions imposed by the US and its allies. Iranians need a new economy and a new approach to their relations with the West. While Western nations are cautiously optimistic

about the change in Iran, they are confident that the new Labour leadership in the UK will adopt a pragmatic approach. Moving away from the Conservative tactics of unnecessary assertiveness driven by nostalgic colonial attitudes, the UK will need to redefine its strategy and engage more openly with the public.

Finally, there is a message for political parties worldwide: if you stay connected with the grassroots and continue to address the issues of the common people in pragmatic ways, you will remain relevant and potentially revive.

(The writer is a senior journalist and has been covering foreign affairs and international politics; views are personal)